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September 23, 2020

The Hon. Donald J. Trump
Donald Trump for President
Arlington, VA 22209

Dear President Trump:

On behalf of the National Association of Clean Water Agencies (NACWA), please accept our congratulations on your nomination by the Republican Party as a candidate for President of the United States. Thank you also for your strong support for infrastructure investment – including water-related infrastructure investment – during your presidency.

As the campaign season swings into full gear, NACWA and its public clean water utility members request that you use the coming weeks of campaigning and the upcoming presidential debates to highlight areas of key importance to the public clean water sector and commit to addressing these issues in a potential second presidential term. We believe – and polls confirm – that clean water issues warrant attention on the campaign trail and resonate with voters around the country.

NACWA represents over 300 of the nation's publicly owned utilities that treat wastewater and manage stormwater. These utilities are on the front lines of public health and environmental protection every day – a fact that has become only more evident and important during the COVID-19 pandemic. NACWA's members spur economic growth and advance sustainable, environmental practices in communities of all sizes from coast-to-coast, providing critical support for healthy, thriving neighborhoods.

There are a number of pressing issues impacting the public clean water sector, as outlined below, that deserve your attention during the 2020 campaign season.

COVID-19 Relief

The public clean water sector is facing substantial and historic revenue losses due to the economic impact of COVID-19. NACWA estimates these losses nationally to reach as high \$16.8 billion for public clean water utilities, and this is on top of an estimated \$13.9 billion in losses

to drinking water utilities.¹ Unfortunately, despite playing a critical role to help slow the spread of the virus, clean water utilities have not received any direct federal COVID-19 assistance to date.

Without significant federal aid to address current revenue shortfalls, many public water sector utilities may soon have to make very difficult financial decisions about operations and maintenance expenses, capital investments and staffing. Simply raising water and sewer rates to offset revenue shortfalls is not a viable economic or political option for many utilities due to growing affordability concerns for low-income households – affordability challenges that existed well before the pandemic but have been substantially exacerbated by it.

NACWA encourages your campaign to push for at least \$30 billion in immediate relief to municipal drinking water and clean water utilities to help offset lost revenues from shuttered businesses and struggling households, cover new COVID-19 expenses and support infrastructure projects that can help create new jobs to put Americans back to work. The money should be made available as direct grants or forgivable loans to utilities with a directive that the funds be distributed as quickly as possible.

Additional Investment in Water Infrastructure

While national policy discussions around the need for greater infrastructure investment often focus on roads, bridges, railways, ports, and broadband, the need for investment in clean water infrastructure is just as important – if not more so – than these other sectors. NACWA requests that your campaign explicitly make investment in our sewer and stormwater systems a centerpiece of any infrastructure proposals, commensurate with other infrastructure sectors.

Our wastewater treatment facilities, underground pipes, collection systems, and stormwater management systems play a vital role in protecting public health and the environment and are suffering from years of underinvestment by the federal government. When enacted in 1972, the federal Clean Water Act envisioned a strong partnership between federal, state, and local governments to meet the Act's goals. Unfortunately, the costs of compliance have overwhelmingly fallen to the local level and individual ratepayers. In recent years, the federal cost share of water infrastructure has dropped below 5 percent.

To rectify this, in addition to the COVID-19 relief outlined above, NACWA advocates for a major infrastructure investment package in the 117th Congress next year with clean water and drinking water as a major component. Specifically, we recommend at least \$40 billion in new federal water infrastructure spending.

¹ COVID-19 Financial Impacts on the Water Sector, April 2020 - https://www.nacwa.org/docs/default-source/resources---public/water-sector-covid-19-financial-impacts.pdf?sfvrsn=98f9ff61_2

In addition to this one-time infusion of federal support, NACWA also requests a tripling in annual funding for at least the next five years for the Clean Water State Revolving Fund (CWSRF) and Water Infrastructure Finance and Innovation Act (WIFIA) program, along with full funding for EPA's Sewer Overflow and Stormwater Reuse Municipal Grants program. It is critical to ensure that more of these federal CWSRF dollars can be provided to communities as additional subsidization and/or negative interest loans, not solely low-cost financing. The federal government should also provide additional financial/administrative assistance to EPA and the state CWSRF financing authorities to facilitate distribution of these increased funds.

Greater Focus on Financial Impacts to Low-Income Communities and Environmental Justice Considerations

The COVID-19 pandemic has made abundantly clear the disproportionate impact that rising clean water rates are having on low-income households, particularly in communities of color. The federal government has long determined that food (through the federal Supplemental Nutrition Assistance Program) and energy (through the federal Low-Income Home Energy Assistance Program) are important enough basic services that warrant federal low-income support – the time has come for a similar federal approach to water.

Cognizant of the challenges households may face in paying their water bills, individual public clean water utilities have worked hard to establish local community assistance programs. The extent of the assistance these programs can provide is constrained by limited local funding sources and, in many cases, state laws governing how utilities can collect and use rates to subsidize other customers. The challenges of low-income households impact the entire community, as utilities face acute pressures to balance the need to maintain affordable rates for all households with the need to maintain and reinvest in their systems.

These circumstances call for federal assistance. With water and wastewater rates projected to continue rising to meet growing infrastructure investment costs, emerging water concerns and new environmental mandates, the time has come for a national low-income rate assistance program that provides support to the poorest households in a community to help ensure that utilities can set rates that reflect the true cost of clean water services. A national low-income water rate assistance program would help incentivize clean water utilities to raise rates where needed to ensure the revenue necessary to meet their infrastructure requirements, while at the same time lessening the burden on the poorest households.

Bipartisan [legislation has been introduced](#) to advance this concept in both the House and Senate, and a version of this concept was included in the House HEROES Act in May 2020. Critically, as these conversations advance, any proposal must recognize that preventing water service disconnections can reduce utility revenue significantly and identify how the federal government can help support low-income households pay for water service to avoid the threat of disconnection in the first place.

NACWA has also been working closely with the U.S. Environmental Protection Agency (EPA) to advance the concept of affordability assessments that fully account for the growing low-income challenge communities are facing. This important evolution in understanding affordability, coupled with a more robust reliance on integrated planning to ensure top compliance obligations that bring the most environmental bang for the buck are addressed first, should continue to be a top priority of the next Administration. NACWA also believes there should be a “compliance assistance first and enforcement only if needed” paradigm brought to EPA when dealing with the public clean water sector as a way of ensuring municipal-state-federal cooperation – not antagonism – is the predominant pathway for making environmental progress.

The issue of water affordability and low-income challenges also directly relates to discussions around environmental justice. Many of the disadvantaged communities that are disproportionately negatively impacted by water and wastewater issues, such as unhealthy levels of lead in drinking water or the public health risks from combined sewer overflows (CSOs), are the same communities and households that can least afford the rate increases that often come with large infrastructure investment projects needed to remediate public health and environmental threats.

We urge expanded environmental justice conversations that recognize the linkage of affordability challenges to public health and environmental disparities, to help guide a holistic policy discussion around ensuring that clean, safe and affordable water can be available to all Americans regardless of income or zip code – and what the federal government’s responsibility should be to achieve this outcome.

Training the Water Workforce of Tomorrow

The clean water workforce is facing significant challenges in the coming years as the “baby boomer” generation of employees retires and takes decades of operational and institutional knowledge with them. At the same time, the sector struggles to recruit and retain new workers to fill these unheralded but vital public service roles. Related to this, the clean water sector is also making concerted efforts to develop a more diverse and inclusive workforce that reflects the communities they serve.

NACWA encourages your campaign to support the existing federal water [workforce grants program](#) at EPA, expand funding for this program to at least \$10 million annually and provide a particular focus on grants to partnerships between community colleges, vocational schools, and local water utilities. This program helps create an educational pipeline for filling critical utility jobs – and helps local workers learn about good environmental job opportunities in their community.

Promoting Water Sector Technology and Innovation

Our nation’s clean water agencies have made tremendous strides in addressing public health and environmental issues over the past 50 years. But new challenges – from emerging contaminants,

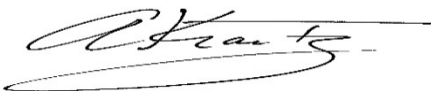
to infrastructure replacement costs, to the need to make our infrastructure resilient and responsive to climate change – will require more innovative solutions for the next 50 years.

There are exciting new technologies currently in the market and in the development pipeline that can help clean water utilities operate more efficiently and address emerging concerns, allowing them to better protect public health and the environment. While the market is helping to advance and promote these technologies, the clean water sector could benefit from federal research initiatives similar to others that have aided critical sectors such as energy.

NACWA requests that your campaign highlight and promote the importance of federal support for the development and implementation of new technologies in the water space. In particular, NACWA encourages passage and full funding of the existing bipartisan [Advanced Research Projects Agency – Water \(ARPA H2O\) legislation](#) that would create a new entity within EPA to spur clean water research, technology and innovation. As envisioned, ARPA H2O would provide federal funding assistance to drinking water and clean water systems, private sector entities, academic research institutions, and nonprofit organizations that are developing innovative and technologically advanced methods to improve the treatment, monitoring, delivery, affordability and safety of drinking water and clean water.

Thank you in advance for your consideration and support of these important priorities for the public clean water sector. NACWA and its members are willing to provide additional information and insight on these issues to your campaign in any way that would be helpful. Please do not hesitate to contact Nathan Gardner-Andrews, NACWA General Counsel & Chief Advocacy Officer, at 202/833-3692 or ngardner-andrews@nacwa.org with any questions or for more information.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Krantz", with a long horizontal flourish extending to the right.

Adam Krantz
CEO