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Written Testimony to House Appropriations- Interior & Environment Subcommittee  
March 23, 2016

Agency: USEPA

Program: State Revolving Funds; Integrated Planning

Funding Request: Reject any cuts to Clean Water SRF; Provide at least \$6.5 million for Integrated Planning

As the Appropriations Committee begins to develop legislation to fund EPA in the 2017 fiscal year, the National Association of Clean Water Agencies (NACWA) appreciates your support of strong funding for programs that help provide clean and safe water infrastructure while making local utility investments more manageable for ratepayers.

As you know, the ongoing water crisis in Flint, Michigan has focused national attention on the needs of our water infrastructure. This has prompted welcome proposals by some members of Congress to dramatically boost water infrastructure spending next year. One such proposal would provide \$2 billion each to the Clean Water and Drinking Water State Revolving Funds (SRFs), well-established programs that deliver funding to all states to help communities improve their water and wastewater infrastructure to protect public health. NACWA strongly supports these higher proposed funding levels to dramatically increase SRF appropriations in the 2017 fiscal year while bringing parity to Clean Water and Drinking Water SRF funding levels.

We also recognize that the budgetary situation faced by Congress may prevent total SRF appropriations from reaching these levels in FY17. If that is the case, at minimum we urge Congress to reject any cuts to the Clean Water SRF in 2017 – including those proposed in the President’s budget – and to bring the Drinking Water SRF to an equal level of funding.

The Clean Water SRF is heavily utilized across the U.S. to help clean water utilities meet their many regulatory requirements under the Clean Water Act through more affordable financing terms which help ensure local ratepayers can afford their clean water bills. Clean Water SRF funds have been instrumental in many communities’ successes in complying with National Pollutant Discharge Elimination System (NPDES) permits, implementing secondary (biologic) treatment of wastewater, and reducing the frequency and size of sewer overflows during wet weather events. Clean Water SRFs are also increasingly used for innovative stormwater and nutrient management projects and to implement green infrastructure, which can provide cost-effective water quality improvements while also providing green spaces and improving community quality of life.

Clean water utilities will also be looking to leverage low-cost financing from the Clean Water SRF to implement controls to maintain compliance with new and updated regulatory requirements from EPA. Regulatory and guidance changes ranging from updated water quality

standards for ammonia to new air emission standards for Sewage Sludge Incinerators impose costs for clean water utilities. On the enforcement side, municipal wet weather issues will continue to be an enforcement priority for EPA in FY17. This is anticipated to likely lead to new federal consent decrees for which communities will need to finance hundreds of millions of dollars in additional improvements. Many POTWs are also facing increasingly stringent nutrient limits, which can similarly impose compliance costs in the hundreds of millions of dollars for individual communities. The Clean Water SRF serves as an essential tool helping utilities meet their new requirements and limits.

While attaining strong SRF funding levels is clearly essential, in light of the massive costs clean water utilities face we also urge Congress to deliver robust funding to other important water infrastructure programs. In particular, we urge at least \$6.5 billion to continue EPA's Integrated Municipal Stormwater and Wastewater Planning Approach (Integrated Planning), which helps communities address their EPA regulations cost-effectively and strategically. Integrated Planning allows clean water utilities and their communities to strategically prioritize clean water investments to provide greater "bang for the buck" in addressing environmental and public health issues more holistically and cost-effectively.

Additionally, providing more robust SRF funding levels will help our nation's water and wastewater systems begin to address the billions of dollars of investment needs they face in the coming decades. EPA has reported that our wastewater systems face \$271 billion in documented needs over the next twenty years—investments in publicly owned wastewater conveyance and treatment facilities, sewer overflow correction, and stormwater management. Drinking water systems require \$384 billion in infrastructure rehabilitation and improvements over the same timeframe according to an EPA report. And these numbers likely do not reflect the true investment needs facing communities around the nation. With the crisis in Flint renewing national attention on water infrastructure, now is the time to take a stand by appropriating strong funding to the programs that help our communities ensure the ongoing delivery and treatment of clean and safe water.

Thank you for your thoughtful consideration, and please do not hesitate to contact NACWA for additional information.