

*Association of State Drinking Water Administrators*

**Testimony to the House Appropriations  
Subcommittee on Interior, Environment, & Related Agencies for EPA Funding**

**Who We Are:** I am John Calkins, President of the Association of State Drinking Water Administrators (ASDWA). ASDWA represents the state drinking water programs in the fifty states, territories, District of Columbia, and the Navajo Nation in their efforts to provide safe drinking water to more than 275 million consumers nationwide.

*Summary of Request:*

*ASDWA respectfully requests that, for FY 15, the Subcommittee appropriate funding for three programs at levels commensurate with Federal expectations for performance; that ensure appropriate public health protection; and that will result in enhancing economic stability and prosperity in American cities and towns. ASDWA requests \$200 million for the Public Water System Supervision (PWSS) program; \$1.3 billion for the Drinking Water State Revolving Loan Fund (DWSRF) program; and \$10 million for state drinking water program security initiatives. A more complete explanation of the needs represented by these requested amounts and their justification follows.*

*How States Use Federal Funds:*

**Public Health Protection:** States need increased Federal support to maintain overall public health protection and to support the needs of the water systems they oversee. State drinking water programs strive to meet public health protection goals through two principal funding programs: the Public Water System Supervision Program (PWSS) and the Drinking Water State Revolving Loan Fund (DWSRF) Program. These two programs, with their attendant state match requirements, provide the means for states to work with drinking water utilities to ensure that American citizens can turn on their taps with confidence that the water is both safe to drink and the supply is adequate. In recent years, state drinking water programs have accepted additional responsibilities in the area of water system security that include working with all public water systems to ensure that critical drinking water infrastructure is protected; that plans are in place to respond to both natural and manmade disasters; and that communities are better positioned to support both physical and economic resilience in times of crisis.

Vibrant and sustainable communities, their citizens, workforce, and businesses all depend on a safe, reliable, and adequate supply of drinking water. Economies only grow and sustain themselves when they have reliable water supplies. Over 90% of the population receives water used for bathing, cooking, and drinking from a public water system – overseen by state drinking water program personnel. Firefighting also relies on water from public water systems to ensure public safety. Even people who have their own private wells will visit other homes, businesses, and institutions served by a public water system. As important as public water systems are to the quality of water we drink and our health, the majority of water produced by public water systems is used by businesses for a variety of purposes, including processing, cooling, and product manufacturing. The availability of adequate

supplies of water is often a critical factor in attracting new industries to communities. Public water systems -- and the cities, villages, schools, and businesses they support -- *rely on state drinking water programs* to ensure they are in compliance with all applicable Federal requirements and the water is safe to drink. Several incidents in the U.S. over the past several years that have led to illnesses or deaths from unsafe drinking water serve as stark reminders of the critical nature of the work that state drinking water programs do -- every day -- and the dangers of inadequately funded programs,

**The PWSS Program:** To meet the requirements of the Safe Drinking Water Act (SDWA), states have accepted primary enforcement responsibility for oversight of regulatory compliance and technical assistance efforts for over 155,000 public water systems to ensure potential health-based violations do not occur or are remedied in a timely manner. Over 90 contaminants are regulated in Federal drinking water regulations and the pace of regulatory activity has accelerated in recent years. Beyond the contaminants covered by Federal drinking water regulations, states are also implementing an array of *proactive* initiatives to protect public health from “the source to the tap.” These include source water assessments and protections for communities and watersheds; technical assistance with water treatment and distribution for challenged utilities; and enhancement of overall water system performance capabilities. In recent years, states have also taken on an increasingly prominent role in working with Federal and local partners to help ensure sufficient water *quantity*. In short, state activities go well beyond simply ensuring compliance at the tap – and, they perform all of these tasks more efficiently and cheaply than would be the case if the program were Federally implemented. In short, well supported state programs are a “good deal” for America.

**The DWSRF Program:** Drinking water in the U.S. is among the safest and most reliable in the world, but it is threatened by aging infrastructure. Through loans provided by the DWSRF, states help water utilities overcome this threat. The historical payback to the DWSRF on this investment has been exceptional. In the core DWSRF program, \$15.7 billion in cumulative Federal capitalization grants since 1997 have been leveraged by states into over \$25.8 billion in infrastructure loans to small and large communities across the country (through the end of 2013). Such investments pay tremendous dividends -- both in supporting our economy and in protecting our citizens’ health. Many state drinking water programs have also used “set-asides” from the DWSRF to support the technical assistance and training needs of numerous small drinking water systems and to help these water systems obtain the technical, managerial, and financial proficiency needed to meet SDWA requirements.

**State Drinking Water Security Responsibilities:** State drinking water programs are critical partners in emergency planning, response, and resiliency at all levels of government. In fact, states are typically the critical nexus between Federal and local levels officials in emergency situations. State primacy agencies provide key resources and critical support -- regardless of whether the emergency is rooted in terrorism, natural disasters, or cyber intrusions. States continually work toward integrating security considerations throughout all aspects of their drinking water programs.

***Why Increased Funding is Urgently Needed:***

**State Drinking Water Programs are Hard Pressed and the Funding Gap Continues to Grow:** States must accomplish all of the above-described activities -- and take on new responsibilities -- in the context of a challenging economic climate. This has meant operating with less state-provided

financial support – which has historically compensated for inadequate Federal funding. State drinking water programs have often been expected to do more with less and states have always responded with commitment and integrity. However, state drinking water programs are stretched to the breaking point. Insufficient Federal support for this critical program increases the likelihood of a contamination event that puts the public’s health at risk. Although the 1996 SDWA Amendments authorized the PWSS Program at \$100 million per year, appropriated amounts have only recently reached that authorized level – a level that now, more than 17 years from the date of those amendments, falls far short of the amount needed. \$101.9 million was appropriated for the PWSS program in FY 14 and the Administration requested only \$109 million in FY 15. These amounts are woefully inadequate for the enormity of the task faced by state drinking water programs. We believe, based on our assessments of every state’s need (in a report we released in January 2014), that *at least twice that amount is needed*. Inadequate Federal funding for state drinking water programs has a number of negative consequences. Many states are simply unable to implement major provisions of the newer regulations, leaving the work undone or ceding the responsibility back to EPA, which is also challenged by the Agency’s own resource constraints and lack of “on the ground” expertise. This situation has created a significant implementation crisis in several regions of the country and is ultimately delaying implementation of critically needed public health protections.

**Drinking Water Infrastructure Investment is Well below Documented Need:** In 2013, the Association of Civil Engineers gave the nation’s water infrastructure a D+ grade and EPA’s most recent National Drinking Water Infrastructure Needs Survey (2011) indicated that drinking water system infrastructure needs total \$384 billion over the next 20 years. The American Water Works Association recently estimated that 20 year need at \$1 trillion. Investment is needed for aging treatment plants, storage tanks, pumps, and distribution lines that carry water to our nation’s homes, businesses and schools. States are also providing, in many cases, state funding to augment federal assistance, as the total loan figures noted above demonstrate. The DWSRF must continue to be a key part of the solution to the nation’s infrastructure crisis. Further, as mentioned earlier, states can “set-aside” funds from the DWSRF (up to 31% of the grant) for a variety of critical tasks, such as shoring up the technical, managerial, and financial capacity of public water systems. Set-asides are thus an essential source of funding for states’ public health protection programs and these efforts work in tandem with infrastructure loans.

**State Drinking Water Security Funds Are Urgently Needed:** After seven years of Congressional support for state security programs through a small grant of approximately \$5 million in EPA’s appropriations (from FY 02 through FY 08), *no funds* have been provided for this purpose since FY 09 and none are requested by the Administration for FY 15. It is very difficult to understand why this small, but essential grant to states has been zeroed out of EPA’s proposed budget and why Congress has not supported state drinking water security programs. State drinking water programs urgently need funds to continue to maintain and expand their security activities, particularly in partnership with small and medium public water systems.

***Detailed Justification for FY 15 Request Levels:***

**For the PWSS Program in FY 15, ASDWA respectfully requests \$200 million:** The number of regulations requiring state implementation and oversight as well as performance expectations continue to grow while at the same time, the Federal funding support necessary to maintain

compliance levels and meet expectations has been essentially “flat-lined.” Inflation has further eroded these inadequate funding levels. States want to offer the flexibilities allowed under existing rules/requirements to local water systems; however, fewer state resources mean less opportunity to work one-on-one with water systems to meet their individual needs. The figure recommended below is based on ASDWA’s January 2014 resource needs report and begins to fill the above-described resource gap. These funds are urgently needed for implementing new drinking water rules, taking on a number of other new initiatives, and accounting for the eroding effects of inflation. We further recommend that Congress not allow any Federal funds already appropriated to state drinking water programs to be rescinded.

**For the DWSRF Program in FY 15, ASDWA respectfully requests \$1.3 billion:** States were very encouraged by the \$1.387 billion appropriated for the DWSRF in FY 10 but are disappointed at the subsequent downward trend -- \$963 million in FY 11, \$919 million in FY 12, \$854 million for FY 13 (a figure not seen since 2006), and, a somewhat better \$907 million in FY 14. Of particular concern to the drinking water community is the Administration’s request of \$757 million for FY 15; a figure we consider to be unacceptably low. The primary purpose of the DWSRF is to improve public health protection by facilitating water system compliance with national primary drinking water regulations through the provision of loans to improve drinking water infrastructure. Water infrastructure is needed for public health protection as well as a sustainable economy, as explained above. States have very effectively and efficiently leveraged Federal dollars with state contributions to provide assistance to more than 10,000 projects, improving health protection for millions of Americans. The U.S. Conference of Mayors reports that each public dollar invested in water infrastructure increases private long-term Gross Domestic Product output by \$6.35. In light of these indicators of success and documented needs, we believe funding at the \$1.3 billion level (commensurate with the FY 10 appropriation) will better enable the DWSRF to meet the SDWA compliance and public health protection goals for which it was designed.

**For State Drinking Water Security Programs in FY 15, ASDWA respectfully requests \$10 million:** Given the realities and the lessons learned from recent catastrophic events such as Hurricane Sandy in New York and New Jersey; tornados in central Oklahoma; wildfires and floods in Colorado; and continuing drought in Texas – to name but a few -- state drinking water programs are working more closely than ever with their water utilities to evaluate, assist, and support drinking water systems’ preparedness, response, and resiliency capabilities. States continue to expand their efforts to reflect a resilient, “all hazards” approach to water security and to assist public water systems of all sizes – with a particular focus on smaller water systems that most need help.

**Conclusion:** *ASDWA respectfully recommends that the Federal FY 15 budget needs for states’ role in the provision of safe drinking water be adequately funded by Congress. A strong state drinking water program supported by the Federal-state partnership will ensure that the quality of drinking water in this country will not deteriorate and, in fact, will continue to improve – so that the public can be assured that a glass of water is safe to drink no matter where they travel or live. States are willing and committed partners. However, additional Federal financial assistance is needed to meet ongoing and ever growing regulatory, infrastructure, and security needs. In 1996, Congress provided the authority to ensure that the burden would not go unsupported. For Fiscal Year 2015, ASDWA asks that the promise of that support be realized.*