

**“Drinking Water Systems Improvement Act”**

**Subcommittee on Environment and the Economy  
House Energy and Commerce Committee**

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Good Morning Chairman Shimkus, Ranking Member Tonko, and Members of the Subcommittee. Thank you for this opportunity to talk about our Nation’s drinking water systems and how state drinking water programs support them. My name is Lisa Daniels and I am the Director of the Bureau of Safe Drinking Water at the Pennsylvania Department of Environmental Protection. I am also the President-Elect of the Association of State Drinking Water Administrators (ASDWA), whose 57 members include the 50 state drinking water programs, five territorial programs, the District of Columbia and the Navajo Nation. Our members and their staff are on the front lines every day, ensuring safe drinking water and protecting public health. Their technical assistance and support, as well as oversight of the drinking water systems, are critical to providing safe drinking water and protecting public health.

Today, I’d like to talk with you about how the 1996 Safe Drinking Water Act (SDWA) Amendments have increased compliance for public water systems, the challenges that remain, and the tools and the resources that can be used for continuous improvement of the nation’s water supply. My remarks will focus on the proactive elements of the 1996 Amendments and how these programs have built a framework of cooperation between water systems and state primacy agencies as well as enhanced performance by public water systems through training, education, outreach, and other support mechanisms.

## Overview

For each of the 50 state drinking water programs, territorial programs, and the drinking water program of the Navajo Nation, our principal and enduring goal is public health protection. 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 safe and reliable water supplies. More than 90% of the American population receives water used for bathing, cooking, fire protection, and drinking from a public water system – *overseen by state drinking water program personnel*. Public water systems rely on state drinking water programs to ensure they meet all applicable Federal requirements and the water is safe to drink.

## The 1996 Safe Drinking Water Act (SDWA) Amendments

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 more than 152,000 public water systems to ensure that potential health-based violations do not occur or are remedied in a timely manner. To achieve this public health protection goal, states interact with the public water systems through a broad range of activities, including:

- Adopting Federal regulations or developing their own state-level regulations that are at least as stringent as the Federal regulations;
- Providing technical assistance and training for water systems on regulations, treatment, and technical, managerial, and financial issues;
- Reviewing plans and specifications for modifications to existing water systems and water infrastructure improvement projects;
- Inspecting water systems, including a review of all components from source to distribution and an audit of systems' record-keeping;
- Managing operator certification programs to ensure that treatment plant operators and distribution system personnel are appropriately certified and trained;

- Managing laboratory certification programs to ensure that the compliance monitoring analytical results are of the appropriate quality;
- Managing source water protection and capacity development programs;
- Managing water system security and preparedness programs;
- Reviewing applications and closing loans for the Drinking Water State Revolving Loan Fund (DWSRF);
- Managing compliance data and reporting results to EPA's Safe Drinking Water Information System (SDWIS);
- In some states, collecting compliance samples and conducting laboratory analysis; and
- When necessary to ensure compliance with public health standards, taking enforcement actions.

States accomplish this range of activities through two principal Federal funding sources – the Drinking Water State Revolving Loan Fund (DWSRF) and the Public Water System Supervision (PWSS) grant program. Taken together, these two Federal funding programs provide the means for states to work with their water systems to ensure that public health is protected. More than 90 contaminants are currently regulated under the SDWA and the vast majority of community water systems are in compliance with the health based-standards. In fact, in the years since the 1996 SDWA Amendments were enacted, the national compliance percentage with health-based standards has increased from 85% to 93% (by 2013, the most recent date for which data is available). But what about those systems that struggle?

### **The Drinking Water State Revolving Fund (DWSRF)**

We are all aware that one of the greatest challenges facing the drinking water community today is aging infrastructure. The DWSRF, although only 20 years old, is a remarkable success story. It has allowed states to award project dollars to utilities to help them upgrade their treatment plants, rehabilitate their distribution systems, install more protective technologies, and generally improve their aging infrastructure. Since its inception, the DWSRF has touched more than 852 million Americans through projects that enhance drinking water capabilities at water utilities. In the core DWSRF program, approximately \$18.2

billion in cumulative Federal capitalization grants have been leveraged by states into over \$32.5 billion in infrastructure loans to small and large communities across the country. 25.5% of the cumulative DWSRF assistance has been provided to disadvantaged communities. Such investments pay tremendous dividends – both in supporting our economy and in protecting our citizens' health. States have very effectively and efficiently leveraged Federal dollars with state contributions to provide assistance to more than 13,000 projects, improving health protection for millions of Americans. And, as described in the section below, DWSRF set-asides are an essential source of funding for states' core public health protection programs and work in tandem with infrastructure loans to support water system needs.

### ***Drinking Water Set-Asides***

A major component of the 1996 SDWA Amendments was new statutory language that allowed states, for the first time, to provide financial support for proactive measures in their work with drinking water systems to both support and meet their needs. These were all funded through what we call "set-asides" under the new Drinking Water State Revolving Loan Fund, the DWSRF. Specific percentages of a state's DWSRF can be set aside for programs relating to support for operator certification; enhancing a system's technical, financial, and managerial capabilities to attain and then sustain compliance with all applicable Federal requirements; and source water and wellhead protection initiatives; as well as training and technical assistance across all programmatic elements of implementing the SDWA. These proactive initiatives support water systems as they strive to enhance their performance and better protect public health. They also provide the financial wherewithal often not otherwise available for systems in need to meet their public health protection responsibilities. These programs offer the opportunity for states and systems to work together. Here's how they work...

Through the set-asides, states can provide training for operators. Programs can be designed to address specific needs from the simple, such as basic math, to the complex, such as how to run a jar test on raw water to determine the appropriate coagulant dose under variable water quality conditions. Such training opportunities mean that water system operators learn about new techniques to keep their systems in

good working order as well as learn how to meet new regulatory requirements. Training also helps operators maintain the necessary certifications to properly operate a variety of treatment technologies, noting that advanced water treatment technologies take a highly trained operator with a suite of math, water chemistry, mechanical, and computer skills to operator correctly. Through these state programs, operators may also improve their range of knowledge and take on greater responsibilities.

Set-asides also give states the flexibility to find ways to work with individual water systems to enhance and maintain their technical, managerial, and financial capabilities. This capacity development program allows states to provide support for struggling systems as a means to attain and maintain compliance without resorting to financial penalties or other enforcement mechanisms. While we tend to group systems into broad challenge categories –disinterested owners, no certified operator, inadequate rates – the reality is that each system presents a unique set of circumstances. Although technical proficiency is often the most obvious key to compliance, efficient management and effective financial strategies are equally critical components of a well-run water system. Capacity development, through the set-asides, allows the state drinking water program to respond to those unique challenges and fashion an effective and achievable solution for that system.

Source water and wellhead protection programs also make use of set-asides. As a first step, statewide source water assessments were developed to provide the framework for local utility-based source water protection programs. These programs can help systems avoid additional costs for increasing treatment capacity and avert the need to install advanced treatment technologies. Other uses include support for public water systems to update their assessments and develop and implement protection plans and voluntary, incentive-based actions such as agricultural resource and livestock management, land acquisition, and conservation easements that help protect source water quality and reduce nonpoint source pollution. As well, the set-asides are also used to implement stormwater management projects, abandoned well programs, and efforts to address malfunctioning septic systems to reduce the infiltration of contaminants into underground sources of drinking water.

While the above outlines many of the principal uses for set-asides, there are other ways that set-asides offer new opportunities for water systems to improve their capabilities. Set-asides also provide training on new science-based regulations, allow technical assistance to help systems understand and meet new rule requirements, and provide training for communications protocols such as Consumer Confidence Reports and enhanced Public Notification. States also have been enthusiastic partners with the EPA in bringing the concept of asset management to smaller water systems through training and technical assistance. Set-asides also support efforts such as developing performance-based training strategies and sharing area wide optimization protocols.

More recently, state drinking water programs, in concert with EPA, have been looking at new ways to encourage water systems to consider a range of low or no cost options to enhance their capabilities. They include a range of tools and resources such as shared purchasing, shared spare parts and back-up equipment, broader use of contract operations, contracted services (meter reading, payroll, billing, etc.), water line extensions (where feasible), system consolidation, formation of a regional water system, or purchase of an adjacent system. Loosely termed “partnerships,” these options can be as simple as sharing a backhoe or as complex as merging with a neighboring system. States are encouraging systems to evaluate which, if any, of the range of options may improve their operations and better position them to protect public health. States are prepared to work with these systems should they decide to modify their management or operations.

As an example of how states use these set-asides in a proactive manner, I’d like to tell you about the Stockton Water System in my own state of Pennsylvania. Stockton is a very small (43 homes) community. Although its water system may have been in operation for several years, the original homeowners/managers/operators had moved away or passed away and Stockton was operating as an untreated, unfiltered, and unpermitted surface water system. The state “discovered” the system in 2014 because of customer complaints and found several pathogens in the water – *E. coli*, *Giardia*, and *Salmonella* just to name a few. While the violations continued to mount, traditional strategies or enforcement actions would have been of little practical use to the residents of Stockton. They needed a

different kind of help to regain confidence in their drinking water and know that their water was safe to drink.

Pennsylvania has developed two capacity development-based initiatives that came into play for Stockton. The first, the Capability Enhancement Facilitator Program, provided an initial assessment of TMF capability and also provided onsite technical assistance and education to help Stockton and local and state representatives understand the challenges. The second, Pennsylvania's Professional Engineering Services Program, helped with feasibility studies and design work to find the best approach to return Stockton to compliance. These two initiatives came together with the state's DWSRF program – PENNVEST. PENNVEST is the states SRF funding agency.

The three state-based programs worked collaboratively to identify what the state calls a "White Knight," a willing, well run partner, in this case the nearby Hazelton City Authority. Hazelton agreed to work with Stockton, make the DWSRF application, extend water service, and replace the existing distribution system in Stockton and keep water rates at an affordable \$35.50 per month. Total project cost? \$2.21 million underwritten by PENNVEST. Stockton now has a safe, reliable supply of drinking water and Hazelton now has 43 new customers.

Solutions such as this one would not be possible without the availability of set-asides to support water system challenges; providing an achievable path to a DWSRF loan; and restoring public health protection. In short, drinking water systems, and ultimately the public through increased public health protection, are the direct beneficiaries of the work accomplished through the DWSRF set-asides.

## **The PWSS Program**

The Public Water System Supervision or PWSS program forms the critical core of all of our public health protection efforts. This program provides the means for state drinking water programs to ensure that all public water systems – large and small communities, schools, child care facilities, restaurants, places of business, highway rest stops, campgrounds – provide a reliable and safe supply of water that is available for all thirsty Americans. For more than 40 years, states have willingly accepted these responsibilities. In recent years, state drinking water programs have accepted additional responsibilities in water system security and resiliency that include working with all public water systems to ensure that critical drinking water infrastructure is protected, including cyber security; 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.

## **More Work is Needed**

From a public health perspective, 93% compliance with health-based standards is not optimal. State drinking water programs continue to strive toward a higher national goal for public health protection. The ability to support our water systems is essential to success for our communities. However, state drinking water programs are extremely hard pressed financially and the funding gap continues to grow. States must accomplish all the above-described activities – and take on new responsibilities – in the context of a challenging economic climate. State-provided funding has historically compensated for inadequate Federal funding, but state budgets have been less able to bridge this funding gap in recent years. State drinking water programs have often been expected to do more with less and states have always responded with commitment and integrity, but they are currently stretched to the breaking point. Insufficient funding support for these critical programs increases the likelihood of contamination events that put the public's health at risk. We do not want to see another Charleston, WV or Toledo, OH, or Flint, MI.

State drinking water programs want to broaden their support for water systems. They want to find the best solutions for the greatest number of system needs. They want to be able to help water systems sustain their abilities to provide reliable, safe water supplies at a reasonable cost to their customers. This is the public health protection goal for the drinking water community.

To achieve this goal, however, states need Congressional support. For the past four years, state PWSS programs have been flat funded at \$101.9 million. The DWSRF has seen decreased funding. In FYs 14 and 15, \$906.8 million was awarded for the infrastructure loan program but FYs 16 and 17 saw the award decrease to \$863.2 million. These essential public health programs with well-documented needs and successes must be fully supported, even in these economically challenged times.

ASDWA recommends that the PWSS program be funded at \$200 million to allow states to continue their core programmatic work with water systems to ensure safe drinking water. Additionally, ASDWA recommends that the DWSRF be funded at \$1 billion. This funding level will provide needed funding to make additional awards for infrastructure improvements, work with distressed communities in need, support small systems that need assistance to sustain their capabilities, and continue to provide training and technical assistance on the wide array of rules and regulations designed to protect public health. ASDWA also recommends that funding continue for WIFIA, as this new funding program shows promise for increasing the level of infrastructure investments.

## **Summary**

In summary, the 1996 SDWA Amendments offered the water community a promise of enhanced public health protection through a framework of traditional and proactive collaborations between state drinking water programs and the water systems they oversee. Much progress has been made in these efforts and more work is needed to protect public health and maintain the economic health of our communities. State drinking water programs work in partnership at the Federal level with EPA and other Federal health and environmental programs.

Equally important are our local partners – the water utilities themselves. While most Americans receive, by volume, their drinking water from medium and large water utilities, the vast number of the 152,000 public water systems in the United States are small (more than 90% of all community water systems serve less than 10,000 people). Innovative tools and resources are needed to increase compliance for this large cohort of small systems. The level of effort required to support and sustain each of these systems requires trust and collaboration and a willingness to partner. State drinking water programs are committed to fulfilling the promise of the 1996 SDWA Amendments.