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FROM SOURCE TO TAP:

A HEARING TO EXAMINE CHALLENGES AND OPPORTUNITIES FOR SAFE, RELIABLE, AND AFFORDABLE DRINKING WATER

TUESDAY, FEBRUARY 24, 2026

House of Representatives,

Subcommittee on Environment,

Committee on Energy and Commerce,

Washington, D.C.

The subcommittee met, pursuant to call, at 10:15 a.m., Room 2123, Rayburn House Office Building, Hon. Gary Palmer [chairman of the subcommittee], presiding.

Present: Representatives Palmer, Latta, Griffith, Carter of Georgia, Joyce, Pfluger, Miller-Meeks, Fedorchak, Guthrie (ex-officio); Tonko, Ruiz, Peters, Soto, Carter of Louisiana, Menendez, Landsman, and Pallone (ex-officio).

Also present: Representative Dingell.

Staff Present: Byron Brown, Chief Counsel; Christian Calvert, Press Assistant; Jessica Donlon, General Counsel; Sydney Greene, Director of Finance and Logistics; Christen

Harsha, Senior Counsel; Annabelle Huffman, Clerk; AT Johnson, Special Advisor; Sophie Khanahmadi, Deputy Staff Director; William Layton, Policy Analyst; Seth Ricketts, Clerk; Chris Sarley, Member Services/Stakeholder Director; Timothy Trimble, Staff Assistant; Jane Vickers, Press Assistant; Katharine Willey, Senior Counsel; Giancarlo Ceja, Minority Staff Assistant; Timia Crisp, Minority Professional Staff Member; Ava Digre, Minority Intern; Waverly Gordon, Minority Deputy Staff Director and General Counsel; Tiffany Guarascio, Minority Staff Director; Caitlin Haberman, Minority Staff Director, ENV; Jackson Hall, Minority Intern; Elisabeth Mellen, Minority Intern; Emma Roehrig, Minority Staff Assistant; and Kyle Wolf, Minority Press Intern.

*Mr. Palmer. The Subcommittee on Environment will come to order. The Chair recognizes himself for five minutes for an opening statement.

Good morning. Welcome to Ranking Members Pallone and Tonko, my colleagues, and to our witnesses for this hearing of the Subcommittee on Environment. Today's hearing provides a timely and important opportunity to examine the safety, reliability, and affordability of our nation's drinking water system.

For those of you who have been following the news in recent weeks, a sewer line in suburban Maryland ruptured in January and released more than 200 million gallons of untreated sewage into the Potomac River, which separates Maryland and the District of Columbia from Virginia and is the main source of drinking water for millions of Americans and visitors to our national capital region. The D.C. Government just last week declared a state of emergency and -- as a result of the sewage spill, and President Trump has directed the U.S. Environmental Protection Agency and the Federal Emergency Management Agency to take a lead role in coordinating the cleanup and response to this unfortunate incident.

Given the significance of the spill and its potential impact on public health, interstate commerce, and drinking water in the environment in the nation's capital region, this

committee has begun an investigation of what was known about the risk of this rupture, and if it could have been avoided.

Local authorities say the drinking water supply has not been affected, and that the intakes at Great Falls are located up the river from the sewage spill, and that the intakes at Little Falls have been closed. D.C. Water was contacted, but declined to testify at today's hearing.

Congress first enacted the Safe Drinking Water Act more than 50 years ago, and amended it several times since. One of the goals of this hearing is to hear how the law is working and what, if anything, needs to be modernized to address current challenges.

Many Americans receive their drinking water from publicly-owned water utilities who have to navigate the law's complicated regulatory requirements, manage both aging infrastructure and an aging workforce, and provide safe and affordable water to their customers. We will hear from two of these utilities today: Eric Hill, general manager of the Russellville, Alabama Water and Sewer Board; and Lindsey Rechtin, president and CEO of Northern Kentucky Water District.

In recent years Congress has appropriated EPA more than $1 billion annually for the Drinking Water State Revolving Loan Fund, an important source of infrastructure funding for states and local utilities. However, as part of the

Infrastructure Investment and Jobs Act, EPA received a supplemental appropriation of more than 50 billion for water infrastructure. I look forward to hearing from EPA's deputy inspector general about how EPA has been using that money and whether taxpayers have gotten what they paid for, or if these precious tax payer dollars are at risk.

We will hear from a witness from the National Resources Defense Council with a background on water issues.

I appreciate the focus on modernization. I think that is a very important part of this hearing.

I thank the witnesses for their input and look forward to working with my colleagues on the committee to identify common-sense solutions to protecting and modernizing our drinking water system.

[The prepared statement of Mr. Palmer follows:]

**********COMMITTEE INSERT**********

*Mr. Palmer. The chair now recognizes the ranking member of the subcommittee, the gentleman from New York, for five minutes for an opening statement.

*Mr. Tonko. Well, thank you, Mr. Chair. Working on drinking water issues is one of my favorite things this subcommittee does.

I know many members on both sides of the aisle have backgrounds in local government, and are incredibly familiar with the responsibilities and challenges that water systems are facing. At the end of the day, the buck stops with local governments to make certain that the infrastructure and people are in place to deliver safe, reliable, and affordable drinking water. It is a public health and economic necessity, and we at the Federal level have a responsibility to be good partners to our local and state counterparts in their efforts.

In December 2024 we celebrated the 50th anniversary of the enactment of the Safe Drinking Water Act. Without a doubt, SDWA has been an incredible public health success story. But we must recognize just how much more work is left to do, as well as the changing nature of our drinking water challenges. Fifty years ago no one was worried about cyber threats. Lead pipes, fittings, and solder were still used, and our ability to detect and treat emerging contaminants like PFAS at health-protective levels was virtually

impossible. These challenges, on top of a major backlog of infrastructure maintenance projects, put financial stress on local governments and water authorities, which translates to rate increases for water users.

According to EPA's most recent needs assessment, drinking water systems are expected to require some $625 billion in investment over the next 20 years to maintain operations, an estimate which has grown considerably over the years. That is why, in 2021, Congress made a serious effort to begin to tackle these issues with the enactment of the Infrastructure Investment and Jobs Act. I am so proud of this subcommittee's role in developing and passing the drinking water provisions of the IIJA. It provided more than $50 billion for water systems, including $11.7 billion to supplement the Drinking Water State Revolving Fund's annual appropriations, $15 billion for the replacement of lead service lines, and $4 billion to address emerging contaminants such as PFAS.

It is hard to believe, but the programs authorized in the IIJA, including the supplemental funding, will expire at the end of this fiscal year. Now is a perfect opportunity for us to consider how we should reform SDWA for the next 50 years.

First we need to continue a strong Federal financial commitment to our water systems. Those additional IIJA

resources enabled many projects that simply would not have occurred otherwise. We should be continuing these higher funding levels and reject proposals like that of one included in President Trump's last budget request to Congress that would decimate the SRF. If the Federal Government pulls back from its commitments, that means more projects will need to be paid for entirely by local governments, resulting in an impossible choice of increasing water bills or more deferred maintenance, which ultimately results in higher costs anyway, due to emergency repairs.

So I understand that the SRF isn't perfect, and that there could be accusations of a relatively small number of issues with EPA's ability to conduct proper oversight of these dollars. Let's keep in mind that reduced staffing levels at EPA are not helping the situation. Fewer people are now responsible for overseeing more financial awards, so we should be coming together to reverse the downsizing of EPA which has heightened the risk that waste, fraud, and abuse will go undetected because, ultimately, with so much investment needed, we should all want every available Federal dollar to find its way to projects that will improve systems and enable better compliance with the law.

Second, we should establish a clear set of criteria for EPA to use when determining whether or not to set a national drinking water standard. Specifically, does a contaminant

pose a public health threat and is it affecting a significant number of people? Our current regulatory system just isn't working. I believe everyone here wants to protect people from unsafe water. But without giving EPA the ability to set timely health-protective standards, we know some Americans will simply not have access to safe drinking water.

Finally, we all recognize that many households are struggling with affordability issues. Nearly 20 million Americans lack access to affordable water. I have long supported utility assistance for low-income households for energy bills through LIHEAP. It is past time for us to authorize a similar permanent program for water bills.

Mr. Chair, I want to thank you again for holding this hearing. I hope we are able to work together to build upon the IIJA and support safe, reliable, and affordable drinking water for all Americans.

[The prepared statement of Mr. Tonko follows:]

**********COMMITTEE INSERT**********

*Mr. Tonko. And with that I yield back.

*Mr. Palmer. The chair now recognizes the chairman of the full committee, the gentleman from Kentucky, Mr. Guthrie, for five minutes for an opening statement.

*The Chair. Thank you very much. Thanks for everybody being here. Thanks for our witnesses for being here. And thank you, Chairman Palmer, for this important hearing.

And, Mr. Hill, thanks for being here. My wife's grandmother's maiden name was Hill, and she is from Phil Campbell, so you are probably related.

*Mr. Hill. Okay.

*The Chair. Phil Campbell is just right outside of Russellville in Franklin County. So I was actually born in Florence. So thanks for -- we will chat after this and see how we are connected.

So the Safe Drinking Water Act was first created in 1974, and Congress has amended it multiple times to modernize the Federal framework for ensuring the tap water that reaches our homes is safe. Under this framework, the U.S. Environmental Protection Agency has several roles, including helping finance improvements to local water infrastructure, establishing standards to limit contaminants in drinking water, and protecting sources of drinking water from threats.

But EPA is not the only one involved in this process. States, local governments, drinking water utilities, and

communities also play very important roles.

There is no question that much of our water infrastructure is old and needs to be updated, as we just saw up close with the blowout of the Potomac Interceptor sewage tunnel, which leaked millions of gallons of untreated wastewater into the Potomac River, the primary source of drinking water for the communities in and around our nation's capital.

However, the best way to respond to these challenges is up for debate. The Infrastructure Investment and Jobs Act provided EPA $50 billion for water infrastructure programs, an unprecedented level of funding and more than five times what Congress appropriates to the entire EPA in an average year. These Infrastructure and Jobs Act authorities expire at the end of the fiscal year, which provides Congress this opportunity to consider what drinking water policies have been working and what may need to be changed.

Federal taxpayer money is not and cannot be the only solution to the infrastructure challenges our country faces. We need better policies and practices at the Federal, state, and local levels so new infrastructure can be built and maintained, which also creates jobs and helps our communities thrive.

We have an excellent panel of witnesses today, including a fellow Kentuckian, Lindsey Rechtin -- glad to have you here

-- who is president and CEO of Northern Kentucky Water District, the third largest water district in our commonwealth, which, for those of you who don't know, we say northern Kentucky is suburban Cincinnati in a very major -- if you hit a ball out of the Great American Ball Park, it lands in Kentucky doesn't, it? People don't realize that.

And so we have Nicole Murley, the EPA inspector general, who has been conducting a lot of important oversight of how billions in taxpayer dollars are actually being used.

I look forward to hearing from all of our witnesses and engaging in a productive dialog on these issues impacting the safety, reliability, and affordability of our nation's drinking water systems.

I know you -- I mentioned Phil Campbell. I guess you are from Russellville, so Golden Tiger? You are a Golden Tiger? I went to Bradshaw. I was a Bruin. So thanks for -- we had many, many contests. Believe it or not, I was a football player. So I had many contests. So thanks for being here. And I know Phil Campbell, where my wife's family was generationally from way back -- not my wife -- had the tornadoes a few years ago, so I know you guys all responded and you have done well.

So thanks for everybody, thanks for Kentuckians, for Alabamians, all of you being here today. Thanks.

[The prepared statement of The Chair follows:]

**********COMMITTEE INSERT**********

*The Chair. I yield back.

*Mr. Palmer. The gentleman yields. The chair now recognizes the ranking member of the full committee, the gentleman from New Jersey, Mr. Tonko (sic), for five minutes for an opening statement.

*Mr. Pallone. Oh, thank you. So today we will examine the state of our nation's drinking water infrastructure and the Federal role in ensuring communities have safe, reliable, and affordable drinking water.

For far too long our aging water infrastructure has been underfunded. In 2025 the American Society of Civil Engineers report card gave the U.S. water infrastructure system a C grade. And, well, actually it was a C minus. While the Bipartisan Infrastructure Law provided historic investments to address our infrastructure challenges, that funding was just a downpayment on the $625 billion needed over the next 20 years. And this number will continue to rise if investments fail to keep pace with our infrastructure needs.

Communities across the nation live with the consequences of this under-investment. From legacy lead service lines in my home state of New Jersey to the sewage pipe break right here in Washington, D.C., every sector depends on the delivery of safe and reliable water. But unfortunately, the pipes underground are often forgotten until something bad happens. It is, you know, essentially out of sight, out of

mind. But without water, life comes to a halt. We can't afford to continue this piecemeal approach to addressing problems with our water infrastructure. And that is why reauthorizing and increasing funding levels for the Drinking Water State Revolving Fund, or SRF, is critical.

The SRF is our main Federal funding source for drinking water projects and helps water systems pay for capital improvements. It is an investment in public health and the economy.

Much of our infrastructure is from a bygone era. If we are serious about ensuring safe and reliable water for Americans, we must rebuild it to meet the 21st-century challenges. We need water systems that are prepared for and can adapt to our changing climate and increasing cyber threats. We need to consider ways to promote energy efficiency and conserve water, a significant amount of which we are losing to broken pipes and water mains. We must remove all lead service lines, once and for all. And without adequate resources, the water sector will be unable to reliably deliver safe, affordable drinking water, leaving communities vulnerable to contaminants and disruptions in water service altogether.

While the SRF is a cornerstone of the Safe Drinking Water Act, the committee should also examine ways to modernize the law to meet the challenges of today. The EPA

has struggled to set and update drinking water standards that reflect the best available science. We saw some progress under the Biden Administration with the historic PFAS standards and the improved lead and copper rule. But regrettably, the chemical industry and water utilities have filed lawsuits challenging these health protective standards, citing the cost of compliance, and this puts these important protections in jeopardy.

I agree that the affordability of water is a real pressing issue that affects millions of Americans. However, I do not believe we need to choose between affordable water and safe water. We can have and must have both. And that is why I have advocated for a permanent water assistance program in EPA in addition to funding technical assistance and strong health-protective drinking water standards. A permanent program will ensure that all Americans have access to safe, reliable water, and help utilities maintain access to water services.

And water should be a basic right. It is a basic right and essential to the health and prosperity of our country. Unfortunately, this is not a reality for too many communities, so I hope that we can find ways on a bipartisan basis to support the water sector and invest in the future of Americans. You have to seize the opportunity to deliver for the American people, and their health and safety depend on

it.

So I just wanted to mention in the minute I have left, Mr. Chairman, you know, we have community projects in the appropriations bills every year, and every year my towns, because so many of them have these lead pipes that they can't afford to fix or remove, we -- you know, we use a lot of our -- those community funding projects in the appropriations bill to provide money to towns for, you know, lead pipe removal and water projects. And I am glad we still have that as an option, but we really need to have a more permanent way to provide money to the towns because they really need help, you know, providing safe drinking water.

[The prepared statement of Mr. Pallone follows:]

**********COMMITTEE INSERT**********

*Mr. Pallone. So with that, Mr. Chairman, I will yield back.

*Mr. Palmer. Now we now conclude with the member opening statements, including that of the distinguished gentleman from New Jersey, Mr. Pallone.

The Chair would like to remind members that, pursuant to the committee rules, all members' opening statements will be made part of the record.

We want to thank our witnesses for being here today and taking the time to testify before the Subcommittee.

The witnesses will have the opportunity to give an opening statement, followed by a round of questions from the members.

Our witnesses for today are Nicole Murley, acting inspector general, Environmental Protection Agency; Erik D. Olson, senior strategic director for health and food, Natural Resources Defense Council; Eric Hill, general manager, Russellville, Alabama Water and Sewer Board; and Lindsey Rechtin, president and CEO, Northern Kentucky Water District.

We appreciate you being here today. I now recognize Ms. Murley for five minutes to give an opening statement.

STATEMENT OF NICOLE MURLEY, DEPUTY INSPECTOR GENERAL PERFORMING THE DUTIES OF THE INSPECTOR GENERAL, U.S. ENVIRONMENTAL PROTECTION AGENCY; ERIK OLSON, SENIOR STRATEGIC DIRECTOR FOR HEALTH & FOOD, NATURAL RESOURCES DEFENSE COUNCIL; ERIC HILL, GENERAL MANAGER, RUSSELLVILLE WATER & SEWER BOARD, RUSSELLVILLE, ALABAMA, ON BEHALF OF THE NATIONAL RURAL WATER ASSOCIATION; AND LINDSEY RECHTIN, CPA, PRESIDENT & CEO, NORTHERN KENTUCKY WATER DISTRICT, ON BEHALF OF THE ASSOCIATION OF METROPOLITAN WATER AGENCIES

STATEMENT OF NICOLE MURLEY

*Ms. Murley. Good morning, Chairman Guthrie, Chairman Palmer, Ranking Members Pallone and Clarke, and members of the Subcommittee. I am Nicole Murley, the deputy inspector general performing the duties of the inspector general of the Environmental Protection Agency and the Chemical Safety and Hazard Investigation Board. Thank you for the opportunity to testify today.

My testimony will draw from our extensive body of oversight work that collectively examines how the EPA is ensuring safe drinking water and managing an unprecedented influx of water infrastructure funding in recent years, as well as what our oversight has shown about progress made and the work still to be done.

America's drinking water infrastructure delivers one of our most basic necessities. And when those trusted systems falter, the consequences can be --

*Mr. Palmer. Ms. Murley, is your microphone on?

*Ms. Murley. Yes.

*Mr. Palmer. Can you pull it a little closer?

*Ms. Murley. Yes, thank you.

*Mr. Palmer. Thank you.

*Ms. Murley. System failures in Jackson, Mississippi and lead contamination in Flint and Benton Harbor, Michigan are a few examples that serve as stark reminders that Federal oversight is essential.

Under the Safe Drinking Water Act, the EPA is ultimately responsible for ensuring that public drinking water systems provide safe water. The agency sets national drinking standards, oversees state programs, and takes enforcement if systems fall out of compliance. The EPA also administers and oversees Federal drinking water funding, primarily through the State Revolving Fund programs. States use SRFs to provide loans and additional assistance such as principal forgiveness and grants for disadvantaged communities for eligible projects, with repayments replenishing the funds in perpetuity, and states retaining flexibility under EPA oversight.

The Infrastructure Investment and Jobs Act included over

$30 billion for the Drinking Water SRF program. As we have previously testified before this committee, the IIJA's historic investment in water infrastructure created both opportunity and risk, providing critical resources to address longstanding challenges while simultaneously heightening risks and the need for vigilant oversight from both the OIG and the EPA to ensure proper program implementation, mitigate risks, and safeguard taxpayer dollars.

The EPA has implemented OIG recommendations for improvements and taken additional steps to enhance its implementation of safe drinking water programs. For example, using IIJA funds the EPA expanded technical assistance programs to help communities, especially those with limited capacity, to identify drinking water challenges, develop well-scoped projects, and apply for SRF or other infrastructure funding.

The EPA has also strengthened guidance for compliance with Build America, Buy America domestic preference requirements.

After we alerted the agency to key cybersecurity vulnerabilities at large drinking water facilities, the agency has published new and updated planning tools that water systems can use to help prevent and respond to cybersecurity incidents, and announced grant funding for water systems to make improvements.

Additionally, after we highlighted a concern that grantees and subrecipients may not be fully aware of key fraud prevention and enforcement measures, the agency strengthened its grants' terms and conditions for grants. The stronger grant terms have already led to actionable referrals of serious allegations to our Office of Investigations.

But even with these steps forward, continued attention remains necessary to sustain and build on these improvements. The OIG has long provided targeted oversight of the EPA's SRFs, not only because they are the agency's largest funding vehicle but also because they carry elevated risks. Throughout the years of oversight, the Office of Inspector General work has highlighted conditions that increase the risk for fraud and mismanagement.

Weak internal controls, incomplete documentation, and adequate financial reporting, and the absence of clear whistleblower and fraud reporting requirements, instructions and training at state and local levels reduce transparency and make the EPA -- and make it harder for the EPA and the OIG to identify red flags early. The OIG warned that such gaps are missing audited financial statements, insufficient tracking of improper or unknown payments. And poor data quality and program reporting can obscure accurate assessments of the health of drinking water programs or even

potential fraud schemes.

Ultimately, the OIG has found that EPA's ability to deliver drinking water infrastructure outcomes hinges on consistent oversight, reliable data, and clear guidance. My written testimony expands on the challenges we have identified in each of these three key important areas.

In closing, the OIG strives to provide targeted, effective oversight that helps the agency safeguard both the nation's drinking water and the taxpayer investments in improving water infrastructure. By identifying risks, driving corrective actions, and strengthening agency performance, we aim to help ensure that historic investments through the SRFs and the IIJA deliver real results for the American public.

Thank you very much, and I look forward to answering your questions today.

[The prepared statement of Ms. Murley follows:]

**********COMMITTEE INSERT**********

*Mr. Palmer. The chair now recognizes Mr. Olson for five minutes for his testimony.

STATEMENT OF ERIK OLSON

*Mr. Olson. Thank you very much, Chairman Palmer. Thank you, Ranking Member Tonko. We appreciate the opportunity to testify.

I am Erik Olson. I am a senior strategic director for health at the Natural Resources Defense Council, and I wanted to highlight that the Bipartisan Infrastructure Law, which has been mentioned a few times already, was drafted, as it was called, as a bipartisan measure. Members of this committee on both sides of the aisle were active participants in the investment of over $30 billion in water infrastructure for drinking water, and that was a badly needed investment.

But I will say that we have just an enormous build-up of needs right now. It has been mentioned EPA estimates $625 billion in drinking water needs. The industry is estimating between $1 trillion and $1.6 trillion for drinking water infrastructure is needed, so we clearly need major investments in this area.

We know that the -- since President Ford signed the Safe Drinking Water Act back in 1974, we have made significant progress. But we still have major challenges. Lead remains

a significant issue. The forever-toxic chemicals called PFAS remain a significant issue. Perchlorate and many other contaminants are widespread and need to be addressed.

So what we need to move towards, we believe, is not these one-by-one chemical controls, but a broad spectrum approach moving towards technologies that will remove a wider array of chemicals, rather than what I sometimes call the contaminant-of-the-month club, where we have a different contaminant every year, few years. Why not approach this as a broad spectrum solution? That is the direction we think we should go in.

And I will say there have been some progress also. The Administration, this Administration, announced that they are supporting the lead and copper rule that was adopted by the Biden Administration. That is progress. We are, however, concerned that the Administration has asked to repeal four of the forever-toxic chemical standards that were adopted by the previous administration and also to delay two others. We think that is an unscientific and unlawful action by the Administration.

But I will say that these bipartisan investments are important. However, they represent less than five percent of the total investments that are being made nationally -- Federal investments, less than five percent of the total investments that are being made and less than one percent of

the needs. So we are talking about a need for very significant increases in investments in this area.

And the public is really concerned about this. It is consistently, according to Gallup tracking polls every year, the number-one public concern. In fact, 80 percent of the public is concerned about their drinking water. And we are starting to see that illustrated by a switch to this, to bottled water. In fact, over $50 billion are spent by the public every year on bottled water. That money could be better spent, we believe, on fixing our water infrastructure, rather than on purchasing bottled water.

We also think that there is a real risk here of moving towards a two-tiered drinking water system where large systems have higher-quality water and small systems that are struggling have lower-quality water.

One of the issues that several members have already spoken to is the affordability issue. It is important that we move towards a water affordability or low-income household assistance program, and also move towards better rate structures that help low-income people. We don't need to be trading off bad quality water and providing substandard water in order to make water more affordable. Let's assist systems and assist low-income households.

In our testimony we have many recommendations for legislation, including reauthorizing, of course, the State

Revolving Fund. We are recommending an increase to about 1 percent of the total needs, $10 billion a year.

Lead service line replacement funding is important. The PFAS funding is important. Money for lead in schools and daycare centers. Addressing the low-income household affordability program is crucial, as is the polluter pays program, where the polluters would pay to clean up water supplies, rather than customers.

We have more recommendations in our written testimony, and I am happy to answer any questions. Thank you very much.

[The prepared statement of Mr. Olson follows:]

**********COMMITTEE INSERT**********

*Mr. Palmer. The chair now recognizes the gentleman, Mr. Hill, from -- for five minutes for his testimony.

STATEMENT OF ERIC HILL

*Mr. Hill. Thank you, Mr. Chairman. Good morning, Chairman Guthrie, Chairman Palmer, Ranking Member Tonko, and members of the subcommittee. Thank you for the opportunity to testify today. My name is Eric Hill. I am the general manager of the Russellville Water and Sewer Board in Russellville, Alabama, and I am here on behalf of the National Rural Water Association and the Alabama Rural Water Association.

I want to start by telling you who I am, because it is the best way to explain why I am here. In 1993 I started as a water and wastewater operator for a small rural system serving just over 2,000 customers. I learned on the job, earning my certifications, and worked my way to the position that I hold today. I am not a policy analyst. I test the water, I manage the treatment, and I sign the compliance reports.

Today I manage a drinking water plant, a well source, a wastewater treatment facility, and everything that connects them with 26 employees. These employees handle treatment, distribution, collection, maintenance, compliance, billing,

customer service, and emergency response. There is no in-house engineer, no compliance officer, and no attorney on staff. When a water main breaks at 2:00 a.m., the same people who read your meter that morning, they are the ones responding.

Chairman Palmer, I am honored to testify before a fellow Alabamian who understands the communities I serve. I want to tell this committee what Federal infrastructure investments look like when it reaches a small town, because this is a story that I am living right now.

Ninety-one percent of the nation's roughly fifty thousand community water systems serve populations of ten thousand or fewer. These systems face the same Federal mandates as the largest utilities in the country, but with a fraction of the staff, budget, and technical capacity.

Let me tell you what Federal investments look like on the ground. The State Revolving Fund is one of the most effective tools Congress has created for public water infrastructure. Right now I am managing approximately $2 million in SRF projects through Alabama's Department of the Environmental Management, 1 million in Drinking Water SRF, and 1 million in Clean Water SRF. With those funds we replaced a 25-year-old telemetry system with a modern SCADA system including firewalls, VPN access, and multi-factor authentication. We repaired a water main that separated in a

creek bed. We cleaned two filter waste ponds essential to our treatment capacity. And next month we will open bids on a booster station pump upgrade that currently pumps 50 percent of the water we sell, an upgrade that will also allow us to meet a new state regulation requiring a five-year tank washout.

This is what $1 million in SRF funding buys for a small community, a comprehensive program of repairs and upgrades that improves public health, reliability, cybersecurity, and compliance all at once. Without those favorable loan terms, most of those projects would still be sitting on a wish list.

But I have to be honest with this committee. The process of accessing those funds is harder than it should be. Application complexity, Davis-Bacon and BABA compliance costs and scoring systems favoring scale create real barriers for systems like ours. I urge the committee to adopt flexible principle forgiveness, extend project timeframes, simplify reporting, and provide targeted waivers for small projects.

My own career path illustrates another challenge: up to half the water workforce will leave the industry within the next 10 years. I was fortunate to learn on the job, earn my certifications, and build a career without leaving home. NRWA's registered apprenticeship program is now replicating that pathway in 35 states, with over 1,200 apprentices enrolled or graduated so far. That program needs continued

Federal support.

And the onsite technical assistance that NRWA and ARWA provide is the most cost effective investment for small system operation and compliance. Last year the town of Hodges, Alabama, population roughly 2,400, suddenly lost its certified operator when he was seriously injured in a car accident. Overnight, no one knew how to run the water system. Within one hour of being contacted, an ARWA specialist was on site. We coordinated with the state and connected the system with a temporary operator of record, and assisted the system until permanent coverage was arranged. The community never lost service and never violated its permit. That only happened because a trusted local provider was already in place.

Two more things, briefly, on PFAS.

Water systems are passive receivers, passive receivers of contamination, not polluters. The entire water sector supports H.R. 1267, and I urge this committee to pass it.

On the regulatory landscape, I support the Safe Drinking Water Act and every public health protection it requires. I simply ask that when new rules are implemented, the one-size-fits-all approach is neither affordable nor feasible. The tools this committee has created are working in rural American communities just like mine. I am here to tell you where they can work better and ask for your continued

partnership.

Thank you, and I look forward to answering any questions that you may have.

[The prepared statement of Mr. Hill follows:]

**********COMMITTEE INSERT**********

*Mr. Palmer. The Chair now recognizes Ms. Rechtin for five minutes for her testimony.

STATEMENT OF LINDSEY RECHTIN

*Ms. Rechtin. Chairman Palmer, Ranking Member Tonko, and members of the Subcommittee, thank you for the opportunity to testify today. My name is Lindsey Rechtin, and I am the president and chief executive officer of the Northern Kentucky Water District.

NKWD serves nearly 300,000 people across 5 northern Kentucky counties. We operate three water treatment plants, drawing from the Ohio and Licking Rivers, and maintain over 1,300 miles of water main. I am here today on behalf of the Association of Metropolitan Water Agencies, or AMWA, where I serve on the board of directors. AMWA is an organization that represents large, publicly-owned drinking water utilities across the country.

The importance and vulnerability of our nation's water infrastructure is on full display just a few miles from this hearing room at the site of the Potomac Interceptor collapse along the Potomac River. It demonstrates the real-world impact on the environment, public health, and the economy when a critical piece of water infrastructure unexpectedly fails. This infrastructure failure illustrates the ongoing

criticality of strong and sustained investments in our water and wastewater infrastructure, which are often combined systems.

At NKWD, our distribution system requires continuous investment to replace aging mains and extend service to communities lacking public water access. Federal assistance programs like the Drinking Water SRF have been essential tools for financing these projects while keeping water rates affordable.

As this Subcommittee examines the state of the nation's drinking water systems, I want to highlight three key points that I hope you will take away from my testimony: first, Federal investments in water infrastructure generate meaningful returns throughout the economy; second, Congress must act this year to reauthorize several critical financing programs that help communities update and replace infrastructure before it fails while keeping water rates affordable for their customers; and third, Congress has opportunities to strengthen the nation's water systems by taking action to hold polluters accountable for the damage they cause by helping communities become more cyber secure and by ensuring EPA remains committed to sound, science-based regulatory development.

On my first point, my testimony highlights well-documented data showing that more than $625 billion of

investment is needed over the coming decades just to maintain drinking water systems at their current levels of service. While this is a massive expense, we must also recognize that Federal investments in water infrastructure generate positive ripple effects that are felt throughout the economy. According to a landmark report produced last year by the Value of Water Campaign, every $1 million invested in water infrastructure generates $2.5 million in economic output and $1.4 million worth of GDP growth.

Alternatively, failing water infrastructure not only threatens public health, but it also interrupts economic activity and leads to severe losses for America's businesses. Nationwide, a single day without water service across the country would cost the U.S. economy nearly $120 billion, 527,000 jobs, and $69 billion in GDP. And these economic interruptions happen at a smaller scale across the country on a daily basis, whether through routine water main breaks or more dramatic incidents like the Potomac Interceptor collapse.

To stay ahead of these challenges, Congress must reauthorize EPA's core water and wastewater infrastructure financing assistance programs before they expire at the end of the current fiscal year. The benefits of these programs are real. Over the past two decades NKWD has utilized 17 Drinking Water SRF loans totaling over $110 million to

finance infrastructure improvements across our system. Federal funding has allowed us to moderate our necessary rate increases so we can avoid rate shock for our community while ensuring we continue to invest in our system.

Finally, my testimony includes several other policy recommendations to pursue in the interest of helping our nation's water systems confront the challenges they face. These include, first, holding PFAS polluters accountable for cleaning up the damage they cause to the environment, and protecting passive receivers like water and wastewater systems from footing the bill for remediating waste sites. Second, expanding water affordability assistance. When Federal mandates impose new compliance costs, ratepayers bear them. A permanent, low-income water assistance program would help ensure vulnerable households maintain access to essential service. And third, supporting existing sector resources like WaterISAC, the Water Information Sharing and Analysis Center, to help local water systems identify and close physical and cybersecurity gaps, implement best practices to withstand hostile threats, and generally maintain strong situational awareness of the threat landscape.

These and other policy recommendations are described in more detail in my written statement. Thank you for the opportunity and the honor to testify today, and for convening

this important hearing highlighting the nation's drinking water. I will be happy to answer any questions.

[The prepared statement of Ms. Rechtin follows:]

**********COMMITTEE INSERT**********

*Mr. Palmer. Thank you all for your testimony. We will now move into the question-and-answer portion of the hearing. I will begin the questioning and recognize myself for five minutes.

Mr. Hill, I appreciate you coming here from Russellville. As you know, I grew up in Hackleburg. My father and his my family grew up in Hodges. So I am well aware of the challenges. You pointed out that the small rural systems make up roughly 91 percent of the community drinking water systems in Alabama. From your experience -- and please be as brief as you can -- what specific aspects of the State Revolving Fund application reporting process create the greatest challenges?

And how important is it to have technical assistance to help in terms of supporting rural water systems?

*Mr. Hill. Thank you, Mr. Chairman.

The biggest problem is when systems like us -- we applied in 2022, and we are just now getting some of those funds. Our primacy agency did the best job they could do, but they were overwhelmed with the amount of applications. It was a rating scale. It depended on how many people you represented. And if you are a disadvantaged community, you could be raised to a higher priority on the list. And by the time those funds got out, there were engineering shortages, there were contractor shortages. And now we will have a bid

opening -- we used to have 8 or 10 contractors there. You are lucky to get 1 or 2 contractors.

So the prices have been driven up substantially due to that delay in getting those funds out. But we were blessed to get those funds. The biggest drawback is the timely manner that they have got them delivered to the communities, and they --

*Mr. Palmer. That would be particularly important if you discovered some issues with your wastewater treatment system, if you needed funding to immediately address those issues.

There is -- one of the other things that concerns me about rural water is vulnerability to cyber attacks. And I am concerned about this in terms of how we are going to address that because, again, most of the attention is given to the larger water systems.

On the issue of cybersecurity risks, do you think the Build America, Buy America requirements are an appropriate mechanism to ensure the critical components are sourced from American companies, not from adversaries like China? That is part of my concern, is them embedding the ability to interfere with our water systems. Is that a concern to the rural systems?

*Mr. Hill. It was a big concern for us. We had a telemetry system which could be intercepted, and it was a

proprietary system. So we reached out with our TA providers from Alabama Rural Water Association, and we got on the same page with them, and we bid the project out with SRF funds, and we switched over with those SRF funds and installed a SCADA with a redundant -- it has the VPN, it is encrypted, it is BABA compliant. And that was our biggest concerns with something like that, but there are material concerns for projects with fittings and those things that don't concern us as much as the -- I guess the cybersecurity side was the most concerning part.

*Mr. Palmer. There is also data issues related to oversight, Ms. Murley, and does the EPA data systems interface with state data systems?

In reading your testimony -- and you commented on it in your testimony about the problems with antiquated data systems -- I guess that is the best way to put it -- for oversight of the funds.

*Ms. Murley. Yes, thank you for the question, Chairman.

My testimony and our work highlights problems with data across -- it is not isolated data. I think there is issues with the way the agency stores and maintains data and also getting data from the states, the cities, and the subrecipients.

*Mr. Palmer. But if you are requiring the states to conduct the oversight and maintain the records, there has to

be some ability between the Federal Government and the states in order to exercise adequate oversight. Otherwise, we are going to have another Minnesota situation.

*Ms. Murley. Yes, that is correct. And we can get the data, it is just not as -- a lot of the data is held in not-easily-readable formats. If you look to our management implication report that talked about the different ways the states store the electronic data, it varies across states. There is no systematic way that they carry it.

We found that six states get construction bids in paper format. I am not sure if that has been fixed in the two years since we have done that report, but that makes it harder for us to conduct oversight and to obtain those records.

*Mr. Palmer. Well, there is a couple of things that I think we need to address. One, the EPA memorandum contradicting Federal law and unclear guidance from the EPA, I think that is something we need to address. But also, the workforce issues related to the water systems that -- half of them are going to leave in 10 years. So that is an issue I think we need to take a look at.

The chair now recognizes the Ranking Member, Mr. Tonko, for five minutes for his questions.

*Mr. Tonko. Thank you, Mr. Chair, and thank you to our witnesses for being here.

Again, I truly believe we all have similar goals, and that is to support the delivery of safe, affordable water. But I am very worried about this impending funding cliff at the end of this year with the expiration of the IIJA supplemental funding. We are at serious risk of going back to a time when fewer water systems are able to access funding to carry out long-overdue projects.

So Mr. Hill, can you talk about the importance of these higher funding levels and what it has meant for your system in rural communities like yours?

*Mr. Hill. It has made a substantial impact for us. As you are aware, the IIJA, those funds have to be expended by December 2026. And that is a burden, especially when those funds are just now getting rolled out and you have some situations where the contractors have not been paid for jobs that are completed.

It has been great funds, we just need to work on it and maybe, if we get some more funding in the future, we will learn a lot from the way those funds were applied and distributed throughout each state.

*Mr. Tonko. Right, that is why I think the human infrastructure is incredibly important to get those dollars out the door.

Ms. Rechtin, similarly, from your community and AMWA's perspective, what have those higher funding levels allowed

you to do that may not happened -- have happened otherwise?

*Ms. Rechtin. Thank you for your question.

Yes, they have been extremely critical for our utility. As I mentioned in my testimony, the Northern Kentucky Water District has been able to benefit from 17 different loans over the past 20 years, totaling $110 million in investment. Otherwise, we would have either deferred those projects or had to have built those into our rate base. So they are very important to provide stability and predictability. Especially when we are coordinating with our cities about projects that we may need to coordinate, understanding that those funds are available are very important.

*Mr. Tonko. Thank you.

And Mr. Olson, at the end of the day, the Safe Drinking Water Act is a public health law. Can you tell us why those extra infrastructure dollars are so important for protecting people from unsafe water, including exposure to PFAS, lead, and many other dangerous contaminants?

*Mr. Olson. Yes, thank you for the question. It is certainly true that what we have seen repeatedly is that the Federal funding is absolutely critical, funneled through the states through the State Revolving Fund generally, to addressing problems.

Mr. Pallone recently spoke about the lead service line money. There is also just an ongoing need to really address

forever chemicals not far from your district in Hoosick Falls, for example. There are many locations across the country. We have actually published a map -- and it is cited in our testimony -- showing, basically, virtually every congressional district has both serious lead contamination issues, and most of them also have PFAS contamination issues. This is a problem of public health that affects virtually the entire country, and there is an urgent need to continue these major investments.

*Mr. Tonko. Thank you. And Mr. Olson, again, if we are going to consider reauthorizing the Drinking Water SRF and other water infrastructure programs, what are the risks would we be (sic) taking in terms of subjecting Americans to potentially unsafe or unaffordable water if Congress does not renew its commitment to these previously-enacted historic investment levels?

*Mr. Olson. Well, it is very important. And I will say the funding cliff that you mentioned is a very real risk. What we are worried about is -- for example, between the PFAS and the lead rules alone, there are literally thousands of lives at stake, according to EPA's analyses. That -- if you don't have those rules in place, if you don't have the funding to actually make those rules alive and working, you could lose thousands of lives, some of them very young children, some of them adults from cardiovascular disease,

from lead, for example. So these are very real risks that we need to address. And as we saw in Flint, as we have seen in many other locations, if you don't address these problems now they get worse and worse.

*Mr. Tonko. Thank you.

And Inspector General Murley, I mentioned in my opening statement that no one with SRF dollars that -- that the dollars for SRF, no one wants them to be wasted. But do you agree that EPA's staffing reductions could make it more difficult to properly manage and conduct oversight of these awards?

*Ms. Murley. So we don't have -- we haven't done work on the staffing levels currently. I will say that staffing levels, grants management, and workforce planning have continually been an area that we address in our work. We just recently issued a grant workforce planning audit -- and we can share that with you -- that recommends that the agency plan for workforce and grant's oversight. And in that report we talk about that they need to address the changes and the staffing changes and the organization changes at the agency.

Human capital and workforce planning is something that we look at in every project that we do. It is part of an ongoing oversight area for us. And I will note that in this year's top management challenges we note that a challenge for the agency is to be managing the change at the agency with

the workforce and the changes in the organization. So that is something that we will be looking at.

*Mr. Tonko. Yes. Well, I think it is important. It stands to reason that the infrastructure, the human infrastructure, is essential if we are going to get these dollars out the door. And knowing from my county days in government, the commitment from the Feds --

*Mr. Carter of Georgia. [Presiding.] The gentleman's time --

*Mr. Tonko. -- has dropped dramatically.

And with that I yield back.

*Mr. Carter of Georgia. The gentleman yields. The chair now recognizes the chair of the full committee, Representative Guthrie from Kentucky, for five minutes of questioning.

*The Chair. Thank you, Mr. Carter. Thank you for the recognition.

And so, Ms. Rechtin, do you have all three -- your district is all three counties in northern Kentucky?

*Ms. Rechtin. We actually serve two, just Kenton and Campbell County. We do an emergency supply agreement with our neighboring Boone County.

*The Chair. So do you have municipals within that that are carved out?

*Ms. Rechtin. Correct, yes.

*The Chair. Yes.

*Ms. Rechtin. And then we wholesale to --

*The Chair. Typical of northern Kentucky, right? They do -- but you have a major system. You have a major system.

*Ms. Rechtin. Yes.

*The Chair. Yes, you serve a lot of people. So from your experience in operating in Kentucky, where do you see opportunities to reduce duplicative or conflicting demands under the Safe Drinking Water Act?

And also, based on your experience, how well do you -- do Federal drinking water investments support long-term system reliability, rather than just short-term compliance?

*Ms. Rechtin. Absolutely. Thank you for your question.

I would say just our -- you know, over the past 2 decades, having been able to benefit from 17 loans totaling $110 million, as my testimony mentions, you can show that that has had systemic benefits across our system.

And looking forward, we do an asset management plan along with our strategic plan, and we can understand what is happening. As you know in northern Kentucky, serving multiple counties, multiple cities, they have all of their own projects that they would like to do. So coordinating, paving projects with them or any other city work helps us to be more efficient so we are not, you know, digging this --

*The Chair. What kind of duplicative that you get from

us that you would -- I know you have to deal with Frankfort, but also what is duplicative here that you think is a problem, or --

*Ms. Rechtin. I am unaware of any duplicative, you know --

*The Chair. Requirements or anything that stands in the way?

*Ms. Rechtin. Yes, I haven't run into any issues like that.

*The Chair. Okay. Well, thanks. And so, Mr. Hill, so I am -- is Russellville still at about 10 or 15,000 people?

*Mr. Hill. Yes. I am a Phil Campbell Bobcat graduate, and my children graduated from Russellville.

*The Chair. Okay, so you are not a --

*Mr. Hill. I do live in Russellville.

*The Chair. So that is, what, about 10 or 15,000 people? Is --

*Mr. Hill. That is correct. Yes, sir.

*The Chair. So you have a smaller municipal utility.

So as EPA implements new PFAS monitoring and treatment requirements under Safe Drinking Water Act, how prepared are small and rural systems to manage these requirements and absorb the associated costs for testing, treatment, upgrades, and ongoing compliance?

And the reason I say this, I have Bowling Green, which

would be similar to the district, Ms. Rechtin, you operate, and then I have got smaller systems which would be -- I know your Russellville. We have a Russellville, as well. But I know your Russellville, so I know that too. And I am hearing from a lot of my smaller ones just the requirements for PFAS.

We want clean drinking water. We all absolutely want it to be safe. But sometimes the standard goes so far, it makes it too expensive to -- I mean, people, you got to pay for these changes.

And so how is PFAS experiencing in your area?

*Mr. Hill. So we have to test for PFAS just like everyone else. We are treated the same as a large utility. And we do want to comply with the Safe Drinking Water Act, we want PFAS removed. But the financial burden that it will pass along to these systems is detrimental.

And taking it out of the water is only half of the problem. Once you get it out, the problem is getting rid of that source. There is hopefully some destruction techniques that will come out soon that will benefit that. But these small systems cannot afford to remove PFAS, the -- like the large systems. It is expensive for the large systems, as well, but it is a financial burden that we pass along to the customer.

*The Chair. You got to spread it on a fewer number of clients. You know, the bigger you are, the more you can

absorb the overhead.

*Mr. Hill. That is correct, yes.

*The Chair. Like in anything.

So Ms. Rechtin, in your testimony you state this -- that this Drinking Water State Revolving Loan Fund helps water utilities plan for long-term investments and maintain affordability. Can you explain more about how the affordability challenges faces -- your ratepayers face?

*Ms. Rechtin. Absolutely --

*The Chair. The affordability of the system.

*Ms. Rechtin. Yes. So as I mentioned, we do plan projects, you know, 20 years in advance. And so part of that planning is to understand the implications to our rates. So we see the needed projects, but we also see, you know, the revenues that are coming in. And so we understand the rate tolerance of the community. And when we have access to Drinking Water SRFs and we can build that into our planning process, we are able to do more projects because we have access to those funds.

*The Chair. Thanks. I just have a few seconds. But Ms. Murley, we talked about the level of funding from the Jobs Infrastructure Act, jobs funds, unprecedented. Has OIG considered the Drinking Water State Revolving Loan Fund as a low risk of fraud or high risk of fraud? Have you looked at that?

*Ms. Murley. Thank you for the question. We have -- our work in recent years has highlighted, I think, what is a growing risk in that area and the need for more oversight. I would point you to our recent report on unknown and improper payments in the SRFs, and the annual reviews of those funds, and we are currently in the process of having those conversations on the corrective actions to be had with the agency, or what -- and one of our recommendations is for the agency to consider the risk level that the agency applies to those programs.

*The Chair. Okay, thank you.

I see my time has expired, and I will yield back.

*Mr. Carter of Georgia. The gentleman yields. The Chair now recognizes the gentleman from California, Mr. Peters, for five minutes of questioning.

*Mr. Peters. Thanks very much, Mr. Chairman. Thanks for our witnesses for being with us today.

It is critical that we modernize this country's water infrastructure. Our water systems are old and decaying. As you have explained, many of them still struggle with replacing old service lines that contain toxic metals like lead and copper. Deteriorating infrastructure contributes to leaks that result in wasted drinking water or, worse, the infiltration of toxic chemicals and sewage into the water system.

These issues hit close to home for me and for my district. In San Diego and in most of the West we have grappled with how to provide the water our communities need while dealing with frequent droughts and outdated infrastructure. This week I will reintroduce my DROUGHT Act, which would help water utilities upgrade their infrastructure under the Water Infrastructure Finance and Innovation Act, or WIFIA, for projects located in drought-afflicted areas, regionally and nationally significant projects, and projects located in low-income communities.

And to be eligible for WIFIA loans, the total Federal assistance for a project cannot -- today cannot exceed more than 80 percent of a project's eligible costs. This Federal share cap makes it more difficult for state and local governments, especially smaller, more rural ones, to finance and complete water infrastructure projects. Raising the share cap for eligible projects is a common-sense approach that would provide flexibility and more financing options for critical water infrastructure modernization projects.

Ms. Rechtin, how can the Federal share cap for projects financed under WIFIA make it more difficult for water utilities to finance and complete the infrastructure upgrades they need these days right now?

*Ms. Rechtin. Thank you for your question.

Northern Kentucky Water District has not had the

opportunity to apply for any WIFIA program, so I can't speak to that, but I can absolutely take that question and provide a response to you after.

*Mr. Peters. Okay. Does anyone else want to respond to that from the perspective of the water systems?

Mr. Olson?

*Mr. Olson. Yes, thank you for the question.

We certainly support expanding WIFIA and putting more money into WIFIA. We think it has certainly had a major success. I am happy to take a look at your legislation and get you a reaction. Certainly, there is an urgent need for all hands on deck to address our water infrastructure crisis. And WIFIA, I think, will play an important role in that.

*Mr. Peters. Okay. Mr. Hill, would the National Rural Water Association's members benefit from an elevated Federal share cap?

*Mr. Hill. I will support anything that benefits our members, I can promise you that, coming from a small community. But yes.

*Mr. Peters. Well, I would love to work with you on this. I think this would help modernize the country's aging infrastructure, provide some support for locals from the Federal Government, and make our systems more efficient, resilient, cleaner, and safer. And thanks again for being here.

I yield back.

*Mr. Carter of Georgia. The gentleman yields. The chair now recognizes the gentleman from Ohio, Representative Latta, for five minutes of questioning.

*Mr. Latta. Well, thank you very much, and thanks for our witnesses for being with us today. And I got a lot of questions, and so, if we could, keep the answers short.

My background years ago, I was a county commissioner in Ohio. And one of our many portfolios that we had was water and sewer. So I was intimately aware of what goes on out there and what you all do.

And so if I could start, Mr. Hill, I go around my district all the time. And in a lot of my water treatment plants the number-one issue we are hearing out there today is what happens when our operators are retiring and we don't have that certification. And I know you said you had a situation where you had somebody to be able to step in, but a lot of places, they are getting concerned because they don't have these people.

And so the question really comes down to, does Washington understand what you all go through in that, if you don't have the people, how do you operate a system?

*Mr. Hill. That is a great question.

We are working day in and day out with the Department of Labor. We have some apprenticeship programs, national does,

that we are trying to get some more support from. But we have technical assistance and training in all 50 states. EPA has that technical assistance. And these systems in Alabama, they trust the Alabama Rural Water Association and technical assistance provider. That guy is an expert. He provides free training to those operators. And we provide board member training, and we try to have it within one hour of every system because some towns have one operator, they cannot leave. And we try to have it at those systems that actually can't leave if they have availability for us to have something there.

But they are required 24 hours for a single certificate and 15 for each if their -- every 3 years. That is a lot of continuing education hours, but I think we can do better. But there is technical assistance now in place, but I would love to see more funding --

*Mr. Latta. Well --

*Mr. Hill. -- for the state.

*Mr. Latta. Because it also comes down to, you know, we can't force people to do a job. We have to make sure we get these people out there and trained because as they retire we can't just say, you know, these people are going to do this.

What about, you know, the question about contractors, you know, the questions about how much work has to be done?

And then the other part is on the supply chain. Do we

have enough of the supply chain out there that, once you find the contractor to do the work, can they even have the, you know, the material out there to get -- to meet the standards we have to have?

And nobody is against any of the clean water and making sure that it is there, but the problem is providing it.

*Mr. Hill. I will give you one example of contractors. The EPA. We had that situation in Hodges. We had an operator there within an hour. I looked back and went to the EPA technical assistance site, and you fill out a form about this long, you send in an email, and they will respond to you within three days. And they try to pair you with a technical assistance provider.

And we are boots on the ground with these associations. I don't think anybody spends those funds better than these state associations to assist, and they have a personal relationship with each one of these systems.

*Mr. Latta. Well, thank you.

Ms. Rechtin, let me ask, if I may, turn to you. You know, we are talking about issues out there that, again, affect people. But, you know, especially when you are talking -- you said talking about your -- the sound, science-based regulatory development based on sound science and a well -- and will present opportunities for public health improvements. Otherwise, establishing drinking water

standards without regard to the cost will cause water systems to divert scarce resources and will lead to higher water rates for customers across the country.

I am going to ask you the same question: Does Washington understand what you do and what the impact that you have on people out there? Because if all of a sudden you increase costs out there, how do people, number one, pay for it in an area that are living there, but how do you get new development to come in if all of a sudden they say we can't afford the rates?

*Ms. Rechtin. Thank you for your question.

Yes, so as a water district our -- we don't have, you know, any investors or anyone. We just have the rate base. So any time -- any additional costs are borne by the community members. So we do have to absolutely remain mindful of spending their money like our own to understand what projects are critical, how do we prioritize these projects to make sure that we are being as efficient as possible.

*Mr. Latta. Okay. Just real briefly, because when you are talking about prioritizing those projects out there and those that are critical, but if you are always dealing with "safe drinking water'' and making sure you are meeting those Federal standards, isn't that kind of tough to do when you have to prioritize those?

*Ms. Rechtin. That is a great question. So we went through a strategic planning process to address just that, where we recognized, you know, not only just our aging infrastructure, our water mains, our treatment plants, workforce, personnel, but then we saw the regulatory compliance side. And so during that strategic planning process, as we were fleshing out how to prioritize projects, we looked at regulatory compliance as, you know, top of mind.

And so things like the lead and copper rule improvements, PFAS, treatment we wanted to make sure and allocate the right amount of dollars -- advocate for the right amount of dollars and apply for those so that we can remain compliant, but also not lose sight of all of the other work that we have to complete.

*Mr. Latta. Well, thank you very much, Mr. Chair. My time has expired and I yield back.

*Mr. Carter of Georgia. The gentleman yields. The chair now recognizes the gentleman from California, Dr. Ruiz, for five minutes of questioning.

*Mr. Ruiz. Thank you, Mr. Chairman.

The drinking water costs are rising, and it is adding to the American affordability crisis. Since January 2025 local water agencies in the region have continued approving or proposing rate increases to cover rising operational costs and much-needed and deferred maintenance. There is a lot of

reports that a lot of the infrastructure needs upgrades for more efficient water storage and use for their capacity.

Water affordability is increasingly a concern for many consumers. In its 2024 report to Congress, the EPA estimated that between 12.1 million and 19.2 million households nationwide lack affordable access to water services, with annual assistance needs ranging from 5.1 billion to $8.8 billion. These increases reflect the rising costs of treatment and infrastructure that communities are bearing, underscoring the urgent need for strong Federal investment to help utility companies comply with strong protective standards.

We need clean and safe and affordable drinking water for every American in our nation. Water is a common good, and one can describe it as also a right to have access to water, just like the air that we breathe. And we want it to be clean and safe. Mr. Olson, what measures can the Federal Government implement to ensure these systems can maintain affordable rates while still meeting safe drinking water standards?

*Mr. Olson. Well, thank you for that important question. There are basically three things that we recommend.

One is certainly expanding and continuing the Federal investment in water infrastructure. That relieves some of

the costs, as you have heard from some of the other witnesses today.

The second thing is a low-income household water affordability program, and that would be investments, really, to help lower-income people, much like LIHEAP is for energy. This would be for water. Congress did adopt one temporarily during the COVID crisis, but we need a permanent low-income household water affordability program.

And the third thing we recommend is technical assistance to water utilities to help them with their water rate structures and other affordability programs. So some cities -- for example, Philadelphia -- have adopted programs where they have basically an income-based water rate for low-income people. And if you structure your water rate right, you actually -- we have tools that have been identified that the utility can actually save money by doing this because they are not having to ding people constantly and ask people to pay for water they can't afford.

*Mr. Ruiz. Thank you. You know, the rate increase is already taking effect for California water company customers in January 2026, making clear that water bills will continue to rise. This reality is reflected in multiple scenarios in my district.

I mean, for one, I just left my office with Valley Sanitation District that treats water and manages water for

the city of Indio and other areas, and so they are coming up to 100 years in existence and they have to upgrade some of their infrastructure. And they also want to develop a biosolid-to-fertilizer process to help our local ag industry, as well, which is a good source of revenue to add to an innovative way to increase the funding for their infrastructure development.

We have the Banning flume, who is a community near the Banning area in my district that had some damage to their water systems because of natural disasters and fires and the flooding that recently occurred. And so their water system, the lack of water, devastated their orchards, their livelihoods, and many people have left out. It seems like a ghost town right now.

So how -- this question is for you, Ms. Rechtin -- what do water systems need to better conserve water and protect critical infrastructure from environmental threats like wildfires and tropical storms?

*Ms. Rechtin. Thank you for your question.

So specifically in Northern Kentucky Water District, we are very fortunate to be in a very water-rich location. So we have access to the Ohio River and the Licking River, so water shortage issues don't specifically affect my system. But certainly polluters impact the Ohio River, so I would say, you know, we need to hold polluters accountable, make

sure that we have access to funds for any regulations that do come down the pipeline to treat for those chemicals. So just making sure we have funding necessary to moderate those.

*Mr. Ruiz. Thank you.

*Mr. Carter of Georgia. The gentleman yields. The Chair now recognizes the gentleman from Virginia, Representative Guthrie -- excuse me -- Griffin (sic) for five minutes of questioning.

*Mr. Griffith. Thank you very much, Mr. Chairman. I greatly appreciate it.

Witnesses, I am going to reference a Roanoke Times article from August 29 of 2022. In the article it talks about the Western Virginia Water Authority Spring Hollow Reservoir. The reservoir is located in the 9th congressional district, which I represent, but it also serves sections of the 6th congressional district, represented by Ben Cline, as well. In the talk it says last year, as a part -- and this is, remember, 2022 -- so in 2021, last year, as a part of a statewide study by the Virginia Department of Health, tests at Spring Hollow found hexafluoropropylene oxide dimer acid at levels of 51 and 57 parts per trillion. In June, well after the water authority learned of the tests, the -- that would be in 2022 -- in June of 2022, well after the water authority learned of the test, the Environmental Protection Agency issued a new health advisory for levels of this GenX

substance to anything above 10 parts per trillion. The amount of GenX in Spring Hollow was the highest concentration of a forever chemical found in 45 public water sources that were part of the statewide tests, according to a 2021 Department of Health report to the General Assembly.

All right. So question number one to Mr. Hill and Ms. Rechtin, do you believe that a water system should be liable for cleanup when the source of the PFAS can be traced to a point of discharge?

*Mr. Hill. We should share no liability. We think we are passive receivers and we should be exempt from CERCLA, and we believe the polluter should pay.

*Mr. Griffith. Do you concur, Ms. Rechtin?

*Ms. Rechtin. I concur with Mr. Hill, yes.

*Mr. Griffith. All right. Now I am going to switch to Ms. Murley.

So here is what happened. They get the 51 and 57 parts per trillion in Spring Hollow Reservoir in Roanoke County in 2021, but EPA comes out in 2022 and says you shouldn't have more than 10. Is the 10 a reasonable number or was EPA overreacting?

Why didn't that number come out sooner if it is -- I mean, they are 51 and 57 and they don't notify the consumers because they don't have anything that indicates at that point in time in Roanoke County -- and it serves some other

counties, too, but they don't have anything at that time that tells them that the 51 and 57 are a problem.

*Ms. Rechtin. Thank you for the question. I think that is a question better directed at the agency.

*Mr. Griffith. All right.

*Ms. Rechtin. But I am happy to take it back.

*Mr. Griffith. If you would, I would appreciate it because I am curious about it because it raises the question, Mr. Hill and Ms. Rechtin, is that -- should the Roanoke -- should the Western Virginia Water Authority, located in Roanoke County in Spring Hollow, should they have known that 51 and 57 were a problem and notified their consumers earlier?

Mr. Hill, do you want to start or do you want Ms. Rechtin to take that one first?

*Mr. Hill. I think the minute they knew about it, they should have reached out publicly and got ahead of that.

*Mr. Griffith. Even if it wasn't at the time considered a hazard or -- by any advice from the EPA?

*Mr. Hill. Well, I would -- if it is not considered a hazard, that is a different situation. That is a tough position to be in.

*Mr. Griffith. It is.

*Mr. Hill. I think you consult with numerous people with some advice and go from there. That is a tough

question.

*Mr. Griffith. All right. So Ms. Rechtin, I will give you the next tough question, because I am asking because I want to know the answers.

So because of the delay, does that put some liability back on the water system if they knew or should have known -- and I am not saying they should have known that there was a health concern. Does that put some liability back on the water system in an attempt to protect their consumer?

*Ms. Rechtin. I really would hate to speculate on anything, so -- but what I --

*Mr. Griffith. I would, too. I don't blame you.

*Ms. Rechtin. What I can say is that drinking water utilities did not manufacture the -- any chemicals. The utility is trying to protect the community by removing it from their drinking water supply. So as passive receivers, they shouldn't -- you know, there should be no liability.

*Mr. Griffith. And ultimately, the Western Virginia Water Authority would reach a $1.9 million settlement with the companies. And apparently what happened was that a company was giving tanks to another company to be cleaned out upstream, and didn't warn the secondary company that there was a PFAS inside the tanks or that might have been inside the tanks, so no precautions were taken.

Since then they have done all kinds of things to lower -

- the limits have been lowered. I don't want to scare the folks in the Western Virginia Water Authority region that there is a problem today, but they are still having to do measures to remove any remnant amounts of PFAS from the water there. And that is the concern that I have, along with lots -- I mean, I have areas that don't have safe drinking water to begin with, much less a system that has been contaminated by PFAS.

But I appreciate all of you all being here. This is a very important subject. And if you could, from the EPA standpoint, get me an answer because I am just curious, and curious minds want to know.

Mr. Chairman, I yield back.

*Mr. Palmer. [Presiding.] The gentleman yields. The chair now recognizes the gentleman from New Jersey, Mr. Pallone, for five minutes for his questions.

*Mr. Pallone. Thank you, Mr. Chairman. My questions, you know, all relate to concern over lead service lines and the need to replace them and cleaning up PFAS contamination in water. Obviously, these things can be costly. So let me start with Ms. Rechtin.

What kind of industries rely on the water provided by your water utility, if you will?

*Ms. Rechtin. We serve all types of industries. We have hospitals, schools, day-cares. Northern Kentucky is a

very -- it is a suburban metropolitan area.

*Mr. Pallone. And, you know, again, I am going back to these toxins and other things that might get into the system. Would you agree that sustained Federal investment is critical to helping water systems like yours address public health challenges, you know, such as PFAS and lead?

*Ms. Rechtin. Yes. We do treat with granular activated carbon so, you know, any funds that are available to help us with not only those capital costs -- you know, we also have operating costs that are implicated. So any funding is, yes, very beneficial.

*Mr. Pallone. All right. And that -- and, you know, this is the reason that I fought hard for the investments in the Bipartisan Infrastructure Law to the State Revolving Fund, as well as targeting funding to address lead and PFAS contamination, because that is the way to protect communities from dangerous toxins and making sure that the water systems have the funding.

But again, while funding is key, we need a regulatory framework. So it is also essential to have a good regulatory framework. So let me go to Mr. Olson. Why is it important to have strong, enforceable drinking water standards, in your opinion?

*Mr. Olson. Well, what we have seen is that, unless you have national standards in some locations, the water systems

simply do not remove some of the contaminants that are a real health concern. And we have seen this repeatedly.

I mean, for PFAS, for example, and for lead, there has been, you know, fighting over those. I have been part of those fights for, in some cases, 30, 40 years, where the water systems in some cases have fought off replacing their lead pipes or addressing some of these problems. So I think having a baseline set of Federal protective standards will protect public health across the country.

*Mr. Pallone. Yes. And, I mean, right now we see water utilities suing EPA over these Biden-era standards that protect communities from toxic lead and harmful PFAS. And, of course, they just -- they say in these lawsuits that one justification is the cost, right?

So let me just ask you again. Based on your experience, can we have both protective drinking water standards and affordable water?

In other words, can a permanent water assistance program, which myself -- and I believe that our ranking member, Mr. Tonko, has actually introduced it -- can we have a permanent water assistance program to ensure that we have both safe and affordable water? Is that important, in your opinion?

*Mr. Olson. It is absolutely crucial that we have both. Nobody wants to be drinking water that is threatening their

health or their children's health. On the other hand, some low-income people definitely are having issues already with water affordability, so the two must go hand in hand.

We need the Federal funding to address some of the infrastructure issues and a low-income household water assistance program. We strongly support both of those, but we can't be trading off bad water in order to make our water affordable. It is just -- nobody wants that water. As I mentioned in my testimony, 80 percent of the public is already concerned about their tap water, and having the country switch over to bottled water is not the solution. We really have to have safe and affordable water coming out of people's taps.

*Mr. Pallone. Well, I agree with you and I don't really have anything to add to what you said because I totally agree with what you said. So thank you.

And I yield back, Mr. Chairman.

*Mr. Palmer. The gentleman yields. The chair now recognizes the gentleman from Pennsylvania, Dr. Joyce, for five minutes for his questions.

*Mr. Joyce. Thank you, Chairman Palmer and Ranking Member Tonko, for holding this important hearing, and to our panel for being here to testify.

This hearing is especially timely as we continue to deal with the aftermath of the sewer line failure right here in

Washington, D.C. that emptied millions of gallons of raw sewage into the Potomac River. In my role as the chairman of the Oversight Subcommittee, I joined Environment Subcommittee Chairman Palmer, as well as Chairman Guthrie in sending a letter to the D.C. water investigating how this failure occurred and how it will be remediated. While I look forward to receiving answers to those questions, today I would like to focus on what a failure like this one that we are seeing here in Washington reveals about our water infrastructure.

All over our country, aging sewer and drinking water systems need those critical repairs. They need those critical upgrades. If these projects are not completed efficiency (sic), we will risk future public health and clean water disasters across our entire country. This risk is especially urgent in rural communities with smaller water systems. Often rural communities rely on small teams with limited resources to run both the sewer and the clean water facilities. A disruption in either can put a strain on both systems, and place extreme burdens on operators and the communities that they serve. For these communities Federal support, like what is provided by the State Revolving Funds, represents a much-needed lifeline allowing rural Americans to receive uninterrupted drinking and wastewater services in under-resourced areas.

Ms. Murley, in your testimony you discussed confusing

and sometimes conflicting guidance provided by EPA to states regarding how to use State Revolving Funds in a way that is consistent with relevant program requirements. How does this unclear guidance prevent states from efficiently and effectively disbursing funds to communities seeking to complete eligible projects?

*Ms. Murley. Well, thank you for the question. I will point you to one example we have would be the report that we have which had guidance that we found -- we published an evaluation summarizing SRF program administrators' perspectives on capacity to manage GWRS funding, and they reported obstacles in understanding the guidance.

And then we followed up with a report looking at the different guidance in that area, and so what we found is when, you know, states and localities are trying to implement new guidance, it can be difficult -- or implement new programs or requirements, if the guidance is not clear it can hinder their ability to either apply for a program, complete the program, or be in compliance.

I would also point you to an audit that we did on emerging contaminants and how to rank non-PFAS contaminants in water for funding. That led to confusion among not only the regions administrating, but the people who were the cities and localities that needed to comply with those requirements and apply for --

*Mr. Joyce. And that confusion really affects compliance, when it comes down to it, correct?

*Ms. Murley. It can.

*Mr. Joyce. And with complicated regulations, especially as it relates to the cost of that compliance for communities that will ultimately receive and utilize these funds, what is -- how can they deal with that? How do they approach that when they don't know that there are clear-cut compliance from unclear obligations?

*Ms. Murley. Well, I think that points to why our oversight work is so important, because when we have these findings and we present them to the EPA and they issue corrective actions that enhance their guidance, I think it allows for the programs to function better.

*Mr. Joyce. Thank you.

Mr. Hill, you discuss in your testimony that most rural utilities who would benefit from this Federal funding don't have the resources that are necessary to hire full-time compliance staff that many large operators afford. With that dynamic, can you explain how regulatory uncertainty affects the small system's ability to engage in long-term planning?

*Mr. Hill. Thank you, Mr. Chairman.

Yes, small systems, one guy is doing four or five multiple tasks, he doesn't have the manpower. They reach out to our state associations for compliance and for technical

assistance, and they get involved and try to structure the best plan and find them a way to navigate that.

But infrastructure, as you know, is failing, and those funds are critical and they are crucial. But we have people in place with these state associations that will do their best to help these small associations -- or these small communities navigate that process.

*Mr. Joyce. Thank you. As those living around the Potomac River here in Washington are made very aware, these risks are not theoretical and they are not far off. They are right here in Washington, D.C., and it is critical that we act now to ensure that projects can be funded and completed efficiently. And I look forward to working with this committee to find that best path forward.

Thank you, Mr. Chairman, and I will yield back.

*Mr. Palmer. The gentleman yields. The chair now recognizes the gentleman from Florida, Mr. Soto, for five minutes for his questions.

*Mr. Soto. Thank you, Chairman.

Clean water is fundamental for every American. It is a core government duty. This is why many of us came together to vote for $50 billion for the State Revolving Funds and for water infrastructure under the infrastructure law under President Biden. I appreciate the interest in clean water, especially now that it is affecting a few Democratic areas.

You know, it has been kind of quiet last year when -- it didn't seem to bother anybody when it was affecting Republican areas. It is kind of ironic in a way, but I appreciate the renewed attention today.

You know, the investment in clean water protects families and it also helps stop or reduce the need to raise rates. In Florida we saw the most lead pipes of any state, which shocks a lot of people because we have a lot of new growth, and that is why my state was granted $275 million, more than any other state, to help address this. We are the twentieth largest metro area in Orlando now, fast growing. And so I appreciate both these funds.

And then I know Representative Peters mentioned the WIFIA funds, those loans that are absolutely critical from EPA. We saw help with Orlando's Iron Bridge Regional Water Reclamation facility recently with these revolving funds, and then Saint Cloud, we had some issues with brown water there for a while.

And recently we have gotten to work with EPA for over 300 million for Polk County, for the water initiative there; 300 million for Toho Water in my home county of Osceola; over 200 million for Orange County. So it is not only just the State Revolving Fund, it is also these loans and then the Water Resource Development Act. All these are critical.

And, you know, I have heard a lot from our water

utilities today about the inability to fund it, and I am very empathetic to that, right? This is why the Congress needs to step up to get you all the money, especially in a lot of these smaller towns and areas.

But we have seen the current EPA undermine a lot of these historic efforts: eliminating PFAS drinking water protections; eliminating pesticide protections; requesting 40 percent cuts which we blocked here in the Congress, including 1 billion less for the State Revolving Fund, the subject of this committee. And Congress has pushed back also on a lot of these other cuts.

And we also see a climate change endangerment finding that has been pulled back by the EPA just over the last few months. Rising seas are one of the biggest issues that are threatening water systems and sewer systems in Florida, especially near the coast: salt water intrusion, rising water tables that wreak havoc on the gravity systems throughout Florida.

Mr. Olson, how much is rising seas costing the water systems across America?

*Mr. Olson. Thank you for the question.

We see saltwater intrusion, obviously, in your -- in Florida. We have -- Mr. Carter's district in New Orleans, where there was a salt water wedge going up the Mississippi, contaminating a lot of water systems. As that salt water

gets into both groundwater and into surface waters, you start to see contamination and it can exacerbate things like lead. That salt water, it doesn't take a lot to create toxic disinfection byproducts.

*Mr. Soto. These pipes weren't made for salt water, right?

*Mr. Olson. They are not.

*Mr. Soto. And then walk me through the gravity part of it. You know, if you have a rising water table, how does that wreak havoc on systems?

*Mr. Olson. Yes, it is a significant issue in a lot of coastal areas because, as the water table rises and as you see more salt water, they are going to have to spend a lot of money to treat that water. It can actually require reverse osmosis in some cases.

*Mr. Soto. Thank you.

*Mr. Olson. Very expensive.

*Mr. Soto. Deputy Inspector General Murley, how do you respond to these concerns about climate change? It is literally endangering clean water in Florida. What do you think the role should be for you, as inspector general, as this endangerment finding has been removed?

*Ms. Murley. So thank you for the question.

As an independent, non-partisan office, we would not assess or opine on the merits of policy itself. But if we

did work, it would focus on whether the agency complied with laws, regulations, or procedures and internal controls in making and implementing that decision.

*Mr. Soto. So you wouldn't make a determination on whether EPA is doing something contrary to their mission or something that potentially could be corrupt?

*Ms. Murley. What we would look at is whether the agency had followed its own process and its internal procedures.

And I will point you -- for example, when we reviewed the EPA's 2009 --

*Mr. Soto. Well, thank you so much, Inspector General. I would think at a water hearing we would have an EPA person who actually could respond to this. I recognize your limitations, but you are still the -- an inspector general who is supposed to be reviewing a lot of these endangerment findings.

And, you know, Mr. Chairman, I would hope we could get someone in here who could talk about this eventually, and I yield back.

*Mr. Palmer. The chair now recognizes the gentleman from Louisiana, Mr. Carter, for five minutes for his questions.

*Mr. Carter of Louisiana. Thank you, Mr. Chairman. Thank you to the witnesses for being here.

I represent southeast Louisiana, where we know firsthand how water infrastructure is a literal lifeline to communities. We need robust Federal investments in our water systems to meet the estimated $625 billion in water infrastructure improvements needed over the next 20 years to ensure the health and safety of Americans.

Climate change is putting additional pressure on our drinking water systems through extreme weather events. The New Orleans area now regularly faces threats of salt water intrusion into its drinking water supply due to high-level -- sea-level high rise, Midwest drought which reduced river flow and allowed salt water to move up the Mississippi near the water intake system. Had salt water reached the intake system, it would have been -- potentially cut off safe drinking water for hundreds of thousands of Louisiana residents, forcing expensive emergency measures and threatening public health, agriculture, ecosystems across the region. This is not hyperbole. This is real. We know this to be a fact.

In a rapidly changing world, Congress needs to be proactive, a proactive partner with drinking water systems to build resilience to 21st century threats. Mr. Olson, how are the impacts of climate change, drought, winter storms, hurricane, heat waves impacting the operations of water utilities?

And how are these impacts increasing costs for utility and ratepayers?

*Mr. Olson. Thank you. It is a very important issue.

As you mentioned, the salt water wedge that was going up the Mississippi was a huge problem. Downstream of New Orleans there was contamination in some of those smaller water systems that got contaminated by salt water. It really created significant issues.

And it is not just those kinds of issues we are seeing. Because of drought a lot of Western utilities are having problems having adequate water. We are seeing wildfires that are spreading and that. Most people don't think of this, but wildfires can pose a real risk to drinking water supplies, water supplies. What we have seen in the Camp Fire, for example, and several others is plastic pipes got melted and then contaminated water got sucked into the distribution system with benzene and other contamination in some cases, contaminating entire water systems.

So we see the climate change definitely an increasing threat spreading across the country and, frankly, globally. So unless we have meaningful changes that ensure that we are addressing those extreme weather events --

*Mr. Carter of Louisiana. And the retreat from the denial that climate change is real.

*Mr. Olson. Exactly.

*Mr. Carter of Louisiana. There are still those who are in very powerful places who suggest that climate change is a hoax. This thought and vitriol is dangerous to the American people.

As you noted in your testimony, cyber threats also pose risks to our nation's infrastructure. What tools and resources should Congress provide EPA to -- EPA and water systems to handle these threats?

*Mr. Olson. Cyber attacks is what you are asking about.

*Mr. Carter of Louisiana. Yes.

*Mr. Olson. It is a significant challenge because, as you have actually heard from Mr. Hill and others, we definitely have issues. A lot of small systems in particular don't have the resources to address this, and it is something -- EPA had actually issued a guidance document that would have required states to address cybersecurity as part of the -- what -- they are called sanitary surveys, and that was challenged by the industry.

We think we need a national solution to the cybersecurity issue. We have seen repeated cyber attacks already on water utilities, some of them having to shut down their billing systems and, as I mentioned in my testimony, examples of remote attacks on those water systems to actually affect their SCADA systems --

*Mr. Carter of Louisiana. Thank you.

Ms. Murley, you were asked a moment ago questions about your role as inspector general. Can you in just 10 seconds tell me, what is your job as inspector general?

*Ms. Murley. My job is to oversee the agency's programs and operations to make sure they are operating efficiently and effectively, and to prevent and detect waste, fraud, and abuse.

*Mr. Carter of Louisiana. Okay. So when you identify that, do you feel that you are empowered to call out this Administration if in fact you identify waste, fraud, and abuse as some practices that are not correct?

*Ms. Murley. I do.

*Mr. Carter of Louisiana. You feel like you have that full power?

*Ms. Murley. I do.

*Mr. Carter of Louisiana. Yet when my colleague asked you questions, you seemed to waffle.

*Ms. Murley. I answered the question based on our role. In the inspector general -- the IG statute, we are not a policy-making body. We don't make --

*Mr. Carter of Louisiana. I don't think his question was relative to a policy. It was relative to an action. So a part of us in oversight, asking you questions, particularly given the title that you enjoy, is a title to ensure that you are rooting out waste, fraud, abuse, that you are not looking

through the prism of a Republican or a Democrat, not answering to any particular president or even EPA administrator, but just to the facts.

My time is far exposed (sic). I will send more to you in writing.

[The information follows:]

**********COMMITTEE INSERT**********

*Mr. Carter of Louisiana. I yield.

*Ms. Murley. Thank you.

*Mr. Palmer. The chair now recognizes the gentlelady from North Dakota, Mrs. Fedorchak, for five minutes for her questions.

*Mrs. Fedorchak. Thank you, Mr. Chairman, and thank you to all the witnesses for sharing your expertise and your passion for these issues with all of us today. It is super important legislation we are talking about today and the regulatory structure for safe drinking water, something that every American cares about. Every elected leader, regardless of your party, cares a lot about safe drinking water and making sure we have the correct processes in place to protect and provide that to Americans.

Mr. Hill, I wanted to start with you. You testified that 91 percent of community water systems serve 10,000 or fewer people, yet they face the same Federal mandates as the largest utilities. I represent the entire State of North Dakota. Lots of communities. Most of our communities are under 10,000, so we can definitely relate to this. From your perspective as a small system operator, how should Congress adjust State Revolving Fund implementation or regulatory timelines to better account for limited staffing and administrative capacity without compromising public health?

*Mr. Hill. I think the process needs to be expedited,

and that starts at the application process. So we have got to get that money in the hands of those utilities, because I have got a $1 million claim water and a $1 million drinking water project. And by the time it gets to me, those contractors are walking right by me going to a 10 or $20 million project. So I see it when I go to a bid opening and there is 1 to 2 people that 10 years ago we had 10 contractors. So that lag time has caused prices to increase.

One of our neighboring systems just received 845,000. They had one contractor to bid, and that project was 1.4 million. You know, that puts a burden on the system, actually, when -- because it has taken four years to go from application to you receiving those funds, and that is -- we have got to expedite that process and get that -- those out. And whatever we can do to get those funds out to those small utilities, we need to address those concerns.

*Mrs. Fedorchak. Great. Thank you for that. And you outlined specific barriers that small systems face accessing the IIJA and SRF funds, particularly BABA, Davis-Bacon, and application complexity. If Congress were to prioritize just one or two targeted reforms to ensure that rural communities can fully use these funds, what would it be?

*Mr. Hill. The Davis-Bacon, it takes a lot of time to go on site. You have to categorize those employees for the job they do. There is a lot of paperwork to that. And when

you drag that process out even longer, instead of a week or two week process, it takes two or three months, that is an issue.

I support BABA 100 percent, especially on cybersecurity. But sometimes you got pumps or motors and things you can't get. The way that plant was designed 30 years ago, you need to order something and drop it right back in place. Sometimes you have to go outside of that and get something that doesn't fall under BABA. But the cybersecurity, I agree, is -- 100 percent should be BABA-compliant.

*Mrs. Fedorchak. Okay, very good. Thank you for that.

Ms. Murley, the Safe Drinking Water Act requires EPA to consider a cost benefit analysis when regulating contaminants. Based on your office's oversight work, how effectively is EPA balancing health protections with affordability, particularly for small communities like those I represent in North Dakota?

*Ms. Murley. Thank you. We have not conducted work in this area, though we are aware of at times the prohibitive cost to recalibrate systems to address different contaminants, and we would be happy to meet with your staff and talk about concerns that you have and any work that we may do in that area.

*Mrs. Fedorchak. Okay. Is it something that you can do more of, or why have you not pursued that work in the past?

*Ms. Murley. I would have to take that back.

*Mrs. Fedorchak. Okay, thank you. I have one more minute.

Ms. Rechtin, your testimony cites EPA's estimate of $625 billion in drinking water investments needs over 20 years. Some others have testified to it being almost $1 trillion or more. In your view, is the current SRF WIFIA structure sufficient to close that gap, or does Congress need to rethink the Federal financing model?

*Ms. Rechtin. Thank you for your question. I would say that the Northern Kentucky Water District has enjoyed several drinking water SRFs over the past 20 years. We have been able to benefit from 17 of those, totaling $110 million. So our historical access to those funds has been instrumental in how we have been able to invest in our system. And I would say, moving forward, it is equally as critical for the stability and predictability of how we can plan our projects.

*Mrs. Fedorchak. Okay. Thank you, ma'am.

I yield back.

*Mr. Palmer. The gentlelady yields. The chair now recognizes the gentleman from New Jersey, Mr. Menendez, for five minutes for his questions.

*Mr. Menendez. Thank you, Chairman. Here is something I know we all agree on: no American should be poisoned by the water they drink or pay for lead contamination.

There is no safe level of lead exposure. In New Jersey alone at least 115,000 lead pipes and millions across our country still need to be replaced to prevent developmental delays, brain damage, nerve disorders, and other potentially lifelong health consequences. Our state and nation have made meaningful progress toward eliminating lead pipes, but there is still significant work left to do. That is why lead pipe replacement must remain a priority as we consider updates to the Safe Drinking Water Act.

The City of Newark, which I am proud to represent alongside my colleague, Congresswoman LaMonica McIver, has set a powerful example of efficient, comprehensive lead pipe replacement. After elevated levels of lead in drinking water affected an estimated 200,000 Newark residents, the city replaced its 23,000 lead service lines in under 3 years, protecting the health of the children and families who call Newark home.

Mr. Olson, how has Newark's lead pipe replacement program served as a model for other communities in New Jersey and around the country?

*Mr. Olson. Well, thank you for that question.

Newark is -- has turned out to be a real model. We have been deeply engaged in Newark, and the city has replaced, as you mentioned, over 20,000 lead service lines in about 2-1/2 years.

Among the other things that they did, they adopted a very important ordinance that we have recommended many other cities adopt that makes it easier for them to implement this. They have gone in and they have paid for 100 percent of the lead service lines' replacement. What we have seen in other cities, including here in Washington, D.C. for a while, when the water utility doesn't pay for 100 percent of the lead service lines, a lot of people, especially low-income people, say they can't afford it, and therefore the lead service line doesn't get replaced. So 100 percent payment is also key --

*Mr. Menendez. And --

*Mr. Olson. -- very important -- well --

*Mr. Menendez. Thank you, I appreciate that. And I believe their work demonstrates that every household at every income can and should have access to affordable, safe drinking water.

But we must provide communities with the resources they need to make this principle a reality. In 2024 New Jersey received $123 million for lead pipe replacement under the Infrastructure Investment and Jobs Act. Part of the law is a $15 billion total investment in reducing lead in drinking water.

I will start with you, Mr. Olson, then we are going to go down this way. Just yes or no, would you agree that communities and utilities still need additional Federal

resources to continue this important work? Yes or no.

*Mr. Olson. Absolutely, yes.

*Mr. Hill. Absolutely yes, as well.

*Ms. Rechtin. Absolutely, yes.

*Mr. Menendez. And would you agree that we must maintain a dedicated funding source for lead service line replacement?

*Mr. Olson. Yes.

*Mr. Hill. Yes.

*Ms. Rechtin. Yes.

*Mr. Menendez. Thank you. And as we consider where and how these resources are directed, we must remember that children are often exposed to lead while at school or child care. While the EPA has made important progress in protecting students, lead contamination remains a challenge in many districts and a concern for many parents.

Mr. Olson, briefly, how can Congress continue to support schools and child care centers seeking to protect students and reduce lead exposure?

*Mr. Olson. We would strongly support some tweaks in the current program to address schools and child care centers for lead to install filters that will address the problem.

*Mr. Menendez. I appreciate that.

And to fully protect the health of children and families and effectively direct Federal resources, we also need to

know how many lead pipes need replacement and achieve an accurate national lead pipe inventory. Last year the Trump Administration's EPA revised its estimate of the number of lead pipes nationwide, lowering it from nine million to four million, a reduction with significant implications for the appropriation and allocation of funds to address lead in drinking water.

Mr. Olsen, do you have concerns that the Trump Administration under-estimated the number of lead service lines in our country? Yes or no.

*Mr. Olson. Yes, we have published an analysis that answers the questions --

*Mr. Menendez. And just briefly, what are the potential health -- public health consequences of under-counting that figure?

*Mr. Olson. Well, we are concerned that less funding will be made available to locations that really need it as a result of the reduced estimate.

*Mr. Menendez. Thank you so much.

And just quickly, Acting Inspector General Murley, responding to questions for the record from the last hearing he appeared at before Trump illegally fired him, your predecessor said that longstanding budget and staffing shortfalls "significantly constrained our independence and equated to less oversight of EPA.'' Yes or no, do you share

your predecessor's view that staff losses such as those OIG experienced last year erode your office's independence and its ability to conduct oversight of the EPA?

*Ms. Murley. I --

*Mr. Menendez. That is just a yes-or-no question.

*Ms. Murley. No, but we are excited to be hiring.

*Mr. Menendez. But if you need to hire, then you need to increase your capacity, which means that you currently have an issue and you are not able to do the full job the way it was anticipated and envisioned.

*Ms. Murley. We can always do more oversight.

*Mr. Menendez. I would agree with that. Well, thank you all so much for being here.

I yield back.

*Mr. Palmer. The gentleman yields. The chair now recognizes the gentleman from Georgia, Mr. Carter, for five minutes for his questions.

*Mr. Carter of Georgia. Thank you, Mr. Chairman, and thank all of you for being here. This is a fascinating hearing to me.

I am a former mayor. I was a mayor in another life. And I tell people all the time when I was in pharmacy school I never imagined I would know as much about water and sewer as I know after having been a mayor. But you have to know.

And I will tell you, most people, they go to the

restroom and they turn on the water and it flows and they flush it and it goes away, and that is all they know. But when you are mayor and you are on city council, you got to know where it is coming from and where it is going and how it is being treated. So I appreciate what you do, all of you.

We all know that a big concern is cybersecurity. We all know that a big concern is making sure that we don't have anything go wrong with our water systems. And it will be used as a tool in future conflicts. We all know that. In 2002 Congress mandated that community water systems conduct vulnerability assessments and prepare response plans for their facilities to guard against terrorist attacks or other intentional acts. Congress authorized technical assistance and grants to assist community water systems in 2018. These actions are essential. They are essential for national security. We all understand that.

As Ms. Rechtin said in her testimony, from April of 2024 through March of 2025, roughly 14 percent of water utilities reported experiencing at least one cybersecurity incident. That is an increase, an increase of about 11.5 percent during the same period the year before. So we often -- we know that this is going to be a concern.

Mr. Hill, I want to ask you, utilities are increasingly asked to strengthen cybersecurity while also managing aging infrastructure, workforce shortages, and rising compliance

costs. How are small systems prioritizing cyber investments relative to physical infrastructure needs, and what are some of the trade-offs, if there are any?

*Mr. Hill. Thank you, Mr. Congressman.

Our first project that we really focused on with SRF was to address cybersecurity. We implemented the SCADA system, and that was probably the best thing we did at the time, since -- some things have evolved since then, but that was top priority for us.

*Mr. Carter of Georgia. Did you -- and how are you dealing with aging infrastructure as a result of that?

*Mr. Hill. So aging infrastructure is a huge issue. We are chasing SRF loans, trying to get as much money as we can to replace that infrastructure. But the SCADA and the cybersecurity does protect that infrastructure, but we are pursuing and trying to get all the money possible for our rural community.

*Mr. Carter of Georgia. Ms. Rechtin, tell me more about the security risks that you are seeing with water utilities and how Congress can help utilities improve cyber resilience.

*Ms. Rechtin. Thank you for your question.

So I would agree with you that cyber threats are real. They are growing. As water systems increasingly rely on internet-connected operational technologies, it brings us efficiencies but also new vulnerabilities. And I would say

Congress can just continue to support programs that improve information sharing, provide funding for cybersecurity upgrades, and help utilities adopt best practices that are scalable and also tailored to the size of their system.

*Mr. Carter of Georgia. Okay, thank you. I want to just touch briefly on EPA's involvement in water cybersecurity because they do have an involvement here. They also have an extremely important job to ensure that our drinking water is safe.

Ms. Murley, from an oversight perspective, where do you see gaps in EPA's current approach to drinking water cybersecurity, and what limitations affect the agency's ability to identify or mitigate cyber risk across water systems?

*Ms. Murley. Thank you for the question.

I think that the EPA is the sector-specific agency charged with ensuring that water sector is prepared for any hazard, including cyber risk. But -- and the agency does not set mandatory Federal cybersecurity requirements. It does provide technical assistance, guidance, outreach, and education to water systems. And I would turn you to our 2024 Management Implication Report on cyber concerns, where we identified vulnerabilities across systems serving millions of Americans.

We are encouraged by the steps the agency has taken to

elevate this issue, including the creation of a new office and the announcement of grants.

From an oversight perspective, we just announced a project to look at the IIJA funds for Drinking Water SRF projects designed to strengthen the water sector systems against physical and cyber threats and hazards. One difficulty we encountered during this work doing this project is that you cannot identify unless a state has included the relevant information in its intended use plan. So I would say that is an area for improvement.

*Mr. Carter of Georgia. Okay. Just out of curiosity, real quick, have any of you experienced any cybersecurity threats in any of your systems or heard of any?

Ms. Rechtin?

*Ms. Rechtin. I would say we experience threats daily, but I can't speak to any other systems. So, yes, we have a very strong cyber defense.

*Mr. Carter of Georgia. Okay. Anyone else?

*Mr. Hill. I know we are involved with CISA, and then you have WaterISAC, and that is a community that -- they share a lot of that information back and forth, and that is a tool that a lot of water systems are using now across America to share that information and get ahead and make everyone knowledgeable of what is going on.

*Mr. Carter of Georgia. Okay.

*Mr. Pfluger. [Presiding.] The gentleman's time --

*Mr. Carter of Georgia. I am out of time, and I yield back.

Thank you all.

*Mr. Pfluger. The gentleman's time has expired. The chair recognizes the gentleman from Ohio, Mr. Landsman.

*Mr. Landsman. Thank you, Mr. Chair, and thank you all for being here and the work that you all do -- in general, but in particular around keeping water safe. And I want to talk first about the EPA's Office of Research and Development.

So I am from Cincinnati. We have a big, you know, EPA office. We have a big office of research and development, and this is key for safe drinking water in the sense that people, municipalities from all over the country send information our way. Our folks test it, determine, you know, what is in the water, how did it get there, what are the interventions, so on and so forth. And it makes a huge difference in helping, you know, municipalities, folks all over the country clean up their water if there is an issue.

And so there has been some issues with the Office of Research and Development, some attacks on those jobs, maybe moving them into the Secretary's office so that they would be more political, all kinds of things are spinning around. And I just would like to know first, Mr. Olson, so that, you

know, those who aren't familiar with the Office of Research and Development, can you talk a little bit about their role in keeping water safe?

*Mr. Olson. Well, Office of Research and Development has been critical to studying some of the health effects of some of these contaminants, including PFAS. The Cincinnati lab has been crucial to studying, for example, how lead corrodes pipes and how to address that problem. They have also developed a lot of the test methods that are used for PFAS for other contaminants. So they have been absolutely central to protecting our health.

And unfortunately, by eliminating the Office of Research and Development and shifting resources and putting some of those people out of work, we are very concerned about the impacts of some of the changes at ORD.

*Mr. Landsman. Yes, I mean, they are incredible professionals. And, you know, if we reduce the number or get rid of ORD, these municipalities aren't going to have this entity that helps them clean up water.

So Ms. Murley, do you want to talk a little bit about the EPA's plan here or anything that you might be looking into to ensure the independent -- the ongoing work of ORD and its independence?

*Ms. Murley. Thank you for the question.

We, as an office, are always concerned about scientific

integrity, and have raised this issue for years. It has been in our past management challenges. We are currently staying updated on changes with the agency not just within scientific integrity, but all changes with the agency. But we have not done work related to this specific change, and we have no concerns to share currently, but we -- the OIG, we have a critical role in protecting the agency's adherence to scientific integrity.

And as an independent office, we receive complaints of mismanagement, misconduct, and abuse or -- and censorship, including those related to scientific misconduct or research misconduct. I could point you to past work. We have records -- reports of investigation regarding allegations of scientific interference and work -- last summer we issued a report highlighting issues stemming from inadequate oversight in ORD. I can provide that.

And this year we -- one of our top management challenges is -- for the agency, that we have identified for the agency -- is maintaining mission efficiency and effectiveness during organizational change. And included in that would be changes to the scientific integrity process.

*Mr. Landsman. It sounds like you are -- I am sorry, maybe I misunderstood what you just said, but it sounds like you are less interested in protecting ORD and the research they do to protect clean water, and suggesting that there is

mismanagement, and issues, and thus sort of justifying or creating a context for firing people.

*Ms. Murley. So the records of -- or the reports of investigation were actually protecting scientific integrity at the agency. That is where those complaints came from. So those reports involved potential interference in --

*Mr. Landsman. Do you believe ORD is important?

*Ms. Murley. Yes.

*Mr. Landsman. Do you believe it should -- those jobs should be protected?

*Ms. Murley. I mean, we meet regularly with the agency's scientific integrity program staff, and we receive information from them on a monthly basis.

*Mr. Landsman. Do you believe those jobs are important?

*Ms. Murley. I believe in scientific integrity at the agency.

*Mr. Landsman. So do you believe that these jobs in ORD should remain independent?

*Ms. Murley. The staffing decisions at the agency is not a question for the Office of Inspector General.

*Mr. Landsman. Yes, but the idea of independence is.

*Ms. Murley. We take independence very seriously.

*Mr. Landsman. Good. Thank you.

I yield back.

*Mr. Pfluger. The gentleman's time has expired. The

chair now recognizes myself for questioning.

This is such an important issue. Coming from a district in west Texas, where water is both scarce and also hampered by over-regulated nature of bureaucracy at times -- and that is really what I want to talk about, because access to safe drinking water is obviously non-negotiable, and every community deserves that. But the way we regulate it, the way we fund it, the way we transmit it to our communities is critical, as well.

And I would argue that most water systems in our country are small, and they don't have the compliance departments or the in-house counsel that some of the big operators do. But when Washington adds new mandates, whether it is monitoring requirements, reporting layers, labor rules, or procurement standards, these requirements land on rural communities in an outsized and negative way. And that is my community that we are talking about here. And we have got to understand what this means for ratepayers, because in those small communities it also impacts the price that people are paying for water.

Mr. Hill, what do you think is the most important element of operating a safe public drinking water supply?

*Mr. Hill. The water operator. That is 100 percent the most important part.

*Mr. Pfluger. Can you kind of walk us through? I think you have 26 employees that are managing both water and

wastewater. How do you prioritize when new requirements come online?

*Mr. Hill. We look at the new requirements. And of course, I chair the regulatory committee for national, so I get a little bit of insight there on -- but it is hard to prepare. We do all we can, preparing for these to meet the requirements for regulatory. But it is tough for a small system. The finances are not there for these new rules.

*Mr. Pfluger. So it sounds good, some of the ideas that are -- that come out of Washington on paper, you know, it is like, oh, great, we can support that, and that is going to keep it safer and cleaner. But is that really the case sometimes? What do we misunderstand up here?

*Mr. Hill. You know, right now we are looking at perchlorate. UCMR 1 was 2000-2005, and we tested for perchlorate. We had no detects, and we will be coming this week for -- they are looking at applying that rule. And that is not EPA, that is a court decision.

But we have already done this round of testing 20 years ago, and here we are again going down the same path. It is a burden to put back on our water system again to do something we have already addressed once in the past.

*Mr. Pfluger. Ms. Murley, thank you for being here.

Are small and rural water systems are facing unique challenges in accessing Federal infrastructure funds?

And if so, can you kind of go into detail about that?

*Ms. Murley. I -- yes, I would point you to a series of works that we have done on state capacity to handle the influx of IIJA, both drinking water and clean water. We have looked at the State of New Mexico, we looked at South Carolina, and we looked at the U.S. Virgin Islands. I would say that each state has different demographics and different challenges, either human capacity, technical capacity, or organizational challenges to receive those funds. And we have done work and made recommendations to the agency for improving those areas.

*Mr. Pfluger. I have 10, 15, maybe even 20 communities that are searching for those funds right now that are looking, you know, to see how they can help because of the issues we just described and Mr. Hill talked about. Where should I point them? Is it that report that you mentioned, or are there other areas that we can highlight to them?

*Ms. Murley. I would point them to the agency. I think one of my colleagues testified today about an application for technical assistance, and I would -- the best area to go.

*Mr. Pfluger. Thank you for that. The scarcity issue in west Texas, a drought-prone area that does not receive a lot of rain is a real issue. And we rely heavily on groundwater and, you know, the population growth is also tied to that scarcity issue, as well.

But Mr. Hill, in drought-prone areas like the one that I serve, what does the long-term water reliability planning look like for a small system?

*Mr. Hill. So we have to have a water conservation plan with the Office of Water Resource in Alabama and a primacy agency. So we ran into droughts in the 1990s. We laid a 10-inch HTP line on top of the ground. We put a pump station in to a larger source, and we got ahead of that problem and we ended up putting a pump station on a reservoir which is larger than our primary reservoir. We ran 6 miles of 24-inch ductile iron pipe. And Russellville -- as of today, I am here to proudly say we should not be in another drought condition because our board had the insight and understanding of how important that water was for industry and the communities to thrive.

*Mr. Pfluger. Is it easy for you in those long-term planning sessions to also comply with Federal regulations? Are more regulations better for you?

*Mr. Hill. It is very tough to comply with the regulations because when you get one behind you, there is another one coming.

*Mr. Pfluger. Well, thank you. My time is expired. I would like to thank our witnesses for being here today. Members may have additional questions in writing for you, and I will remind members that they have 10 days to submit those

additional questions for the record. And I ask that the witnesses do your best to submit responses within 10 business days of receipt of those questions.

I would like to ask unanimous consent to insert in the record the documents included on the staff hearing documents list.

Without objection, so ordered.

[The information follows:]

**********COMMITTEE INSERT**********

*Mr. Pfluger. And without objection, the subcommittee is adjourned.

[Whereupon, at 12:15 p.m., the subcommittee was adjourned.]