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# CLEAN WATER IS OUR FIRST AND LAST LINE OF DEFENSE O WATER'S WORTH IT.

April 28, 2020

The Honorable John Barrasso Chairman Committee on Environment & Public Works U.S. Senate Washington, D.C.

The Honorable Thomas R. Carper Ranking Member Committee on Environment & Public Works U.S. Senate Washington, D.C.

#### RE: Stakeholder Comments on draft America's Water Infrastructure Act of 2020

Dear Chairman Barrasso and Ranking Member Carper:

The Water Environment Federation (WEF) welcomes the opportunity to provide stakeholder comments regarding the draft America's Water Infrastructure Act (AWIA) of 2020. WEF is the educational and technical association for over 35,000 water professionals working to maintain and improve water quality and public health in communities across the country and around the world. WEF strongly supports the draft legislation and congratulates the Committee on putting forth a bill that will advance many of the water infrastructure funding and policy priorities our members have been advocating for over the years. This letter details those provisions in the draft legislation that WEF would like included in the final bill, as well as specific changes to some of those provisions that will ensure that those programs best address our nation's water infrastructure needs.

As the Committee knows, the national need for improvements to drinking water, wastewater, and stormwater infrastructure is substantial and there is broad support by the American public for increased federal funding to assist communities protect to public health, the environment, and spur economic growth. Recently the Value of Water Coalition survey1 of public opinion found that 84% of Americans support increased federal investment to rebuild our water infrastructure. The coronavirus crisis has further highlighted the essential role that reliable water infrastructure, water professionals, and water utilities play in protecting communities. Every day our water utilities work to keep pathogens out of the environment by safely collecting and transporting wastewater from homes and businesses and then fully reclaiming and cleaning to meet strict standards. While Congress may take additional actions to provide coronavirus relief and recovery, policies and priorities set forth in AWIA 2020 will ensure that communities have the long-term tools and resources needed to serve their communities' water infrastructure needs.

## Section 2015 – Clean Water State Revolving Fund Reauthorization

WEF, our members, and our state-based Member Associations have long been strong advocates for the Clean Water State Revolving Fund (CW SRF), including supporting the creation of the program in 1987. The CW SRF program is one of the most successful federal infrastructure funding programs ever, and it is critical that Congress reauthorize it and increase the authorized fund levels to help address our national needs. Combined federal, state and local spending on water infrastructure equals about \$41 billion per year, leaving an estimated national water infrastructure investment gap of \$82 billion per year. If current needs are left unaddressed, the annual gap is projected to rise to \$109 billion by 2026 and \$153 billion by 2040, as needs from prior years accumulate. While the proposed authorization levels in the draft AWIA 2020 bill are greatly appreciated, WEF urges the Committee to further increase those levels.

The current national economic situation makes the economic and job-creation benefits of increased CW SRF more relevant than ever before. A report<sup>2</sup> produced by WEF and the WateReuse Association for this Committee in 2016 found that the return on investment for increased federal CW SRF funding produces significant job creation, federal revenue generation, and GDP benefits. The report found that \$1 million in federal SRF capitalization grant funding generates 16.5 new high-paying jobs (~\$60,000/yr. salary), \$930,000 in federal tax revenues, and nearly \$3 million in direct GDP and over \$6 million in in-direct GDP.

<u>WEF Recommendation</u>: Reauthorize the Clean Water State Revolving Fund at the highest possible levels.

## Section 2007 – Sewer Overflow and Stormwater Reuse Municipal Grants

Reauthorization and increased funding for the Sewer Overflow and Stormwater Reuse Municipal Grants (a.k.a. Sewer Overflow Control Grant program in the US EPA budget) will help the thousands of communities across the nation dealing with aging and inadequate combined sewer, separate sewer, and stormwater collections and conveyance infrastructure. These grants will not only help communities meet their regulatory obligation, it will also address public safety and resiliency priorities that are becoming increasing common in communities of all sized and geographic regions. Since the need for funding is unlikely to be fulfilled by the end of fiscal year 2021, WEF recommends that the Committee reauthorize this program through fiscal year 2024.

<u>WEF Recommendation:</u> Reauthorize and increase the Sewer Overflow and Stormwater Reuse Municipal Grants to \$250 million per year through fiscal year 2024.

## Section 2008 – Water Infrastructure and Workforce Investment Grants

WEF strongly supports the workforce development provisions included in the draft AWIA 2020 legislation, and urges the Committee to increase the authorized level to \$10 million per year. WEF also urges the Committee to include additional provisions in AWIA 2020 to allow support for workforce development through the CW SRF.

<sup>&</sup>lt;sup>2</sup> <u>https://bit.ly/wef-wra-srf-economic-impact-study-report-april-29-2016</u>

As the nation has seen during the coronavirus crisis, the work that water professionals do to protect public health is critical, both not just during times of crisis, but every day in every community in the Unfortunately, the municipal drinking water, wastewater, and stormwater United States. management sectors are all facing substantial workforce replacement needs. The aging workforce and high rate of retirement in the sector are placing pressure on utilities to find the next generation of workers. An estimated 30% to 50% of utility workers will retire over the next decade, taking with them tremendous professional knowledge and experience (WRF/AWWA, "Water Sector Workforce Sustainability Initiative," 2010). According to the U.S. Bureau of Labor Statistics, there will be an estimated 75,000 to 80,000 jobs available within utilities over the next six years. These are permanent Science, Technology, Engineering and Mathematics (STEM) cluster jobs that do not require a bachelor's degree and pay family-sustaining wages. They cannot be outsourced and are largely immune to economic externalities. These are jobs that protect public health and the environment, on par with other essential first responder jobs within communities. These jobs are in every city and county across the nation and are long-term careers that provide healthcare and retirement benefits., As our nation recovers from the coronavirus crisis, bringing the next generation of water professionals into careers in water will help communities with unemployment challenges, in addition to addressing current and future workforce needs in the sector.

The Manager's Amendment for H.R. 1497, the Water Quality and Jobs Creation Act of 2019, includes a provision that gives state CW SRF administrators the authority to use up to 1% of the federal CW SRF capitalization grant in assistance communities and utilities for workforce development, training, and retention. The draft AWIA 2020 bill grants states authority to use a portion of the CW SRF for additional subsidization, such as grants and loan forgiveness, which, therefore, could be used as workforce grants through a 1% set-aside. This small provision is voluntary based and upon a state's need but has the potential to be a significant funding source to help address water workforce development shortages. The language include in Section 12 of the Manager's Amendment of H.R. 1497 passed by the House Transportation & Infrastructure Committee is as follows:

WASTEWATER INFRASTRUCTURE WORKFORCE DEVELOPMENT. —Section 604 of the Federal Water Pollution Control Act (33 U.S.C. 1384) is amended by adding at the end the following: "(d) WASTEWATER INFRASTRUCTURE WORKFORCE DEVELOPMENT.—A State may reserve each fiscal year up to 1 percent of the sums allotted to the State under this section for the fiscal year to carry out workforce development, training, and retraining activities described in section 104(g).".

<u>WEF Recommendation</u>: Reauthorize the Water Infrastructure and Workforce Investments Grants program and increase funding to \$10 million per year. Additionally, include legislative language allowing for up to 1% of the CW SRF federal capitalization grant to be used for water workforce development.

## Section 2018 – Stormwater Infrastructure Technology

The inclusion of these provisions in AWIA 2020 is strongly supported by WEF. The basis for this provision is legislation introduced by Sen. Tom Udall, S. 2456, which WEF has previously supported. Several of the proposals in this section align with the recommendations that WEF released recently

in our annual Stormwater Policy Recommendations<sup>3</sup> to Congress. The need for federal support for stormwater infrastructure and resources is illustrated by findings in the 2018 WEF National Municipal Separate Storm Sewer System (MS4) Needs Assessment Survey<sup>4</sup>. The survey found that aging infrastructure, lack of funding, and increasing or expanding regulations were by far the top areas of concern for stormwater permittees. It also found that the estimated annual funding gap for stormwater is \$7.5B, which is over 1/3 of the currently estimated annual expenditures in the stormwater sector. The provisions included in AWIA 2020 will help address many of the fundamental challenges facing the stormwater sector, including identifying and verifying the best stormwater management practices and technologies so that federal, state or local funds are spent effectively and regulatory goals are met.

WEF recommends to the Committee several changes to the provisions so that they best address the needs of the nation. First, expand the eligible institutions in Section 2018(a)(4) or eligible entities in Section 2018(a)(3) to include "nonprofit organizations". WEF is leading a national effort between States, municipal agencies, regulatory agencies, stormwater practitioners, and private entities to establish a national stormwater technology testing and verification program to ensure that stormwater management technologies meet verifiable performance standards. This effort is fairly mature in the partnership development phase, but will need additional funding resources for the implementation phase. Broadening eligibility under Section 2018(a)(3) will provide another potential source of support for this effort.

Second, WEF recommends that the cost-share for the implementation grants included in Section 2018(c) be 100% federal or at a minimum 80% federal and 20% non-federal. As detailed in the WEF MS4 Needs Assessment Survey, the shortage of funding for stormwater infrastructure investments is the most significant challenge for 64% of Phase II MS4 permittees, and over half of Phase I MS4 permittee. The majority of local stormwater infrastructure investments are not paid for through a separate financing mechanism, such as a stormwater utility fee, tax line-item or borrowing, but are paid for through a community's general budget/fund. Considering the increased financial pressures faced by local governments, a result of the coronavirus crisis, a cost-share of 100% federal, or at least 80% federal and 20% non-federal, will help ensure that the new grants are pursued by the greatest diversity of applicants and will go to communities most in need. A cost-share of 100% federal or 80% - 20% also aligns with most other federal programs that fund stormwater-related projects, such as the EPA Urban Water Small Grants (100% federal), HUD Community Development Block Grant Program (100% federal), or FHWA Transportation Alternatives Program (TAP) (80% federal). Additionally, WEF strongly supports provisions in Section 2018(c) to set-aside 15% for small, rural and disadvantaged communities, and urges the Committee to ensure that grants to those communities are 100% federal.

Third, WEF request in Section 2018(c)(2)(A)(v) that after "Developing" the term "and delivery" be added. This will enable grant recipients to use the funds for training personnel to fulfill the goal of this provision. Currently the language will only allow for the development of training materials. It

<sup>&</sup>lt;sup>3</sup> <u>http://www.wef.org/2020-stormwater-policy-recommendations</u>

<sup>&</sup>lt;sup>4</sup> <u>https://wefstormwaterinstitute.org/programs/ms4survey/</u>

is critical that new stormwater management technologies developed through this program or elsewhere be properly disseminated and personnel be trained suitably to ensure that it is effectively being installed and employed.

<u>WEF Recommendations</u>: Expand Section 2018(a)(3) & (4) to include "nonprofit organizations". Provide 100% federal or at least 80% - 20% federal-nonfederal grant funding under Section 2018(c). Also, provide 100% federal funding for the 15% set-aside for small, rural, and disadvantaged communities. Add "and delivery" to Section 2018(c)(2)(A)(v).

## Section 2005 – Wastewater Efficiency Grant Pilot Program

Several years back WEF and other water organizations recognized that the staid model for treating wastewater did not reflect the tremendous opportunity that utilizing more advanced treatment processes has for recovering and using the energy, nutrients, and water resources available in wastewater. For this reason, the sector has renamed wastewater treatment facilities as Water Resource Recovery Facilities (WRRFs). Energy recovery from wastewater treatment is being employed by many WRRF that have the financial stability and technical resources to make investments in these technologies. Unfortunately, not all, particularly small, rural, and financially disadvantaged WRRFs, have been unable to install these technologies. In 2018, WEF created the ReNEW Water Project<sup>5</sup> to establish baseline metrics for resource recovery of energy, nutrients, and water from WRRFs. WRRFs in the United States can generate 859 megawatts annually, of which 350 megawatts can be recovered and used for wastewater treatment operations. With the proper infrastructure, biogas recovery through anaerobic digestion can produce energy that reduces the reliance on fossil fuels used in wastewater treatment, as part of a circular economy approach to wastewater treatment supported by WEF's ReNEW Water Project.

The US Environmental Protection Agency estimated that 1,351 WRRFs in the U.S. have a capacity larger than 1 million gallons per day (mgd) and have anaerobic digestion capabilities that will produce significant energy if investments in biogas energy generation infrastructure are made. Section 2005 will provide the operators of those WRRFs, such as municipal governments and public utilities, a substantial new source of funding to help them make those necessary infrastructure investments. In particular, this section will support the many smaller and medium sized WRRFs that lack larger ratepayer bases and the financial resources to make investments in biogas energy generation infrastructure. Since there is substantial national need for funding for these technologies, WEF recommends that this section be extended until fiscal year 2024.

<u>WEF Recommendation</u>: Include Section 2005 in the final legislation passed by Congress and authorize it until fiscal year 2024.

## Additional AWIA 2020 Provisions WEF Supports

Draft AWIA 2020 contains several other sections that WEF strongly supports and our members will urge their Senators to also support when the bill is considered on the floor. In particular, but not limited to, WEF backs the following provisions:

<sup>&</sup>lt;sup>5</sup> <u>https://www.wef.org/resources/topics/browse-topics-o-z/resource-recovery-roadmaps/renew-water-project/</u>

- Section 2002 Increased Funding for Technical Assistance: WEF urges the Committee to expand eligible entities under this program to include States and Interstate Agencies.
- Section 2004 Small Publicly Owned Treatment Works Efficiency Grant Program
- Section 2014 WIFIA Reauthorization
- Section 2016 Wastewater Infrastructure Discretionary Grants: Please note that while this grant program is strongly supported by WEF, grant recipients should be expected to meet the same regulatory obligations and compliance deadlines in the same timely manner as all other permitted entities.
- Section 2012 Use of Clean Water SRF
- Section 2011 Connection to Publicly Owned Treatment Works
- Section 2001 Clean Water Infrastructure Resiliency and Sustainability Program
- Section 2003 Small & Medium POTW Circuit Rider Program
- Section 2006 Pilot Program for Alternative Water Source Projects

The need for expanded federal support and infrastructure funding resources is as important now during the coronavirus crisis as it is at any time in the last several decades. Federal investment in water infrastructure has declined from 63% to 9% since 1977, and unfortunately many of the infrastructure investments made during the 1970 and 1980 are nearing or past their design life. The simple act of "washing your hands" is the first line of defense in the fight against the coronavirus. The ability to safely draw water at the tap and easily dispose of the wastewater down the drain in an environmentally acceptable way covers water infrastructure at its basic foundation. Life without this basic foundation would not allow the American public to remain safe at home and for hospitals to operate during this pandemic. We cannot put at risk this basic foundation.

WEF recognizes that the Committee has demonstrated outstanding foresight and support for addressing these challenges over the last several Water Resource Development Acts. WEF thanks the Committee for maintaining that momentum in AWIA 2020 and building upon it. Please take into consideration the recommendations made in these comments, and we welcome the opportunity to elaborate further upon them if necessary. Please contact Steve Dye, WEF Legislative Director, at sdye@wef.org or 202-246-1070 for additional information.

Respectfully,

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Tim Williams Deputy Executive Director Water Environment Federation