



THE UNITED STATES  
CONFERENCE OF MAYORS



September 5, 2023

The Honorable Patty Murray  
Chair  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

The Honorable Kay Granger  
Chair  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Susan Collins  
Vice Chair  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

The Honorable Rosa DeLauro  
Ranking Member  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairs Murray and Granger, Vice Chair Collins and Ranking Member DeLauro:

On behalf of the nation's mayors, cities and counties, The U.S. Conference of Mayors, the National League of Cities and the National Association of Counties offer the following recommendations regarding the Senate and House Appropriations Committees' Interior-Environment Fiscal Year 2024 Appropriations bills that impact a number of environmental and water-related priorities for local governments.

As Congress works to fund the federal government for FY 2024, we urge you to pass legislation that would support the below priorities that are critical to local governments.

### **Maintain funding levels for the Clean Water and Drinking Water State Revolving Funds and WIFIA**

Local governments fund 98 percent of all capital, operations and maintenance investment in drinking water and wastewater infrastructure in the United States, primarily through user fees and bonds. The most recent U.S. Census data shows that local governments spent over \$142 billion on water and wastewater in 2020 alone and over \$2.38 trillion between 1993 and 2019, not adjusted for inflation. Even with this significant investment by local governments, many communities struggle to upgrade their water systems.

Comparatively, during this same time period, the federal government appropriated approximately \$2 billion annually for both the Clean Water and Drinking Water State Revolving Loan Fund (SRF) programs. The SRF programs provide grants to states which, in turn, provide

local governments with loans that must be repaid. Similarly, the Water Infrastructure Finance and Innovation Act (WIFIA) program provides loans and loan guarantees for local water infrastructure projects.

Further, while we are pleased that the bipartisan Infrastructure Investment and Jobs Act (IIJA) provided historic funding for our nation's water infrastructure, we urge caution among lawmakers in thinking this funding is sufficient for local governments to make the necessary investments in our nation's public water systems. Moreover, in addition to making needed water infrastructure upgrades, local water systems will also soon be required to comply with a host of new regulatory mandates, including removing lead pipes, adhering to risk management programs, upgrading cybersecurity, creating more complex consumer confidence reports, and monitoring and remediating per- and polyfluoroalkyl substances (PFAS). While local officials are supportive of efforts to promote public health and protect the environment, these future compliance costs will add to the growing affordability crisis facing local governments and community ratepayers.

Therefore, it is absolutely critical that the IIJA funding is not used as a substitute for regular fiscal year funding for the SRF programs and WIFIA. We strongly urge lawmakers to, at a minimum, maintain FY 2023 spending levels for both Clean Water and Drinking Water SRF programs, as well as WIFIA. As the fundamental financial mechanisms used to enable low-cost financing for water and wastewater infrastructure, any reduction in the amount of funds made available through the SRFs and WIFIA represents a direct threat to local governments' ability to provide safe, reliable and affordable drinking water and wastewater services. The federal government should increase its share of spending for water infrastructure investments, not shrink it.

Additionally, we are concerned that congressionally directed spending (earmarks) are diverting funds from the annual base funding of the SRF programs. Any funding appropriated for water infrastructure projects through congressionally directed spending should be in addition to the base annual appropriations amount.

### **Fund water infrastructure grant programs**

While the House and Senate Interior-Environment FY 2024 Appropriations bills fund some water infrastructure grant programs, the IIJA authorized a number of additional water infrastructure grant programs that would support local governments in providing clean and safe water for their communities. In particular, these grant programs would provide assistance to small, disadvantaged and environmental justice communities; promote resilience, cybersecurity and sustainability for water and wastewater systems; and develop advanced technologies and solutions to drive innovation, lower costs and improve efficiency. Further, many of these grant programs would provide funding directly to local governments which would help to ensure that projects are completed more efficiently, as opposed to the SRF programs which direct investments through the states.

The availability of grant programs to address our nation's water infrastructure is essential to addressing equity and affordability issues in low-income communities, where many households

already spend a disproportionate amount of their income on their water bills. We urge you to prioritize funding for these authorized grant programs in the appropriations process.

### **Further analysis needed for EPA's PFAS drinking water regulation**

Our organizations appreciated the opportunity to submit [comments](#) earlier this year on the U.S. Environmental Protection Agency's (EPA) proposed National Primary Drinking Water Regulation for PFAS. Under the proposed regulation local governments will be responsible, directly or indirectly, for a wide array of associated compliance costs, including for testing, monitoring and installing treatment. If local governments are forced to bear the brunt of the financial burden, an increase in water rates in communities across the nation is a near certainty.

EPA's cost-benefit analysis showed annual costs of \$770 million and benefits of approximately \$1.2 billion. However, the American Water Works Association has estimated annual costs of the proposal to be between \$2.5-\$3.2 billion. We have serious concerns that not only will local governments be unable to afford the required costs to comply with this regulation, but also that the Agency has underestimated the cascading impacts this regulation will have on local communities, primarily in the form of higher water bills.

The House Appropriations Committee's Interior-Environment report included a provision directing the Government Accountability Office to review EPA's cost-benefit analysis for its recently proposed PFAS drinking water regulation. This would entail a deeper evaluation of the cost-benefit analysis conducted by the Agency including a deeper assessment of the proposed rule's financial impacts on community ratepayers and incorporated costs for compliance and implementation, along with any other factors that could have altered the Agency's cost-benefit analysis.

Overall, we are supportive of efforts by lawmakers to better understand the financial impacts of this proposed regulation and encourage any additional analysis that may be needed to ensure its cost-effective and efficient implementation. In our comment letter, we urged EPA to reexamine its cost-benefit analysis to better inform the impacts of the proposed regulation. Of particular concern were the financial burdens this proposed regulation will have on individual consumers, especially those in environmental justice and disadvantaged communities. As such, we urge you to maintain this House provision in the report language as you finalize the Interior-Environment FY24 Appropriations bill.

In closing, we urge your support for important water and environmental funding in the FY24 appropriations. On behalf of the nation's mayors, cities and counties, we thank you for considering the local government perspective on these important issues. If you have any questions, please contact us: Judy Sheahan (USCM) at 202-861-6775 or [jsheahan@usmayors.org](mailto:jsheahan@usmayors.org); Carolyn Berndt (NLC) at 202-626-3101 or [Berndt@nlc.org](mailto:Berndt@nlc.org); or Sarah Gimont (NACo) at 202-942-4254 or [sgimont@naco.org](mailto:sgimont@naco.org).

Sincerely,

A handwritten signature in black ink that reads "Tom Cochran". The letters are cursive and somewhat stylized.

Tom Cochran  
CEO & Executive Director  
U.S. Conference of Mayors

A handwritten signature in black ink that reads "Clarence E. Anthony". The signature is very fluid and cursive, with a long horizontal stroke at the end.

Clarence E. Anthony  
CEO & Executive Director  
National League of Cities

A handwritten signature in blue ink that reads "Matthew D. Chase". The signature is cursive and includes a large loop at the beginning.

Matthew D. Chase  
CEO & Executive Director  
National Association of Counties