



THE UNITED STATES  
CONFERENCE OF MAYORS



March 26, 2025

The Honorable Mike Collins  
Chair  
Water Resources and Environment  
Subcommittee  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Frederica Wilson  
Ranking Member  
Water Resources and Environment  
Subcommittee  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Collins and Ranking Member Wilson,

On behalf of the nation's mayors, cities and counties, The U.S. Conference of Mayors (USCM), the National League of Cities (NLC) and the National Association of Counties (NACo) appreciate the opportunity to submit the attached comments to be submitted into the record for the hearing titled, *Water Infrastructure Financing: WIFIA and the Clean Water State Revolving Fund*, held on March 11, 2025 before the Water Resources and Environment Subcommittee.

While we recognize the hearing's focus was on the Clean Water State Revolving Loan Fund (CWSRF) and Water Infrastructure Finance and Innovation Act (WIFIA) specifically, our recommendations also refer to the Drinking Water State Revolving Loan Fund (DWSRF) as the two SRF programs work together to provide critical financing assistance for local governments to upgrade aging infrastructure, protect water and wastewater facilities, comply with water quality standards, and promote source water availability.

### **Local governments fund the majority of water infrastructure investments**

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 \$150.9 billion on water and wastewater in 2022 alone, and since 2000 have spent over \$2.46 trillion on these utilities, including \$892 billion in capital investment. Comparatively, during this same period, the federal government appropriated approximately \$2 billion annually for both the CWSRF and DWSRF programs. The SRF programs provide grants to states which, in turn, provide local governments with loans that must be repaid. Similarly, WIFIA provides loans and loan guarantees for local water infrastructure projects.

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. 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.

### **Reauthorize the SRF Programs and WIFIA at IIJA Level Funding or Above**

Even with the significant investments made by local governments and the historic allotments provided by the IIJA for the SRF programs, many communities struggle to upgrade their water systems. Population increase, inflation, aging infrastructure, and increased regulations have had profound impacts on the affordability crisis across the nation. The U.S. Environmental Protection Agency's (EPA) own estimates indicate an escalating national emergency with up to 19 million households lacking affordable access to water service, and a national annual needs gap ranging between \$5.1 and \$8.8 billion. Notably, these costs do not include the host of new federal mandates levied upon local governments, which have limited means of raising revenue.

Even if the federal government maintained its current levels of water and sewer investment, public water systems will still face an urgent critical infrastructure needs shortage. This is now more apparent as proposals to reduce EPA's budget of up to 65 percent are being put forth. While it remains unclear where these cuts will be made, 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.

With IIJA funding set to expire in FY 2026, we are strongly urging lawmakers to reauthorize the WIFIA and annual SRF programs at either level or higher amounts than was provided by the IIJA. Increasing the authorized levels for both the Clean Water and Drinking Water SRF programs will help mitigate the affordability crisis while reversing the sharp decline of federal cost-share investment in water infrastructure upgrades.

Thank you again for the opportunity to submit comments on this important issue. We look forward to working with you to ensure that local governments across the country have the resources they need to build and improve our nation's water infrastructure systems. 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 Charlotte Mitchell Duyshart (NACo) at 202-661-8826 or [cmitchell@naco.org](mailto:cmitchell@naco.org).

Sincerely,



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CEO and Executive Director  
The U.S. Conference of Mayors



Clarence E. Anthony  
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National Association of Counties

CC: Members of the House Transportation and Infrastructure Committee