

*Association of State Drinking Water Administrators*

**Testimony to the House Committee on Appropriations;  
Subcommittee on Interior, Environment, & Related Agencies  
March 12, 2012**

**Who We Are:** Edward G. Hallock, President, on behalf of the Association of State Drinking Water Administrators (ASDWA), is pleased to provide testimony to the Interior, Environment and Related Agencies Subcommittee on FY 13 Appropriations for the U.S. Environmental Protection Agency. ASDWA represents the state drinking water programs in the fifty states, territories, District of Columbia, and the Navajo Nation in their efforts to provide safe drinking water to more than 275 million consumers nationwide.

*Summary of Request:*

**ASDWA respectfully requests that, for FY-13, the Subcommittee appropriate funding for three state drinking water programs at levels commensurate with Federal expectations for performance; that ensure appropriate public health protection; and that will result in enhancing economic stability and prosperity in American cities and towns. ASDWA requests \$200 million for the Public Water System Supervision (PWSS) program; \$1.287 billion for the Drinking Water State Revolving Loan Fund (DWSRF) program; and \$10 million for state drinking water program security initiatives. A more complete explanation of the needs represented by these requested amounts and justification for these requested levels follows.**

*How States Use Federal Funds:*

**States Need Increased Federal Support to Maintain Overall Public Health Protection:** State drinking water programs strive to meet public health protection goals through two principal funding programs: the Public Water System Supervision Program (PWSS) and the Drinking Water State Revolving Loan Fund (DWSRF) Program. These two programs, with their attendant state match requirements, provide the means for states to work with drinking water systems to ensure that American citizens can turn on their taps with confidence that the water is both safe to drink and the supply is adequate. In recent years, state drinking water programs have accepted additional responsibilities to work with all public water systems to ensure that critical drinking water infrastructure is protected; that plans are in place to respond to both natural and manmade disasters; and that communities are better positioned to support both physical and economic resilience in times of crisis.

Vibrant and sustainable communities, their citizens, workforce, and businesses all depend on a safe, reliable, and adequate supply of drinking water. Economies only grow and sustain themselves when they have reliable water supplies. Over 90% of the population receives water used for bathing, cooking, and drinking from a public water system. Firefighting also relies on potable water from public water systems to ensure public safety. Even people who have their own private wells to meet their daily water needs will visit other homes or businesses served by a public water system. As important as public water systems are to the quality of water we drink and our health, the majority of water produced by public water systems is used by businesses for a variety of purposes, including processing, cooling, and product manufacturing. The availability of adequate supplies of water is often a critical factor in attracting new industries to communities. Public water systems -- and the cities, villages, schools, and

businesses they support -- rely on state drinking water programs to ensure they are in compliance with all applicable Federal requirements and the water is safe to drink. A number of incidents in the U.S. over the past several years that have led to illnesses or deaths from unsafe drinking water serve as stark reminders of the critical nature of the work that state drinking water programs do every day and the dangers of inadequately funded programs,

**The PWSS Program:** To meet the requirements of the Safe Drinking Water Act, states have accepted primary enforcement responsibility for oversight of regulatory compliance and technical assistance efforts for over 155,000 public water systems to ensure potential health-based violations do not occur or are remedied in a timely manner. Over 90 contaminants are regulated in Federal drinking water regulations and, the pace of regulatory activity has accelerated in recent years. Since 1996, state drinking water programs have participated in the development and implementation of over 25 new Federal regulations and strategic initiatives designed to enhance the protection of public health. States are also implementing an array of proactive initiatives to protect public health from “the source to the tap.” These include source water assessments and protections; technical assistance with water treatment and distribution; and enhancement of overall water system performance capabilities. In recent years, states have also taken on an increasingly prominent role in working with Federal and local partners to help ensure sufficient water *quantity*. In short, state activities go well beyond simply ensuring compliance at the tap.

**The DWSRF Program:** Drinking water in the U.S. is among the safest and most reliable in the world, but it is threatened by aging infrastructure. The DWSRF program is helping, but greater levels of Federal support are needed. The payback on this investment has been exceptional. In the core DWSRF program, \$12.4 billion in cumulative capitalization grants and \$2 billion in American Reinvestment and Recovery Act (ARRA) funds since 1997 have been leveraged by states into nearly \$22 billion in infrastructure loans to small and large communities across the country. Such investments pay tremendous dividends -- both in supporting our economy and in protecting our citizens' health. State drinking water programs have also used DWSRF funds to support the technical assistance and training needs of numerous small drinking water systems and to help these often challenged water systems obtain the technical, managerial, and financial proficiency needed to meet the requirements of the SDWA.

**State Drinking Water Security Responsibilities:** State drinking water programs are critical partners in emergency planning, response, and resiliency at all levels of government. State primacy agencies provide key resources and critical support regardless of whether the emergency is rooted in terrorism, natural disasters, or cyber intrusions. States continually work toward integrating security considerations throughout all aspects of their drinking water programs. Technological advances in contaminant detection and decontamination capabilities, new economic risk and impact analysis models, and enhancements in cyber security techniques also demand state program awareness, implementation, and outreach to the water community.

***Why Increased Funding is Urgently Needed:***

**State Drinking Water Programs are Hard Pressed:** States must accomplish all of the above-described activities, and take on new responsibilities, in the context of the continuing economic downturn. This has meant operating with less state-provided financial support – which has historically compensated for inadequate Federal funding. State drinking water programs have often been expected

to do more with less and states have always responded with commitment and ingenuity. However, state drinking water programs are now in crisis and are stretched to the breaking point. Insufficient Federal support for this critical program increases the likelihood of a contamination event that puts the public's health at risk.

**State Funding Gap Continues to Grow; States Cannot Keep Up:** Although the 1996 SDWA Amendments authorized the PWSS Program at \$100 million per year, appropriated amounts have only recently reached that authorized level – a level that now, more than 16 years from the date of those amendments, falls far short of the need. \$105 million was appropriated for the PWSS program in FY 12. The President's FY 13 budget requests \$109 million for the PWSS grant -- an amount that is woefully inadequate for the enormity of the task faced by state drinking water programs. A few years ago, state drinking water program administrators identified an annual shortfall nationally of approximately *\$360 million* between available funds and those needed to administer their programs. That gap only continues to grow and has a number of negative consequences. Many states are simply unable to implement major provisions of the newer regulations, leaving the work undone or ceding the responsibility back to EPA where it is likely to languish because of EPA's own resource constraints and lack of "on the ground" expertise. This situation has created a significant implementation crisis in several regions of the country and ultimately delay implementation of critically needed public health protections.

***FY 13 Request Levels and SDWA Program Obligations:***

**The PWSS Program:** The number of regulations requiring state implementation and oversight as well as performance expectations continue to grow while at the same time, the Federal funding support necessary to maintain compliance levels and meet expectations has been essentially "flat-lined" or included only meager increases. Inflation has further eroded these inadequate funding levels. State drinking water programs are hard pressed to understand a justification for these funding levels since they are engaged in the critical phases of implementing the LT 2/Stage 2 Rule cluster (two sophisticated and complex initiatives to control disinfection by-products and microbial contaminants), the recently promulgated Ground Water Rule, and changes to the Lead and Copper Rule. States want to offer the flexibilities allowed under these and other rules to local water systems; however, fewer state resources mean less opportunity to work one-on-one with water systems to meet their individual needs. Looking ahead, states expect that new rules for perchlorate and carcinogenic volatile organic carbon compounds will be forthcoming in the near future as well as revisions to the Total Coliform Rule.

***ASDWA respectfully requests that the FY 13 funding for the PWSS program be appropriated at \$200 million. This figure begins to fill the above-described resource gap and is based on the expense of implementing new drinking water rules, taking on a number of other new initiatives, and accounting for the eroding effects of inflation.***

**The DWSRF Program:** States were very encouraged by the \$1.387 billion appropriated for the DWSRF in FY 10 but are disappointed at the subsequent downward trend -- \$963 million in FY 11 and \$919 million in FY 12 and the alarming Administration request of \$850 million for FY 13 – a figure not seen since 2008. The primary purpose of the DWSRF is to improve public health protection by facilitating water system compliance with national primary drinking water regulations through the provision of loans to improve drinking water infrastructure. Water infrastructure is needed for public health protection as well as a sustainable economy, as explained above. States have very effectively and

efficiently leveraged Federal dollars with state contributions to provide assistance to more than 8,500 projects, improving health protection for millions of Americans. According to the most recent figures available, this equals a 177.4% return on the Federal investment. Approximately 72 percent of projects and 38 percent of assistance has been provided to small communities (serving less than 10,000 people). However, EPA's most recent National Drinking Water Infrastructure Needs Survey (2007) indicated that water system needs total \$334.8 billion over the next 20 years to comply with SDWA mandates. States believe the \$2 billion in ARRA funds and the FY 10 appropriated level were very substantial down payments on addressing those needs and filling the infrastructure gap. In light of these indicators of success and documented needs, we believe funding at the \$1.287 billion level will better enable the DWSRF to meet the SDWA compliance and public health protection goals for which it was designed.

***ASDWA respectfully requests \$1.287 billion in FY 12 funding for the DWSRF program. This was the amount appropriated in FY 11 and ASDWA believes this is an appropriate funding level on an ongoing basis.***

**Security Responsibilities:** After seven years of supporting state security programs through a small grant of approximately \$5 million in EPA's appropriation, *no funds* have been provided for this purpose since FY 09 and none are requested for FY 13. State drinking water programs need funds to continue to maintain and expand their security activities, particularly for small and medium water systems and to support utility-based mutual aid networks for all drinking water systems. It is very difficult to understand why this grant has been zeroed out of EPA's proposed budget. Given the realities exemplified by ongoing Homeland Security initiatives, the goals of the National Infrastructure Protection Plan, and the lessons learned from Hurricanes Katrina, chronic flooding in the Midwest, and most recently, from the 2011 Northeast experience with Hurricane Irene and Tropical Storm Lee, state drinking water programs are working more closely than ever with their water utilities to evaluate, assist, and support drinking water systems' preparedness, response, and resiliency capabilities. States continue to expand their efforts to reflect a more resilient "all hazards" approach to water security and to focus their efforts toward smaller water systems. These systems rely heavily on the states to help them meet their needs and identify potential funding sources.

***ASDWA respectfully requests \$10 million in FY 12 funding for the state security initiatives. These funds would be commensurate with the security tasks state drinking water programs must take on.***

### ***Conclusion***

In conclusion, ASDWA respectfully recommends that Federal FY 13 budget needs for the provision of safe drinking water be adequately funded by Congress. A strong drinking water program supported by the Federal-state partnership will ensure that the quality of drinking water in this country will not deteriorate and, in fact, will continue to improve – so that the public can be assured that a glass of water is safe to drink no matter where they travel or live. States are willing and committed partners. However, additional Federal financial assistance is needed to meet ongoing and ever growing regulatory and security needs. The financial needs of these programs is particularly acute when one considers that the Budget Control Act sequestration may well cut an additional 9% from whatever is ultimately appropriated. In 1996, Congress provided the authority to ensure that the burden would not go unsupported. For Fiscal Year 2013, ASDWA asks that the promise of that support be realized.