



**Testimony before the U.S. Senate Committee on Environment and Public Works,
Subcommittee on Fisheries, Water, and Wildlife**

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Water Affordability and Small System Assistance

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Introduction and Background on Community Water Center

Chair Padilla, Ranking Member Lummis, Members of the Subcommittee, thank you for the opportunity to present testimony as part of this informational hearing.

I am here today to share with you information and our perspectives of the challenges and solutions regarding access to safe drinking water and sanitation for small and rural communities and the water affordability crisis impacting low-income residents across the country.

As background, Community Water Center (CWC) is an Environmental Justice nonprofit founded in 2006 who works on the ground in Visalia, California, in the Southern San Joaquin Valley and Watsonville, California on the Central Coast. The vision of CWC, is to ensure all communities have access to safe, clean, and affordable water. CWC works as a catalyst for community-driven water solutions through organizing, education, and advocacy in California's San Joaquin Valley and Central Coast. We build grassroots capacity to address water challenges in small, rural, low-income communities and communities of color, and also engage on state and federal drinking water policy. CWC also serves as a core member of the Water

Equity and Climate Resilience Caucus, a national network of organizations who work to build a shared analysis and understanding of the problems, codify policy strategies, and enable members to deliver on water equity results for their communities.

CWC believes that access to safe and affordable drinking water is a basic human right, not a privilege. Yet each year, more than one million Californians are exposed to unsafe drinking water from the taps in their homes, schools, and communities. In addition, high water bills, debt, and loss of access are a growing challenge for many of the 13 million low-income Californians. Although water problems exist statewide, they disproportionately impact low-income communities and communities of color. Without access to safe and affordable drinking water, communities do not have the opportunity to develop and grow like other communities across the country.

Challenges Faced by Small, Rural, and Low-Income Water Systems

Small, rural, and economically disadvantaged water systems face many challenges in providing safe and affordable drinking water for residents across the country. In California, 395 small water systems, providing water to 808,875 people are failing due to contamination, inadequate supplies, or unaffordable water rates.¹ Hundreds of other systems serving just under three million Californians are either at-risk of failing or potentially at-risk of failing.² A 2021 analysis found that California needed almost \$10 billion. Those numbers are likely much greater today due to inflation and the increased number of failing and at-risk systems.³

Often, failing and at-risk small water systems disproportionately serve low-income communities and communities of color, who are forced to deal with higher water rates and poorer health outcomes. We routinely work with community partners who face nitrate contamination, which is undetectable by sight or smell and can lead to the fatal blue baby syndrome. Other community partners' water sources have been polluted with 123-TCP, which is a carcinogen that increases in toxicity when heated and inhaled, making daily showers toxic. It is unconscionable that these communities suffer such high health impacts for basic services we take for granted daily.

Droughts, climate change, and other water supply stressors only exacerbate the challenge. Water supplies have become more scarce and costly. The west is undergoing aridification that is depleting groundwater supplies that were already being overpumped by unsustainable agricultural practices. And new studies are demonstrating that water shortages concentrate

¹ State Water Resources Control Board, SAFER Dashboard, (2023), *available at* https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/saferdashboard.html.

² *Id.*

³ State Water Resources Control Board, 2021 Drinking Water Needs Assessment, (Apr. 2021), p. 22, *available at* https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/documents/needs/2021_needs_assessment.pdf.

pollutants.⁴ California has found that small water systems will require over \$4.5 billion in additional infrastructure upgrades to ensure that they will be resilient in the face of the changing climate.⁵

Despite the massive infrastructure needs for small water systems to address contamination and water supply issues, these systems often struggle to access state and federal resources that can help make water safe and affordable. **While we appreciate the historic investments from the Bipartisan Infrastructure Law, we note that there's an annual need of \$109 billion for the next 20 years to meet all of the water infrastructure demands in the United States.**⁶ Further, state and federal infrastructure funding tends to be easier to access by larger water systems who can more readily develop shovel-ready projects, leaving small water system needs unmet.

Many small water systems, particularly those who are at-risk of failing or failing, lack technical, managerial, or financial capacity to operate their systems safely and effectively. If these systems have identified water solutions, technical assistance is critical to ensure they can navigate funding processes for their projects. However, many systems lack the ability to even develop long-term solutions and more assistance is needed so that a pipeline of projects to benefit small water systems can be developed to receive funding. In fact, many water systems in this country only have 1-4 employees and lack the capacity to develop needed projects.

Further, traditional infrastructure funding methods, such as the Clean Water and Drinking Water State Revolving Funds (SRFs) or general obligations bonds, do not fund ongoing operations and maintenance (O&M) costs. In 2019 in Lanare, California, the community received funding to construct a treatment plant to address the high levels of arsenic in the community's groundwater. Unfortunately, funding did not cover O&M and the community lacked the resources to keep the plant going, forcing it to be shuttered while the community went back to untreated tap water.

Finally, the communities most impacted by unsafe drinking water were for decades continuously and deliberately excluded from full participation in their local water decision-making governance. And there are still challenges in ensuring adequate participation by local communities in water governance, resulting in solutions that may not meet all community needs. We know through

⁴ Levy, Jurgens et al., Critical Aquifer Overdraft Accelerates Degradation of Groundwater Quality in California's Central Valley During Drought, *Geophysical Research Letters*, (Sept. 1, 2021), *available at* <https://agupubs.onlinelibrary.wiley.com/doi/10.1029/2021GL094398>.

⁵ State Water Resources Control Board, 2022 Drinking Water Needs Assessment, (April 2022), p. 22, *available at* https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/documents/needs/2022needsassessment.pdf.

⁶ Emily Simonson, What it Means to Support Equitable State Investments in Water Infrastructure, US Water Alliance, (May 16, 2022), *available at* <https://uswateralliance.org/resources/blog/what-it-means-support-equitable-state-investments-water-infrastucture>.

experience that if you give communities a seat at the table, and empower them with the information they need, that they can meaningfully participate in the decision-making process -- and that the solutions that result will better reflect the needs of communities.

The Water Affordability Crisis

In addition to the health risks associated with water contamination and a lack of adequate water infrastructure, many communities are also facing a crisis of water that is unaffordable. Residents are often forced to pay twice for water, having to purchase bottled water to supplement the unsafe tap water delivered to their homes. These drinking water costs alone can amount to as much as 10% of a household's income. In other words, those most affected by the lack of safe water are also those least able to afford the extra cost of alternative water sources. Water rates are already rising faster than the rate of inflation, and will continue to rise as communities need to address emerging contaminants like PFAS, or build resiliency against impacts of climate change. **Communities should not be forced to choose between water that is toxic and water that is unaffordable. In the United States, we can provide both.**

The water affordability crisis is particularly acute in small, rural, and low-income communities. One of our ally organizations, Leadership Counsel for Justice & Accountability, works in the community of El Porvenir in Fresno County, where families receive a water bill of \$280 dollars a month, just for the fixed costs that do not include actual water usage. This water still fails to comply with drinking water standards.

Small, rural communities tend to have higher water rates because those communities lack a large base of ratepayers to spread fixed costs for infrastructure to bring safe water into homes. Infrastructure and treatment costs, including fixed costs to pay for infrastructure and operations and maintenance, have to be paid for by fewer households, ensuring higher per household rates. While grants and low-interest loans can help offset some of these costs, as noted above, ongoing operations and maintenance costs cannot be covered by existing infrastructure sources, like the State Revolving Funds or bonds and many small water systems are disadvantaged when it comes to receiving these funds.

While small water systems face the brunt of the affordability crisis, millions of low and moderate income Americans served by large systems are not unscathed. Economic challenges, such as inflation and income inequality, lead to increasing water rates impacting family finances. In California, there is a state constitutional prohibition that prevents public utilities from offering a Low-Income Water Rate Assistance Program (LIRA). Thus, while Californians are able to access assistance for other utilities, like energy, gas, and communications, water assistance remains a patchwork at best. **Safe drinking water is a necessity and whether or not a family can afford their water should not be based on their zip code.**

Existing California and Federal Water Rate Assistance Programs Do Not Address the Crisis

The water affordability crisis expanded dramatically during the COVID-19 Pandemic, where California water and wastewater bill debt topped \$1 billion. California was not alone in facing high levels of water debts. In response, California committed \$985 million to addressing water and wastewater arrearages from the American Rescue Plan Act. This program was able to quickly provide \$301 million in aid in the form of direct credits to water customers. While the streamlined process that delivered assistance directly through the water utilities created an efficient program, the lack of universal participation limited who was able to receive assistance.⁷

The federal government responded by creating the Low-Income Household Water Assistance Program (LIHWAP) to address water utility debt as well. While many states have been successful in implementing LIHWAP, California has been struggling to get funds to customers due to onerous program requirements. Additionally, existing LIHWAP resources are insufficient to meet the debt levels held by communities across the country.

Further, addressing utility debts does not address the root cause of the problem, which is unaffordable water rates. Families do not want to fall behind on their water bills and do not want to be at risk of having their vital services shut off. Unfortunately, unaffordable water bills leave families with increasingly tough choices. Put yourself in the shoes of a person who is having to choose between bills and basic necessities. Do you prioritize paying your rent or do you pay your water bill? Do you pay for child care so you can go to work, or do you pay your water bill? Do you pay for your prescriptions, or do you pay your water bill? These are choices that no American family should make.

LIHWAP and other debt programs also do not meet the affordability need because they offer one time assistance. In the above scenario, imagine having to make hard choices for so long that you end up in debt with your water provider and are facing shutoff. You hear about LIHWAP and successfully apply and are no longer in water debt. But the bills remain too high, and once again you fall behind and can no longer rely on LIHWAP to help.

Solutions to Help Small Water Systems Succeed

Securing safe and affordable drinking water for everyone who lives in the United States of America is not out of reach and will require focused leadership at all levels of Government.

In order to fulfill the Human Right to Water, we must expand federal support for small water systems to fund needed upgrades through existing programs, rather than by already

⁷ The Water Foundation, Lessons Learned From the California Water Arrearage Payment Program, (2022), available at https://waterfdn.org/wp-content/uploads/2022/04/Lessons-Learned-from-the-California-Water-Arrearage-Payment-Program_final.pdf.

overburdened ratepayers. This means we must continue to provide ongoing significant investments beyond the Bipartisan Infrastructure Law through the United States Environmental Protection Agency's (USEPA) SRFs and the United States Department of Agriculture's (USDA) Rural Development Water Program and Emergency Community Water Assistance Grants (Rural Development). Regularly increased funding is critical to close the existing gaps in providing safe drinking water for all.

We also need to continue to evaluate existing programs to ensure funding is reaching the communities who need it most. As noted above, programs like SRFs are difficult to access for small water systems. While SRFs contain set asides for technical assistance, that assistance is not reaching every community and is insufficient to ensure long-term solutions are community-driven. In California, we established the \$130 million annual Safe and Affordable Funding for Equity and Resilience Program (SAFER). SAFER funds community outreach and engagement to allow water systems to work with their communities to develop projects that meet community needs. By frontloading this assistance across California, we are beginning to develop projects in the neediest communities to create a pipeline of projects eligible for funding and ensure more of these projects are being funded through the SRF. This early outreach to communities to build local support is absolutely crucial to ensure projects for small and rural communities can be competitive in the SRF process. Congress should follow California's leadership and expand SRF set asides to cover these types of successful activities funded by the SAFER program.

The SAFER program also authorizes funding for O&M costs that have traditionally been omitted. Funding O&M will be critical to avoiding situations where communities like Lanare have to choose between toxic water and affordable water. By ensuring funding to cover all costs of long-term solutions, we can avoid impacts to affordability. Congress should explore expanding the SRFs to fund O&M funding for projects necessary to bring disadvantaged communities into compliance with drinking water standards.

Other programs that provide water solutions should also be evaluated to determine whether they are prioritizing the neediest communities. Rural Development at USDA, is a critical source of funding for drinking water solutions. However, a recent report found that only 15 percent of funds were going to communities of color, which are already disproportionately impacted by a lack of safe drinking water.⁸ Congress should direct USDA to increase reporting on how the Rural Development program is meeting the needs of communities of color and expand the Interagency Working Group on Cooperative Development to include impacted community residents so their needs are being directly heard by USDA.

Finally, the Bureau of Reclamation (BoR) funds numerous projects throughout the western states that could be utilized to support drinking water needs in disadvantaged communities. For

⁸ Amanda Fencl and Jenny Rempel, The Rural Water Gap, Community Water Center, (2023), *available at* https://static1.squarespace.com/static/5e83c5f78f0db40cb837cfb5/t/64557993b897093b469b0f6b/1683323286732/Rpt_USDA_05.05.23a_Full+%281%29.pdf.

example, projects to create small storage could prioritize projects that measurably and demonstrably provide benefits to disadvantaged communities, such as groundwater recharge projects designed to improve water quality for groundwater-dependent communities. Similarly, the aging infrastructure funds could be authorized to provide benefits to drinking water for disadvantaged communities who traditionally have not been served by BoR projects. Congress should explore how these existing programs can center community drinking water needs.

Solutions to the Water Affordability Crisis

Even if we could prioritize and fund small and rural water system infrastructure needs, water rates will not be affordable for all. To that end, Congress must pass and fund a LIRA program. If Congress does not pass a LIRA program this year, it should extend the LIHWAP program and fund the authorized pilot program at USEPA to ensure that communities receive critical assistance and USEPA develops capacity to administer a LIRA program that works in concert with other water sector assistance programs, such as the state revolving funds. Families are continuing to face unaffordable water rates, high levels of debt, and shutoffs. Many states have already spent down their LIHWAP allocations and others are increasing the rate of spending as the program becomes more well known. We support the efforts of Senator Padilla and Representative Tlaib to extend LIHWAP and provide an additional \$1 billion to support families.

Finally, we believe that LIHWAP could be reformed to reach more households in need. LIHWAP is modeled after the Low-Income Household Energy Assistance Program, which has resulted in implementation challenges. For example, in California there are 44 publicly-owned electric utilities and over 2,700 water systems. This means that California has had to expend significant time providing outreach to utilities to enroll them in the program. We have also heard about challenges imposed by Local Service Providers, such as paper applications and limited hours to apply that limit a family's ability to participate. Congress should streamline the LIHWAP process and requirements for easier access. Possible reforms include data sharing with other state and federal assistance programs coupled with automatic enrollment of eligible families, expanded outreach to utilities and to customers, easier applications that include online enrollment and self-attestation of eligibility, and inclusion of all families who live in the United States.

Conclusion

Access to safe, clean and affordable drinking water is a basic human right. Securing this right is within reach if we muster the political will and back it with needed funding investments and prioritize small and rural water systems. We urge Congress to join with us to ensure that all Californians, and Americans, have access to safe and affordable drinking water. We cannot continue to fail to meet everyone's basic needs.

This means Congress must provide more funding for the SRFs and Rural Development this year and ongoing new allocations each year for these programs, extend and improve the LIHWAP

program to be more successful, and finally establish a LIRA program to end the water affordability crisis.

Thank you again for the opportunity to present as part of this hearing, and please do not hesitate to reach out if we can ever be a resource or of assistance.

Thank you.