



Testimony of

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before the

U.S. Committee on Environment and Public Works

for the hearing entitled:

Identifying Unique Challenges for Small, Rural and Disadvantaged Communities in Accessing and Maintaining Drinking Water and Wastewater Infrastructure Assistance

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Introduction

Good morning/afternoon to the entire Senate Committee on Environment and Public Works. My name is Cassandra Codes-Johnson and I serve as the Associate Deputy Director for the Department of Health and Social Services (DHSS), Delaware Division of Public Health (DPH). The Delaware Division of Public Health, through our Health Systems Protection Section (HSP), regulates drinking water and administers the Delaware Drinking Water State Revolving Fund, referred to here on out as the Fund. Each year the Fund (DWSRF) uses federal funds, which have been supplemented with state bond bill funds over the last several years, to support drinking water system improvements throughout Delaware.

Delaware's Drinking Water State Revolving Loan Fund

The Fund supports drinking water systems through a combination of grants and loans, with funding in the last few years specifically focused on disadvantaged communities as identified by the Median Household Income (MHI) of a population. The Fund typically provides some principal forgiveness to any drinking water project that exceeds 1.5% of the MHI as additional support for disadvantaged communities. A lower interest rate, principal forgiveness or a grant may be made available based on impact to projected residential user rates as a percentage of Median Household Income (MHI). Impacts equivalent to 1.5 percent or more for end users are targeted for loan forgiveness and other options to ease burdens on utility customers.

Projects whose loans are repaid help support future projects. In these cases, we deposit part of the interest to a discretionary fund within the Fund that can be used for emergency response and other needs that support clean drinking water.

DPH has loaned out, often with 100% principal forgiveness, over \$23,000,000 for the water infrastructure investments described below over the last 10 years. As we discuss the work of the Fund in helping communities access clean, safe drinking water, I would like to highlight a few recent successes that illustrate the challenges that communities in Delaware face in accessing clean, safe drinking water.

Georgetown, Delaware

Over the years, the Fund helped the Town of Georgetown replace water mains and service connections, including lead service lines, to improve the quality and consistency of water provided to residents. This funding also allowed Georgetown to upgrade its water treatment facilities, including installation of a new water treatment plant in 2012.

As one example of public health benefits, the additional treatment funded through these state and federal investments helped to remove trichloroethylene (TCE), a solvent and known carcinogen, from the community's drinking water source. This action, together with the removal of lead service lines, will benefit the public through the reliable delivery, treatment and storage of water for the community of Georgetown.

Laurel, Delaware

Laurel, Delaware is another example of a community where state and federal funding programs led to public health and safety benefits for residents. Laurel replaced distribution and service connection lines, including those that contain asbestos

The town upgraded water treatment facilities to remediate high levels of nitrates, a widespread groundwater contaminant, especially in southern Delaware. This is important because nitrate contamination has been linked to health impacts such as thyroid cancer, gastrointestinal issues, miscarriages and birth defects.

The removal of the asbestos service lines and nitrates from the water reduces negative public health impacts and improves the quality of life for residents living in Laurel.

Milton, Delaware

Over the years, the Town of Milton used resources from the Fund to replace water mains pipes, create loops within the pipe system, and eliminate dead ends to reduce the amount of water remaining in lines for extended periods, which improved water quality. The Town has also provided treatment upgrades at the water treatment facility, as well as helped citizens that cannot connect to the public water system upgrade or install private wells.

Seaford, Delaware

In the spring of 2010, the City of Seaford utilized state and federal funds for a distribution system improvement project that allowed private well owners to connect to the public water system. Well owners often face nitrates and other natural contaminants, but can also be impacted by

environmental releases, surface contamination and other factors that impact safety and quality of their drinking water. Compounding the issue, traditional DWSRF funding is often precluded from assisting homeowner with the financial burden of connecting to a nearby system.

The distribution system improvement project allowed the state to provide federal Disadvantaged Community Additional Subsidy, essentially paying for half of the project costs.

It is important to note that traditional funding for water infrastructure projects, such as loans from the Fund, often limits the ability of disadvantaged communities to support fees necessary to hook up to a public water system. The traditional funding for the SRF program is allocated and allotted annually by the US EPA via a competitive grant application process. The limitations placed on the intended use of these federal funds does not allow for operation and maintenance projects, including the cost of connection fees. Supplemental funding sources, such as grants or loan forgiveness, can be utilized to achieve these much-needed connections.

The Impact of Water Investments on Low Income and Environmental Justice Communities

The projects described above have benefitted approximately 24,000 Delawareans, almost half of which (11,000) are persons of color. And many of the projects highlighted are located in rural areas of Delaware.¹

Many rural communities, lower- wealth communities, indigenous communities and communities of color often face greater numbers of or more dangerous hazards than other communities. The multiple hazards can then aggregate to amplify harmful health impacts on these communities. These cumulative impacts can affect multiple generations and place additional weight on already overburdened communities. These communities are often referred to as “Environmental Justice communities”

A September 2019 Report, *Watered Down Justice*, by the Natural Resource Defense Council and Environmental Justice Health Alliance highlights the additional challenges that are often faced by small water systems. Many small water systems do not have the capacity to maintain and improve their physical infrastructure, identify and address threats to drinking water (which facilities, industries, or factors outside their control often cause), or comply with current standards, as the Environmental Protection Agency (EPA) has noted. In addition, many small systems “are likely to serve low-income, vulnerable populations.

In Delaware, we are working to address these inequities, but require support in this effort by the federal government. The President’s EJ40 Initiative sets the lofty, but necessary goal, of making sure that 40% of all federal funding is used to provide assistance to Environmental Justice communities that have long suffered from historic underinvestment in infrastructure, including water infrastructure. We support that passage of the President’s Build Back Better Agenda, which includes the *Drinking Water and Wastewater Infrastructure Act of 2021* (DWWIA 2021), as well as additional funding for water infrastructure projects, lead and PFAS remediation, and support for small, rural, and disadvantaged communities.

¹ Impacts based on specific projects and demographic information can be found at <http://www.city-data.com/city/Delaware.html>.

Specifically, The *Drinking Water and Wastewater Infrastructure Act of 2021* supports these communities by authorizing more than \$35 billion for water resource development projects across the country with a focus on upgrading aging infrastructure, addressing the threat of climate change, investing in new technologies, and providing assistance to marginalized communities.

I would also just like to note that in Delaware, we have used our strong municipal partnerships to thoroughly streamline federal cross cutters; and although burdensome, we have 100% compliance with those regulations. Cross-cutting federal authorities are the requirements of other federal laws and Executive Orders that apply in federal financial assistance programs. These federal cross cutters ensure that Environmental, Social and Economic authorities and acts are incorporated into all of the SRF projects. These guidelines ensure that Environmental Justice, Farmland protection, Safe Drinking Water, Equal Employment Opportunity, and the like are considered and part of every drinking water project. They also provide for the use of prevailing state wages and mandate that all iron and steel be American-made.

Closing

In closing, I would like to thank the entire U.S. Senate Environment and Public Works (EPW) Committee for working to invest in our nation's water infrastructure with a focus on equity, and look forward to continuing to work with you to better meet the drinking water needs of the people of Delaware.