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Committee on Environment  
and Public Works

Washington, D.C.

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BUILDING ON THE IIJA'S SUCCESSES: IDENTIFYING OPPORTUNITIES TO  
STRENGTHEN WATER INFRASTRUCTURE PROGRAMS

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The committee met, pursuant to notice, at 10:02 a.m. in room 562, Dirksen Senate Office Building, the Honorable Shelley Moore Capito [chairman of the committee] presiding.

Present: Senators Capito, Sullivan, Ricketts, Boozman, Husted, Padilla, Schiff, Blunt Rochester, Alsobrooks.

STATEMENT OF THE HONORABLE SHELLEY MOORE CAPITO, A UNITED STATES  
SENATOR FROM THE STATE OF WEST VIRGINIA

Senator Capito. Good morning, everybody. We are in our new temporary hearing room for several months, maybe as much as a year, while they remodel our hearing room. I think most of us would admit who have to walk behind the dais of our regular hearing room, it needs some readjustments. We are trying to get back to the way it was historically. So we will be meeting here, and actually, this is a little bit larger than ours, so it is quite nice.

I want to thank everybody for being here. I think Senator Whitehouse is unable to come today. I know he is very interested in this topic, but he is not going to be here. So Senator Schiff is going to kind of run the show for his side, and we will be in and out. So I don't want the witnesses to take any offense that people are in and out. There is lots going on today in various committees.

So I will give my opening statement, then Senator Boozman is going to take the gavel while I run out and over to Commerce. I am sure you have other meetings as well, too; everybody does.

Welcome to the witnesses. Welcome to today's hearing to examine the policies to strengthen our Nation's water infrastructure. Again, I want to thank the witnesses for joining us, and the important work that you do every single day

to deliver safe, reliable water and sanitation services in your various communities.

This is our first hearing to discuss how we can build on the successes of the Infrastructure Investment and Jobs Act, the IIJA, the water infrastructure provisions, as we prepare bipartisan legislation to reauthorize those programs. In November of 2021, Congress passed the IIJA, which included the Drinking Water and Wastewater Infrastructure Act, a bipartisan bill that was developed, negotiated, and championed by this committee. It is one of the bases of the IIJA.

That legislation represented the largest Federal investment in water infrastructure in our Nation's history, delivering more than \$50 billion for drinking water, wastewater, and stormwater programs. Since then, thousands of projects have started, including projects to upgrade treatment plants, replace aging systems and support the needs of our small communities. In short, this law is moving our Nation's water infrastructure systems forward.

Despite this progress, the historic investment of the IIJA expires next year. We must get to work now to build on that progress, while addressing any concerns with its implementation.

As we work together to reauthorize the IIJA water programs, I will prioritize policies that strengthen underserved communities' abilities to deliver water projects, reinforce the

cooperative federalism principle embedded in our laws, and focus our outcomes on outcomes that prioritize safe water and sound infrastructure.

I can say anecdotally in my small State of West Virginia there are still pockets of our communities that don't have the access to clean water or drinking water that they should, and deserve to have. Achieving those goals requires us to take a clear-eyed look at the challenges communities face and ensure the tools we are provided are as effective and as accessible as possible.

First, we must seek to simplify the delivery mechanisms for water infrastructure funding. This is a repeating theme in just about everything that we have been looking at. Many small and underserved communities continue to face barriers to access to Federal money.

Communities may struggle with capacity, technical complexities and long Federal timelines of dispersing the funding. This can lead to communities giving up before they even get a shovel in the ground.

We can fix these issues by providing targeted technical resources and assistance to help utilities and local governments navigate complex funding applications and simplifying the Environmental Protection Agency's processes.

Second, our reauthorization should reinforce what works,

including honoring the foundational principle of cooperative federalism. For decades, the Clean Water Act and Safe Drinking Water Act have recognized that States, not Washington, are best positioned to understand the infrastructure needs of our communities. Federal funding and oversight are important, but implementation must be led by the States.

The Biden EPA shifted away from that balance that Congress intended between Federal support and State leadership by pushing one-size-fits-all mandates and layering on new criteria that go far beyond what Congress has authorized.

We have also seen the increased emphasis on environmental justice initiatives. While the goal of supporting all underserved communities regardless of background is broadly supported, implementation of these environmental justice initiatives has at times departed from the statute's original direction and strayed from that broader goal.

Directing resources to underserved communities was a shared goal when we wrote the IIJA and the commitment remains. But we did not write a law that allows agencies to introduce new eligibility standards or funding formulas that may unintentionally overlook real infrastructure needs or second guess shared priorities and State priorities. That approach is not only counterproductive; it risks leaving behind the very communities that these programs were designed to help.

Across the Country, many low-income and underserved communities continue to grapple with major water infrastructure needs, yet rigid eligibility requirements in recent funding programs have left some of them behind. That runs counter to the bipartisan goals that we set when this law was written, to ensure all communities have a fair opportunity to benefit from these important programs. That is why we dedicated funds for systems of different sizes, and why we provided State Revolving Funds the flexibility for each State to meet their individual needs.

This committee worked in a bipartisan way to craft these programs, and going forward, implementation must remain true to the intent, not drift into interpretations that complicate access or confuse applicants.

My third guiding principle is that a successful bill and implementation of EPA water programs must be focused on outcomes. Enacting policies that are not consistently driven by successful outcomes will help ensure that every American, no matter where they live, can count on the basic services that they deserve. That is what the committee has always focused on and it is what I will continue to prioritize as the Chair.

I look forward to hearing from our witnesses, and to kick up our work to reauthorize and improve our Nation's water infrastructure programs.

I will now recognize Senator Schiff, the Ranking Member of the Fisheries, Water, and Wildlife Subcommittee, and as I have said earlier, he will give an opening statement in lieu of Ranking Member Whitehouse's absence.

Senator Schiff, you are recognized. Thank you.

[The prepared statement of Senator Capito follows:]

STATEMENT OF THE HONORABLE ADAM SCHIFF, A UNITED STATES SENATOR  
FROM THE STATE OF CALIFORNIA

Senator Schiff. Thank you, Chair Capito, for your focus on improving community water infrastructure and for your hard work on the water provisions in the Bipartisan Infrastructure Law that we are talking about today.

I want to thank the witnesses for being here to discuss this important topic. As the Chair mentioned, Senator Whitehouse couldn't be here today, and I am happy to step in for him in my role as Ranking Member on the Fisheries, Water, and Wildlife Subcommittee.

Reliable access to safe drinking water is a right, not a privilege. We all understand that we cannot survive without a safe and reliable supply of water. Yet there are far too many communities in my home State of California and across the Country that struggle with old, dilapidated water infrastructure and lead pipes. These systems need to be brought into the 21st century.

We don't use lead in our water service lines any more, because we know that there is no safe level of lead in our water. Lead can cause fertility problems for men and women, high blood pressure, nervous system disorders, memory issues, and decreased kidney function. Lead exposure is especially dangerous for children. It can cause children to suffer from

lowered IQ, behavioral problems, slowed growth, and hearing issues.

We have known all this for a while now. It is why the U.S. Government has invested so much on a bipartisan basis on lead abatement. Yet more than 9 million lead service lines run through communities across America. These pipes aren't cheap to find, remove, and replace. But I can tell you this: it remains absolutely necessary that we do so.

This is not optional; it is not something that we can minimize or defund.

Water systems across America are also grappling with the pervasive challenge of PFAS contamination. Yorba Linda, California, is home to the largest PFAS water treatment plant in the Country, and California's water utilities have been ahead of the curve when it comes to investing in PFAS filtration.

But our utilities, especially the ones in California's rural areas, desperately need Federal support to address PFAS and other contaminants. Aging water infrastructure not only threatens our public health, it also threatens our national and economic security.

According to the EPA, there are more than 150,000 public drinking water systems in America. The U.S. Government Accountability Office has warned us they are all facing increasing cybersecurity related risks. These water systems

tell Congress all the time that they are having to defend against consistent cybersecurity threats, and attacks from nation states like China and Iran, as well as from rogue cybercriminals. A successful large scale attack could have tragic and catastrophic results.

Californians know that the United States is currently the global leader in AI innovation and development. We want to keep it that way. But it takes hundreds of billions of gallons of clean water, not to mention a lot of energy, to run data centers and manufacture microchips in the U.S. each year. If we do not provide the necessary support to ensure America has a water infrastructure system, a modern one, we risk ceding our economic and technological dominance to China.

Much of the Nation's drinking water infrastructure is in need of repair or replacement. And the EPA estimates that we will need to address at least \$625 billion over the next 20 years to bring it up to par. Wastewater and stormwater systems will need another \$630 billion.

The Bipartisan Infrastructure Law invested over \$50 billion in our water. Thanks to this committee's work, communities are able to access financial support for water infrastructure that was previously out of reach through mechanisms like principal forgiveness or grants.

Finally, I would be remiss if I did not emphasize that this

is why we need a high functioning EPA. The current Administration has fired hundreds of EPA employees without cause, and is reportedly trying to fire potentially thousands more. The administrator has also clearly stated his intent to submit a huge budget cut to Congress.

We need experts at EPA to implement funding for water infrastructure, to write reasonable science-based protective standards that keep contaminants out of our water, and to work with States and communities to ensure our water systems are ready to face modern challenges, especially as the changing climate puts added stress on water systems across the Nation.

The Bipartisan Infrastructure Law was a great start in providing needed investments to our community water systems. But it must be just that: the start. To support healthy, thriving communities and global economic leadership, we must come together as we have before to deliver on this fundamental need.

With that, I yield to the Chairman.

[The prepared statement of Senator Schiff follows:]

Senator Boozman. [Presiding.] Thank you, Senator Schiff.

We will now turn our attention to the witnesses for their opening remarks. Our first witness is Kyle Dreyfuss-Wells, Chief Executive Officer of the Northeast Ohio Regional Sewer District. In this role, Ms. Dreyfuss-Wells works to provide regional sanitary and stormwater management services to more than one million residents in 63 communities across the Lake Erie Watershed.

This morning, Ms. Dreyfuss-Wells is testifying on behalf of the National Association of Clean Water Agencies.

I will now recognize Ms. Dreyfuss-Wells for five minutes for her opening statement.

STATEMENT OF KYLE DREYFUSS-WELLS, CHIEF EXECUTIVE OFFICER,  
NORTHEAST OHIO REGIONAL SEWER DISTRICT, ON BEHALF OF THE  
NATIONAL ASSOCIATION OF CLEAN WATER AGENCIES

Ms. Dreyfuss-Wells. Good morning. Thank you, Chairman Boozman, Senator Schiff, and members of the Committee on Environment and Public Works. I am Kyle Dreyfuss-Wells, Chief Executive Officer of the Northeast Ohio Regional Sewer District, a public utility serving Cleveland, Ohio and 62 surrounding communities.

We are also members of the National Association of Clean Water Agencies, or NACWA, and I am NACWA's Treasurer.

Thank you for inviting me to testify this morning about the importance of the Clean Water State Revolving Fund and the Infrastructure Investment and Jobs Act. The Northeast Ohio Regional Sewer District is one of the largest wastewater treatment and stormwater management utilities in Ohio, serving one million customers across 363 square miles of the Lake Erie watershed. We do this in 2025 with a \$191 million annual operating budget and a \$276 million capital program.

The Clean Water SRF is an essential financing tool that helps us, and our member communities, to maintain the clean water infrastructure necessary to protect public health and the water quality on which the economic vitality of Northeast Ohio depends. Through my work with NACWA, I know that Northeast Ohio

is not alone: the CWSRF is critical for utilities and communities across the Country.

IIJA's increases accelerated clean water investment, and NACWA strongly supports the Clean Water SRF reauthorization with IIJA funding levels as the baseline. As one of the largest users of the Clean Water SRF in Ohio, NEORS has financed 111 wastewater projects to date. Our decision, beginning in the 1990s, to use the Clean Water SRF over other funding sources has resulted in significant savings.

For example, our Shoreline Storage Tunnel is a \$220 million project under our \$3 billion federally mandated program to reduce combined sewer overflow. It is one of seven deep tunnels we are constructing, is 14,500 feet long, 23 feet in diameter and will eliminate 350 million gallons of Lake Erie pollution each year.

It took us five years to construct, and we financed it through the Clean Water SRF at very favorable terms, 40 years at 1.57 percent interest, while also deferring principal payments for 20 years. If we compare this to realistic financing through bonds with less advantageous terms, 40 years at 3 percent interest over the length of this one loan alone, we estimate that this equates to \$50 million in savings.

But beyond these savings, we have found that the flexibility provided under the Clean Water SRF program brings

great value to our ratepayers and customers as part of our overall effort for long-term rate control and stability. These flexibilities include below-market interest rates, deferred principal, extended terms, no need for offering documents or official statements, and no bond rating and bond counsel costs.

It is these features of the Clean Water SRF program that set it apart and are particularly helpful for smaller, less sophisticated borrowers with limited exposure to debt financing.

We are also grateful for the IIJA's inclusion of supplemental grant funding through principal forgiveness. This brought the Clean Water SRF to the attention of many of our member communities as they work to address the \$3.4 billion in local clean water infrastructure needs impacting the quality of life of their residents.

However, over the last two years working with our member communities, we have found that it is still difficult for them to access the fund. This is largely due to local governments' hesitancy to absorb additional debt, staffing capacity, and competing community priorities.

To mitigate these barriers, in 2023 we began assisting our member communities. Maple Heights, Ohio is one example of a community that has received more than \$875,000 in principal forgiveness since 2023 to address basement flooding and failing local infrastructure. They addressed 50 flooded basements and

replaced 56,000 linear feet of sewers.

As I close, I would also like to emphasize that our work in Northeast Ohio would not be possible without the commitment and innovation of Ohio EPA and the Ohio Water Development Authority. Together, these agencies implement the Ohio Clean Water SRF, and are continually working to make the program more accessible and usable for Ohio communities.

The Clean Water SRF is an important and highly successful Federal, State, and local partnership that we can see is accelerating critical clean water investment.

I appreciate the opportunity to testify and I look forward to the discussion.

Thank you, Senator.

[The prepared statement of Ms. Dreyfuss-Wells follows:]

Senator Boozman. Thank you.

Our next witness is Tom Goulette. Mr. Goulette is the City Administrator and Utility Superintendent for the City of West Point, Nebraska. He has more than 40 years of experience in the utility industry and has served as Nebraska Rural Water's National Director since 2005.

This morning, Mr. Goulette is testifying on behalf of the National Rural Water Association. Mr. Goulette?

STATEMENT OF TOM GOULETTE, CITY ADMINISTRATOR AND UTILITY  
SUPERINTENDENT, CITY OF WEST POINT, NEBRASKA, ON BEHALF OF THE  
NATIONAL RURAL WATER ASSOCIATION

Mr. Goulette. Good morning, Chairman Boozman, Senator Ricketts, Senator Schiff, and members of the committee. My name is Tom Goulette, I am the President of the Nebraska Rural Water Association, which represents 467 rural water utilities, about 92 percent of all systems serving under 10,000 people in Nebraska.

I am here today on behalf of the National Rural Water Association, where I serve on the executive committee as treasurer. NRWA is the Country's largest utility association with over 31,000 members dedicated to drinking water, environmental protection, and public health in all 50 States.

I come from the City of West Point, Nebraska, a rural community of about 3,500, roughly 30 miles north of Omaha, where there are more cattle than there are people. I serve our community as City Administrator and Utility Superintendent responsible for our water, wastewater, and electric utilities. We operate about 1,600 water meters, 1,900 electric meters, and employ 32 full-time staff. Four employees work in the water department.

I started municipal work in the early 1980s as a maintenance laborer at a wastewater plant and worked my way up,

gaining experience operating and evaluating facilities across the Country. Since then, I have spent the last 30 years helping small communities like mine address infrastructure challenges.

In rural America, we don't have the luxury of passing the buck. During my time in West Point, we completely reconstructed our wastewater treatment plant with State Revolving Fund assistance, a loan we are close to paying off. Today, we are preparing to update that facility once again, using SRF financing.

Most recently, we faced a serious problem with our water system. Our aging filters failed to remove iron and manganese, leading to discolored water across the community. Restaurants, schools, and our hospital had to install additional filtration or switch to bottled water. High levels of manganese can pose real public health risks, especially to the nervous system.

Thanks to a low-interest drinking water SRF loan, 1.5 percent interest plus a small administrative fee, and \$553,000 in principal forgiveness, we secured \$2.76 million to replace our filters, piping, valves, controls, and install a backup generator. Without that assistance, our residents would be facing bills they simply couldn't afford.

It is an honor to small, rural community perspective on the water provisions contained in the Infrastructure Investment and Jobs Act. For towns like West Point, the IIJA will make

historic investments possible with funding that respects local leadership and helps us to be better public servants.

Without meaningful grant assistance, the price of water and wastewater services would become unaffordable for working families. This assistance is imperative to prevent rural depopulation and a shrinking customer base, which in turn drives up the cost per household, especially as repairing and replacing aging infrastructure is getting harder every year, and the regulatory compliance landscape continues to grow more complex.

That is why the technical assistance provisions you included in the IIJA are so important. Many small communities simply don't have the financial, managerial or technical capacity to access Federal programs on their own. Rural water has built a trusted network of local experts who help small, rural, disadvantaged and tribal communities meet EPA compliance standards, avoid penalties, and access SRF infrastructure funding.

Without this technical assistance offered by each State rural water association, many communities would be left behind.

Another major concern is PFAS regulation. Water systems across rural America support the removal of these harmful substances from the water supply. However, we did not put PFAS into the environment, and we shouldn't be penalized for it. That is why we strongly support the Water Systems PFAS Liability

Protection Act. This legislation upholds the polluter pays principle of the Superfund law while protecting water systems and their customers from devastating fees and cleanup costs.

Lastly, the water sector workforce crisis is growing. Over half of our skilled operators are expected to retire within the next decade. Thanks to the committee's leadership and Chairman Capito's longstanding support, rural water launched the first federally approved apprenticeship program for water and wastewater operators.

Today, 34 State rural water associations have earned Federal approval of their apprenticeship programs. We have enrolled or graduated over 900 apprentices nationwide, and so far are actively training the next generation of operators who will be on the front lines of the public health protection in small and rural communities across the Country.

Mr. Chairman, members of the committee, thank you for the opportunity to testify today.

[The prepared statement of Mr. Goulette follows:]

Senator Boozman. Thank you.

Our final witness this morning is Eric Oswald, the Director of Drinking Water and Environmental Health Division of the Michigan Department of Environment Great Lakes and Energy. In 2017, Mr. Oswald retired as a Colonel from the U.S. Air Force with 28 years of experience in construction, repair and maintenance of critical infrastructure. Mr. Oswald also serves as the President of the Association of State Drinking Water Administrators, and is testifying on their behalf today.

Mr. Oswald?

STATEMENT OF ERIC OSWALD, PRESIDENT OF THE ASSOCIATION OF STATE  
DRINKING WATER ADMINISTRATORS

Mr. Oswald. Thank you, members of the Environment and Public Works Committee, my name is Eric Oswald. I am the President of the Association of State Drinking Water Administrators, ASDWA, whose 57 members include the 50 State drinking water programs, five territorial programs, the Navajo Nation, and the District of Columbia, referred to in the remainder of this testimony as States.

ASDWA's members work on the front lines every day to protect public health and ensure safe drinking water through the implementation of the Safe Drinking Water Act.

I am also the Drinking Water Administrator for the State of Michigan; however, I would like to make it clear that my testimony today is on behalf of ASDWA, and that I am not testifying on behalf of the State of Michigan.

Thank you for this opportunity to provide the perspective of ASDWA on this historic investment in drinking water infrastructure provided through the Bipartisan Infrastructure Law, or BIL. The provision of safe drinking water and investment in our Nation's drinking water infrastructure is paramount to economic development and public health protection. This testimony will highlight the nationwide State Drinking Water Program successes of the BIL investment and will provide

recommendations that can streamline future infrastructure project implementation.

BIL provides an unprecedented and much-needed investment in our Nation's drinking water infrastructure. This funding is stimulating long-overdue infrastructure projects that would not have otherwise been possible. These projects address a wide range of needed improvements and range in size from \$43,000 to \$65 million. Projects include basic upgrades to address longstanding needs to full-scale infrastructure overhauls, lead service line inventories and replacements, improvement of distribution systems and installation of treatment for PFAS and other emerging contaminants.

In addition to the infrastructure projects, several States use portions of the funding for staff for both implementation of BIL projects and to address regulatory requirements that have been unfunded through a stagnant Public Water System Supervision, or PWSS grant and a decreasing Base DWSRF capitalization grant. Importantly, BIL creates visibility and momentum around water infrastructure needs, and reinforces the role of DWSRF programs as trusted partners in long-term infrastructure resilience.

The PWSS grant program is a critical funding source for State programs, but has not kept up with inflation and the costs associated with maintaining a State drinking water program.

PWSS grants are used to support staff salaries, including inspectors, support staff, and engineers. With the expected end of bill in Fiscal Year 2026, States will experience major funding cuts, and without full restoration of State Revolving Fund based capital grants, States will have to begin cutting important programs and services.

While the BIL funding is a historic investment in drinking water infrastructure, the needs dwarf the available funding. According to EPA's most recent needs survey, \$625 billion is needed over the next 20 years to maintain and upgrade drinking water systems, underscoring the importance of continued Federal investment.

Our recommendations, waivers. While BIL funding has been immensely beneficial, State programs have faced several challenges. Flexibility with future funding will be critical to achieving the goal of helping citizens and communities that need the funding the most. States and EPA must continue to work together to make funding applications streamlined, efficient, and simple.

ASDWA recommends the development of waivers in limited circumstances for the requirements of the Buy America, Build America, and Davis-Bacon Acts to make these funds simpler to obtain for those most in need.

Greater flexibility in how States meet subsidy requirements

is essential. Current funding requires exact percentages for principal forgiveness, which creates administrative challenges. For example, 49 percent of funding for lead service line replacement must be provided as additional subsidy through principal forgiveness or grants. Allowing a range of up to a percentage rather than a fixed threshold would ease implementation.

Future investments should allow States more discretion over project eligibility and priority. While dedicated funding for lead service line replacement and emerging contaminants is critical, the prescriptive nature of some bill funding limits the ability of States to fund projects that address more urgent local needs.

An extended time frame, ideally longer than five years, would also be beneficial for the States. A five-year time frame is not feasible for complex projects and the detailed funding requirements.

The current funding approach results in a resource strain on States to administer and separately track multiple grants, each with unique requirements. To improve long-term success, future funding should be accompanied by streamlined Federal guidance and simplified reporting.

Sustainability is critical for Federal and State funding programs as well. While the additional subsidy provided through

BIL is essential, there may be unintended consequences of an over-reliance on grant funding. And while BIL funding is substantial, we need to ensure the public water systems successfully operate and maintain their infrastructure. Systems using BIL funds should not view DWSRFs as a long-term financial strategy.

The BIL funding should be viewed only as a first step in addressing the current and future needs of our drinking water infrastructure.

Cybersecurity, again, is an important and challenging issue, due to limited resources and the lack of detailed knowledge across the sector. Federal oversight and leadership is needed to make the most efficient and impactful steps forward.

Cybersecurity accountability must be approached holistically, recognizing that responsibility does not rest solely with the water sector.

In closing, ASDWA and its members remain deeply committed to safeguarding our Nation's drinking water. We greatly appreciate BIL funding and have suggestions to maximize its impact nationwide, and look forward to working together to continue to protect the public health of all Americans.

On behalf of ASDWA's members, I want to sincerely thank you for your continued investment in America's public water systems,

and the people they serve. I would be happy to answer any questions you may have, and again, thank you for inviting me to speak today.

[The prepared statement of Mr. Oswald follows:]

Senator Boozman. Let's begin the questioning phase of the committee. Senator Padilla?

Senator Padilla. Thank you, Mr. Chair. I very much appreciate the opportunity to chime in on the subject at hand.

In 2021, one of the first things we did in this committee, and you may recall, was pass the Drinking Water and Wastewater Infrastructure Act, which became the foundation for the Bipartisan Infrastructure Law. I am especially proud that the BIL included provisions and it championed both water re-use and stormwater management, replaced lead service lines, and to prioritize technical assistance, which, Mr. Goulette, you spoke to this a minute ago, technical assistance for small systems that oftentimes struggle to be able to provide that for themselves.

I am proud that the committee's bipartisan efforts became the largest single Federal investment in water infrastructure in history.

Thanks to the IIJA, small water systems in Tulare County, for example, Senator Schiff and I both represent Tulare County, California, they can now treat pervasive contaminants in drinking water. Farmworker communities like those in Pajaro who can now rebuild their water systems after historic storms left the town completely underwater. And the community of Colusa was able to install water meters and fire hydrants to prepare for

inevitable western drought conditions.

Whether they face fire, floods or droughts, or aging infrastructure and emerging contaminants, water systems and the customers they serve are now facing more than \$1.2 trillion in infrastructure needs over the next two decades. As the witnesses today know better than most, ratepayers will bear the brunt of those costs, especially in small communities, rural communities, and tribal communities. Because by nature, they have much smaller rate bases.

For many rural communities, including the tribal communities, farmworker communities that have spoken up and communities near sites of legacy industrial contaminants end up paying twice, in reality: once for the contaminated water that is flowing through their pipes, and once again for the much costlier bottled water that they are forced to rely on.

It is hard to believe that in Fresno County, a typical family has to pay \$280 a month for water that fails to comply with our Clean Drinking Water standards. It is one of the reasons I have been pushing for years for a permanent national water assistance program, just like we do for energy bills.

So my question, frankly, is for all of you, starting with Ms. Dreyfuss-Wells. As we examine the different ways to improve administration of the SRFs, bolster technical assistance, how could a permanent water assistance program help cushion the

impact of infrastructure upgrades for water systems and the people that they serve?

Ms. Dreyfuss-Wells. Thank you, Senator. Yes, very important to make sure that we bring all of our customers along with us. As you point out, low-income water assistance is very important to make sure that those folks who do have difficulty paying their bills have the support to be able to pay their bills.

I will say that that at the Northeast Ohio Regional Sewer District, our leadership has taken this seriously since 2009. We have had our own affordability programs. And we work very hard to make sure that we connect eligible customers with those programs, which is another significant barrier.

So low-income household water assistance is important to make sure that you bring all of your customers along with you and can keep the cost low for your utility across all of your ratepayers.

Senator Padilla. I would like to hear from each of you.

Mr. Goulette. To go along with that, many small communities already stretch their dollars. They are being forced to shelve projects just to make ends meet. We don't want them to become more disadvantaged because they feed us, they feed us into other systems, other programs.

So you know, keeping the rates competitive while making

them reasonably desirable and affordable, I think that is the key.

Mr. Oswald. Yes, I think those types of programs are incredibly important. I know they lessen the burden of regulatory authorities by providing technical and financial assistance to these smaller communities. We have many regional systems that do these programs on their own that try to give back and make water more affordable. But it is a very big challenge for them.

So I know the Federal funding has made a huge impact for our systems.

Senator Padilla. Just a follow-up question for you, Mr. Oswald. Correct me if I am wrong, but Federal investment in water infrastructure has declined, if my numbers are correct, by 77 percent since their peak in the 1970s. The Federal Government's share in new infrastructure upgrades, let alone operations and maintenance, that is another whole conversation.

How critical is Federal investment in water infrastructure for supporting water affordability?

Mr. Oswald. It is incredibly important. It offsets ratepayer expenses; it can make more efficient investment across the board in drinking water. But it has to be followed up. We have this incredible investment in infrastructure, we need to make sure we maintain that investment as well, and not ignore it

as we go into the future, or we are going to be facing this problem again in 20, 30 years.

Senator Padilla. Thank you all. Thank you, Mr. Chair.

Senator Boozman. I apologize; I woke up this morning with some sort of allergy thing. Hopefully my voice will hold up for a little bit.

In Arkansas, we are finding ourselves in a position where IIJA lead service line funding is simply not being spent, and leftover funds will end up going to other States under current law. This is not because there isn't a need for water infrastructure upgrades, but it is largely due to the requirement of the 50 percent match to grant funds and many small and disadvantaged communities simply can't come up with the funding.

In a recent survey, the Arkansas Natural Resources Commission received over \$5 billion in requests for water and wastewater projects. So in other words, we have this tremendous need and could use any leftover lead service line replacement funding for traditional water infrastructure projects. But simply put, our needs are just different.

Let's start with Mr. Goulette. You mentioned in your testimony small communities in Nebraska are having a similar program. Can you speak to your experience navigating the matching requirement and how increased flexibility, whether in

eligible uses or match waivers, could help your community and others like it better meet their water infrastructure needs?

Mr. Goulette. Sure. One of the struggles was the matching funds, as you mentioned, coming together for that purpose. Those communities will be taking those funds from somewhere else to bring that match to that water system.

For us in West Point, we were fortunate enough where we did some planning, we did some set-asides and we were able to retire some debt early on, expecting the water project that we just completed. So that was one of the big I guess proactive aspect of it. That is one of the things that we do on the rural water side, is we try to remain proactive, plan in advance of what the upcoming needs of the communities are as we did in West Point.

Senator Boozman. Very good.

Ms. Dreyfuss-Wells?

Ms. Dreyfuss-Wells. Yes, I think, Senator, to your point, the way that communities are able to get projects done is through long-term planning. So understanding the need in their community and then to your point, being able to actually build a project funding portfolio around any given project.

So what we have seen in Northeast Ohio is that our under-resourced communities have actually been able to have the funding to be able to put together a plan. We have supported that at the sewer district. And then they can rely on IIJA

principal forgiveness as well as State funding, as well as some funding from the sewer district, to put that together and meet those match requirements.

But any reduction in those match requirements would help communities take advantage of this funding and get projects done.

Senator Boozman. Very good.

Mr. Oswald?

Mr. Oswald. Yes, I would agree with that. We need flexibility. The prescriptive 49 percent or 50 percent subsidy creates problems when actual construction costs come in and they differ from what the estimates were. We have found that to be an issue.

It also prevents communities from doing a dig once, if they have to defer those lead service line, or execute those lead service line replacements apart from water main replacements, and creates an unnecessary burden on the community to dig up roads more than one time.

Senator Boozman. Very good.

For all of you, can you give us one or two examples from your community where recent Federal or State investments made a measurable difference in water or wastewater infrastructure? Based on those experiences, what improvements could help ensure funding reaches the communities that need it most and is used as

effectively as possible?

Ms. Dreyfuss-Wells. Senator, I will give two examples. I talked about Maple Heights, Ohio, which is a very typical Cleveland first-ring suburb, under-resourced community that has taken a very deliberate approach to deal with its financial issues. They were able, through the Infrastructure Investment and Jobs Act principal forgiveness, as I said, to address basement flooding and failing sewers in their streets.

When we are talking about basement flooding, we are talking about sewage in people's basements, which is really the first line of a public health issue that needs to be addressed. So Maple Heights, Ohio, has had significant success, Richmond Heights as well, addressing flooded streets, basement flooding, through the Infrastructure Investment and Jobs Act. It has been a wonderful resource for those communities.

Senator Boozman. Very good.

Mr. Goulette. Senator, I don't have a good answer for you on that at this time. I would have to defer back to our State primacy agency and get that information back to you.

Mr. Oswald. I am going to use the example of Benton Harbor, Michigan, where a cooperative effort between the local citizens, the State of Michigan, and the Federal EPA resulted in the elimination of all lead service lines in the community over a year time frame. That would not have been possible without

this infrastructure funding. So that was a great example of how cooperative federalism and everybody working in partnership can make a huge impact on a community.

Senator Boozman. Very good. Senator Schiff?

Senator Schiff. Thank you, Mr. Chairman.

Mr. Oswald, during the last Administration, EPA issued the first-ever legally enforceable drinking water standard for PFAS, forever chemicals. In California, many of our water systems were already working on this issue and started investing in PFAS filtration years before the regulation.

Nevertheless, both in California and around the Country, the need to continue focusing on getting PFAS out of our water is overwhelming and it is expensive. How would you prioritize the need to remove PFAS, that is given that the cost of removal is extraordinary, the cost of not removing it is far greater?

But nevertheless, how do we triage that problem? How do we identify where we make those investments first?

And similarly, the cost of getting all the lead out is extraordinary. It is well beyond anything we put in the Infrastructure Bill. So how do we triage that problem as well?

Mr. Oswald. For PFAS, we have been testing for PFAS for over five years now. So the first step is to know where it is at. We take a balanced approach to systems that exceed PFAS MCLs. We first look at their source water to see if they can

change source water.

We then look to see if there is a community near them that they could hook up to that maybe doesn't have the PFAS issue and foster a regional approach to PFAS.

Then obviously, to treatment, which can be extremely expensive. Then you have to deal with the waste product of that treatment as well.

Lead service lines, again, is a huge balancing act. It is incredibly expensive. When we started in Michigan, I think the average cost was \$5,000 to remove a lead service line. It is upwards of \$8,000 to \$10,000 now. You have to balance that investment against investments in distribution systems and water treatment plant upgrades.

So I think a balanced approach and a given timeline is the best way to address that so we don't bankrupt the checkbook with removing all these lead service lines at once, with upgrading water treatment plants and doing things on that end of the scale.

So again, it is a balanced approach, and like you said, it is triage. It is looking at what we can do in a reasonable manner and a reasonable time frame, not on the backs of ratepayers in totality, but to use a balanced approach of funding.

Senator Schiff. And opening up the question to the other

witnesses, what is the state of the treatment to remove PFAS? Are we able to remove all PFAS chemicals or only certain PFAS chemicals? How do we deal with the waste that is created as a result? Can you shed some light on that?

Mr. Goulette. For Nebraska and rural water systems, it becomes an economy of scale as to what that financial impact would be to the users. For example, we have a small community just south of us, about 240 residents, that have a significant PFAS showing up in their drinking water system. They have two wells. Both of those wells were equal in showing up PFAS.

It would be more economical for them to hook onto another water system, or to find another water source, rather than go through a treatment process and require the disposal and everything else that goes along with the PFAS.

Senator Schiff. If that water that is PFAS contaminated, let's say they don't use it for drinking water, can that water be used for anything else? If it is used for irrigation, does that simply move the PFAS into the food that they eat?

Mr. Goulette. Well, I think it moves it back into the food chain. We are a farming community, there is a lot of agriculture around there. I think that would absorb the PFAS and we would have other issues.

Ms. Dreyfuss-Wells. Senator, I would add two things. From the Northeast Ohio Regional Sewer District's perspective, PFAS

has not emerged as a significant issue in our watersheds. But we are preparing for it as an emerging contaminant, and have been able to access through the IJJA's Emerging Contaminants funding some dollars to look at landfill leachate, as a treatment process for landfill leachate, which can be a potential source of PFAS.

Then also some additional laboratory equipment to make sure we can analyze the products coming to us.

I will say from NACWA's perspective, we are very focused on dealing with PFAS a is source, which are those companies that are producing PFAS, as opposed to having that burden come to public wastewater treatment facilities, where we are really the end of the conversation, not the beginning.

Senator Schiff. Do any of you have a sense of the state of the technology? Is it capable of removing all the different forms of PFAS? Or are we still not there yet?

Mr. Oswald. We are there. I think we can remove all the PFAS. You have reverse osmosis; you have activated carbon. It is how you deal with that waste stream that you generate as well, do you send it to a landfill, how do you deal with that waste stream so you are not reintroducing it into the environment and creating more problems?

So we can treat it, we can get it down. But it is expensive and you have to deal with the waste.

Senator Schiff. And where is the research being done? Is that something that Congress can further augment to determine what is the most cost effective way, protective way to handle the waste that results from that filtration process?

Mr. Oswald. We rely heavily on EPA's Office of Research and Development for that type of expertise to do that research and inform us on what the best methodologies are and what the impacts are.

Senator Schiff. One last question on lead. In terms of triaging the lead problem, I assume that the severity of the problem in a particular venue depends on the degradation of the pipe but also the acidity of the water. What should that tell us if anything about how we triage that problem? Is it just a matter of testing the water to see where the combination of those factors produces the worst result? Or are there other ways to do an analysis of the sort of the state of different pipes, so that we can identify which to replace first?

Mr. Oswald. We can study pipes, and we do that through pipe loop studies. There is a lot of research on that.

The bottom line is we have to get the lead out of the system. We can treat the water and make it non-corrosive, but you are just one instance away or one accident away from creating an issue where the water gets very acidic for a certain period of time and leaches or takes that protective coating off

the lead pipes.

So we can do a lot of treatment on the positive side for corrosion control treatment. But again, it is a band-aid on the problem. We have to get the lead out of the system, and we have to deal, to a certain extent, with premise plumbing, too, because you have a lot of lead inside houses in the form of solder or fixtures that can also create a problem. We have had systems that have absolutely no lead service lines and they still have lead action level exceedances because of this premise plumbing.

Senator Schiff. Got you. Thank you very much, Chairman.

Senator Boozman. Senator Alsobrooks?

Senator Alsobrooks. Thank you so much, Mr. Chair, and thank you so much to our witnesses for being here today.

The Bipartisan Infrastructure Law has been really transformative for our water infrastructure across the Country, most especially in a place like Maryland. The funding Congress provided supports a range of key programs which finance critical upgrades to wastewater and drinking water systems, also enhances stormwater and flood resilience infrastructure and invests as well in lead pipe replacement and water system sustainability.

These programs have been absolutely transformative in Maryland. It has really helped Maryland to modernize its infrastructure, to reduce pollution and deliver clean, safe

water to communities, especially those who have historically faced economic barriers.

So I look forward to working with this committee to build on the success of the Bipartisan Infrastructure Law. The few questions that I have, the first one will be for Mr. Oswald and Ms. Dreyfuss-Wells. The Bipartisan Law provided funding to solve longstanding water infrastructure problems and address some of the most pressing public health challenges in our communities. In Maryland, State Revolving Fund supports projects that improve drinking water, removed lead service lines in Baltimore and stopped sewer backups in basements to keep wastewater out of the Chesapeake Bay.

Now, the Bipartisan Infrastructure Law, as we know, was a critical down payment on upgrading our Nation's water infrastructure. But what we know is that it was just that; it was a down payment. So the question for you all is, let me just say first of all that if we don't reauthorize the Bipartisan Infrastructure Law programs that continue to provide funding, the gap in Maryland between resources and necessary investments would be about \$125 million per year.

So the question is, Mr. Oswald and Ms. Dreyfuss-Wells, would you both speak to what it would mean for your organizations and for drinking water and clean water systems across the Country if the Federal Government ceases to partner

in this effort?

Mr. Oswald. I will tell you we have a tremendous backlog of deferred repair and maintenance and replacement in our drinking water infrastructure, similar to our highways. The tougher problem with drinking water is it is out of sight; it is out of mind.

So we tend to let that infrastructure go until the point that it fails. We have systems that are over 80 to 100 years old in our distribution systems. So those need to be replaced. The Bipartisan Infrastructure Law is a mechanism to downgrade or down pay, get a down payment on that backlog and get that backlog reduced or eliminated, in most cases.

Personally, as a State and as State drinking water administrators, we have to do a better job with asset management. Once we get that backlog taken care of, and it is a huge backlog, we have to do a better job of making sure that our systems use proper asset management to make sure that investment doesn't go to waste, that we don't ignore it for the next 50 years, that we continue to maintain and operate it as needed so we can protect that investment.

Again, it is like your car. You can change the oil like you need to and it will last a long time. You run that car for 20,000 miles and then change the oil, change the engine, it gets a lot more costly. So it is a combination of things. We need

the Bipartisan Infrastructure funding to get rid of the backlog, and then we need to do a better job of maintaining that system.

Ms. Dreyfuss-Wells. Senator, what I would add to that, yes, obviously there is a huge backlog. You talked about Maryland's backlog. Communities have this across the Country. We need to have the funding to address those issues and to address the issues going forward.

But I also want to highlight that the Clean Water SRF is a financing tool, that communities need that consistency, they need to know it is there, so that they can do their long-term financial planning, they can build a package of financing around a particular project. That is how we deliver projects efficiently.

I know it is a bit of a snooze, but project management is the silver bullet. The Clean Water SRF is essential to that project management, because it is the lowest cost of borrowing for utilities across the Country. And that is essential.

Senator Alsobrooks. Okay. And I see the time is gone. I will just ask quickly about the Chesapeake Bay. This is for Mr. Oswald.

As the largest estuary in the United States, the Chesapeake Bay is a critical source of drinking water. However, the Bay has been under stress for decades due to pollution and climate change significantly impacting water quality and affordability

in the Bay. For this reason and many others, there are ongoing efforts to restore and protect the Bay.

Just quickly, would you discuss how protecting the Chesapeake Bay lowers the cost and increases the availability of drinking water in communities?

Mr. Oswald. Obviously, source water protection is foundational in the drinking water business. We try to be very protective of our water sources, be they surface water or groundwater. So protecting those surface waters lowers the bill for everybody, because you don't have to treat as much. You eliminate things like harmful algal blooms that can sicken a lot of people very quickly.

So investing in that with our Clean Water partners is huge to reduce nutrient loads on bodies of water like that, and reduce the pollution going into that from PFAS, microplastics or whatever other emerging contaminant you want to talk to.

So yes, source water protection is huge.

Senator Alsobrooks. Thank you.

Senator Capito. [Presiding.] Thank you. I am back, and ready to ask a couple of questions. Thank you all for your patience.

I mentioned, Mr. Goulette, this is for you, I mentioned in my opening statement several times the challenges of rural communities in facing these infrastructure challenges. Many of

the systems, if there are existing systems, are so old. The one thing that has always bothered me about our systems in West Virginia is the leakage. I am sure that is from ancient and old, or not ancient, but very old technologies.

Anyway, based on your experience, what are the greatest challenges that rural communities face? What policies should we prioritize to provide additional support or technical tools to help people address these issues?

Mr. Goulette. The greatest thing we see in Nebraska specifically, and pretty much across the Nation, is the geographic isolation of those small systems. Being able to, for example, I have Nebraska rural water circuit riders go out and assist those programs, those systems, especially when there is that lack of economy of scale and untrained operators. Because we see so much turnover in that field also right now.

The other thing we are spending a lot of time with is educating the local governments in those small communities. Because there is such a significant turnover, and that ever changing regulatory environment also plays a part in that.

Senator Capito. Right. With your circuit riders, do you feel like they are stretched too thin? Or do they have enough, I mean, obviously everybody always wants more. But let's just say in a practical sense, are they able to cover the State of Nebraska sufficiently?

Mr. Goulette. Yes, I think we do an excellent job. We have three drinking water circuit riders that run around the State of Nebraska, they average about 30,000, 35,000 miles a year, 35 contacts a month. But they are there, basically on an on-call basis also to assist those systems when they are in need of some type of help or environmental issues that impact their systems.

Senator Capito. Okay, good. Thank you.

Ms. Dreyfuss-Wells, I want to talk about the cooperative federalism principles that I outlined in my opening statement. From your experience, administering projects funded by State Revolving Funds, could you discuss that importance for the States to maintain their flexibility to prioritize what best meets their needs?

The other issue, and I don't know if you can address this, is the issue of financing large projects, a State Revolving Fund in many cases is only one portion of this. You could have other State sources or Federal sources or county resources, but also the ratepayer is always gone back to for rate increases. And that is really difficult for communities as they try to face this.

So first of all, talk about the importance of maintaining flexibility, and then any other kind of creative ideas that you have run into on the financing aspect.

Ms. Dreyfuss-Wells. Thank you, Senator. I think Ohio is such a great example of this flexibility. As I said, the Ohio EPA and the Ohio Water Development Authority run our clean water SRF. They have for years taken a very innovative approach to make sure that they understand the needs of communities, and that they are structuring financing packages to meet those needs.

So as I said, we have worked with them since the 1990s and they have evolved every year, looking at our capital plan, looking at the capital plan of other communities like Columbus, what can they do to be flexible. This idea of structured loans with deferred principal payments, this is something that they came up with.

So your point is spot on in terms of States need to have that flexibility to implement their programs, to meet the needs of the communities.

Senator Capito. Right. Well, I'm certain that certain portions of Ohio are a lot like our more rural areas down in the southern part of Ohio, southeastern Ohio, it is probably very similar to West Virginia.

Ms. Dreyfuss-Wells. Absolutely. And I will just say that is where the technical assistance is so important because as you know, we are talking about a township trustee. Maybe they have a township administrator. They probably have a consulting

engineer if they are lucky.

But that consulting engineer is going to have to put that funding package together and they need to have the technical support to write a project application that is going to get funded.

Senator Capito. Thank you.

I am not really sure who this question would be best addressed by, so I will throw it up to all three of you. In the water portion of the bill, there was some remediations for lead and lead pipes. Part of the issue, I believe, that we have run into is how far does that money go.

Does it go to the edge of the yard and then the homeowner is in charge of it? Does it go into the house? What have you found in that, and how can we -- I think we acknowledge that we are not going to get to where we want it to go with the ambitious program that was put forward.

Does anybody have any experience with that that they would want to talk about?

Mr. Oswald. Yes, I can address that a little bit. There is a private side for lead service lines. Obviously usually at the curb stop, you have a valve you can shut off. In most cases, from the valve to the home is privately owned. The rest of it, up to the water main, is publicly owned.

So to coordinate those two can be extremely difficult.

Senator Capito. Yes, because the homeowner could own the lead part of it.

Mr. Oswald. They could. And they could refuse permission to the water system to come in and replace that. Most States have outlawed partial service line replacements, because it can create issues. So if the homeowner declines, then you are stuck, you can't replace anything.

So it is very, very problematic. But that private and public ownership, that we don't run into, say, in the electricity or natural gas, it is just an oddity. So in Michigan, we require the systems to replace the whole service line at their expense to eliminate environmental justice issues where a homeowner that could pay for their side gets the whole thing replaced, whereas a homeowner that can't afford that, they don't get any lead service line replacement. That is a huge challenge.

And the States differ on what laws govern that, whether you can pay ratepayer funds to replace that private side.

Senator Capito. Right. Does anybody have another comment on that?

Ms. Dreyfuss-Wells. I am sorry, Senator, I am bouncing in my seat to comment on that. Very much an issue on the lead service line, not my area of expertise, but it is also an issue on the sewer side. Much of the infiltration, the inflow and

infiltration that we have of leaking of sanitary and storm sewers, there is a big component on the private side.

And the only thing I will add is that this is where trust comes in between utilities and their customers, making sure that folks know who you are before you come to their homes to ask to be able to do work on the private side. That is something that we very much focused on in Northeast Ohio.

Senator Capito. All right, thank you. Senator Ricketts?

Senator Ricketts. Thank you very much. Appreciate it.

Welcome, everybody, to all of our witnesses today. I appreciate your taking the time. Tom, great to have you here, to be able to represent Nebraska.

Tom brings just a wealth of information to this committee. If there is a job involving water in the State of Nebraska over the last 40 year, Tom has done that job. He has been obviously currently in West Point, a great community there in Cumming County. But just the depth of expertise is amazing.

I am actually going to read off some of this stuff because it is pretty impressive. He served as chairman of the Governor's Advisory Council for Drinking Water, chairman of the Municipal Energy Agency of Nebraska, chairman of the League of Nebraska Utilities Section, and president of the Nebraska Rural Water, just to name a few. You are currently chairman of the League of Municipalities Small Cities Legislative Committee.

Say hi to Lynn for me when you get back.

Mr. Goulette. I will do that.

Senator Ricketts. And if you are not busy enough, you are engaged in very civic engagements, where you have served as the utility superintendent for the City of West Point since 1993, and added City Administrator to your business card in 2001. You still have both those titles today, right?

Mr. Goulette. Yes.

Senator Ricketts. Yes, so it just shows, again, in small towns, people wear a lot of hats.

Before the committee today, your post is to Nebraska Rural Water Association. You have been on the board there since 2005 and are currently serving on the executive committee. So thank you again, Tom, for being here. We really, really appreciate your experience that you bring to this committee.

Mr. Goulette. Thank you, Senator.

Senator Ricketts. So, welcome. And what I would like to talk a little bit about is many small and rural communities face significant challenges in accessing and managing the Federal infrastructure dollars due to limited staffing and technical expertise. We saw this in other areas as well, like the Department of Transportation and so forth.

When we met in February, the Nebraska Rural Water Association shared some of these barriers. What types of

resources or policy changes could Congress consider making to Federal programs to make them more efficient for small and rural communities?

Mr. Goulette. A lot of it comes down to simplifying the application requirements for those small communities. Typically they know best what their needs are going to be when it comes to upgrading their systems or changing the equipment and that type of thing, along with the assistance from the Nebraska Rural Water Association, our circuit riders are there lending assistance and quantifying that.

Then once they get to that point, once they can get to some type of formulation of what that community needs, that is when an application needs to go in. Then that should allow for some additional engineering, then, at that stage, once that product is identified and the community can have some buy-in, for lack of a better term

The other thing is that reducing those match requirements, a lot of the small, rural communities, they stretch every dollar they have. So when they are looking at this and they are looking at the match requirements to comply with that, it becomes difficult. Then they have to balance out where their priorities lie within the financial capabilities of that community.

So some of those projects get put on the shelf, then, at

that point.

Senator Ricketts. [Presiding.] Yes, and that is not necessarily true for West Point, because West Point is really doing well, but what we see, is it fair to say in a lot of our rural communities we see that it as the younger people move away and you are left with declining population of older folks, that just adds to the complication of being able to get these water projects done?

Mr. Goulette. It does, and along with that is our aging workforce. We see a lot of operators aging out, those are one and two-man operations. So once that legacy leaves that community, they are difficult to replace. So that makes the challenge even more difficult to help sustain that community.

Senator Ricketts. Again, is there something we can do in Congress to be able to help with some of those workforce challenges?

Mr. Goulette. One of the things is the apprenticeship program that Senator Capito put in place a few years ago. We need to get that moving in Nebraska. We need to get that funding moving in Nebraska, we need to get an apprenticeship program and start that process to engage those communities and show them options, bring trained operators to the facilities.

Senator Ricketts. Yes. Can you just give us briefly just how some of these Federal funding programs have made otherwise

cost-prohibitive projects in small towns and rural communities possible?

Mr. Goulette. Yes, basically when you are looking at the projects themselves, you are looking at the market base on interest rates and that type of thing and the longevity, it makes it more economically feasible for those small communities. There is the grant basis that they also can qualify for, which also helps them.

Senator Ricketts. Can you give me an example of a specific project off the top of your head?

Mr. Goulette. The easiest example right now is the City of West Point. We did the water project here a few years ago where we had a \$2.7 million water treatment plant. Of that \$2.7 million, \$553,000 of that was loan forgiveness. Then in addition to that was the 1.5 percent interest rate plus the administrative fee for the State.

So it makes it very economically feasible to get those programs in place, rather than going out to the open market.

Senator Ricketts. All right, great. Well, oh, we lost our Chair. So I guess I am in charge on the Republican side now.

[Laughter.]

Senator Ricketts. I am going to take a moment just to talk a little bit as well about an important project, not specifically related to drinking water, but access to water in

general in our State is obviously important. We are the largest irrigating State in the Country.

I was just in Scotts Bluff last week, and the Gering-Fort Laramie Canal collapsed while I was Governor, and we worked to get some temporary repairs in place there. It is owned by the Bureau of Reclamation, but through a program they built the canal there 100 years ago, and when it collapsed, it cut off about 55,000 acres of Nebraska farm land from getting irrigation water. That obviously is just huge for a State like Nebraska, where irrigation is big, but also agriculture is our biggest industry in the State.

So we are going to be looking for opportunities to be able to have the Federal Government partner to be able to get the permanent repairs on that done, because right now it is operating at about 80 percent capacity. I was just talking to folks about it, again, just getting to this idea of like how expensive it is for these projects and how, with the drinking water and make it possible in West Point, but the cost it would be for those farmers to be able to pay the extra fees to be able to get those total repairs done would be really, really challenging.

So that is another project, another example of how the Federal Government can help partner with States and local communities to be able to get these water projects done.

So with that, Senator Schiff, you have already asked your questions, is that accurate or no?

Senator Schiff. I did, yes.

Senator Ricketts. But I see we have now Senator Blunt Rochester. We will turn it over to you.

Senator Blunt Rochester. Thank you, Mr. Chairman. Thank you to the witnesses. Sorry I am in between hearings. I think a lot of people are running around, so hopefully none of my questions have been asked.

I really do believe this is such a critical hearing, particularly building on the successes of IIJA and I am grateful that we are also focusing specifically on water infrastructure. Many people might not know that Delaware, even though we are a small State, we are actually urban, suburban, rural and coastal. So our water issues are very much a microcosm of the Country.

In Delaware, we were really pleased, particularly for our rural communities to have places like Seaford, Delaware, where they were awarded a \$2.1 million loan from IIJA to replace a 70-year old drinking water main line containing lead components. It has been critical to our communities, because of the removal of lead, the reduction of PFAS in drinking water, and also helping make water more affordable for families.

My first question is for Mr. Goulette. I understand that many water systems in your association serve fewer than 10,000

people. Can you speak to how critical IIJA's infusion of Federal funding is to small systems?

Mr. Goulette. Yes, thank you for that. Basically it helps with the geographic isolation of the communities. That is one of the keys with the small, rural systems. We have people physically going out and providing help and technical assistance.

Once we get out there, we can expose them to the IIJA capabilities and what they can do for the communities. They have somebody that they can lean on to follow up and put those programs into place for those small systems. That is the key.

Senator Blunt Rochester. And I heard you mention workforce. I think that is key as well, and the idea of apprenticeships and would love to follow up with you after the hearing specifically on that issue.

Now I would like to switch to lead service lines. As some of my colleagues have noted, the replacement of lead service lines are major projects that the public may not be aware of. I think a lot of times people just hear lead in pipes, and they think of the pipes in their home.

But these are pipes that are often deep under the property of a person's home or a roadway, and it requires excavation of streets and land to replace. These are expensive projects.

Mr. Oswald, based on your experience with the State of

Michigan, how has IIJA funding helped accelerate the pace of lead service line replacement projects compared to pre-IIJA funding levels?

Mr. Oswald. IIJA BIL funding has been instrumental. We wouldn't have a ghost of a chance at getting lead service lines out of the inventory without it, if we were just relying on State funds and ratepayer funds.

So again, the cost of lead service line replacement is not cheap. You are talking about \$10,000 per lead service line. So it is incredibly expensive. Without the Federal funds to get through this, and it is a one-time cost, that is the nice thing about it. Once we get rid of those, they are out of the system. So we just have to buckle down and get them out of the system, and then move to other things.

So yes, the BIL funding, we are not going to get to our goal. In Michigan, we want to be lead-free by 2037. We are not going to get there without cooperative federalism and cooperation between the State, the locals, and the Federal Government. Just won't happen.

Senator Blunt Rochester. Yes, and I think that cooperation also makes me think of the ultimate goal of healthy families as well.

I am going to turn now to Ms. Dreyfuss-Wells. The National Association of Clean Water Agencies are strong advocates for

water infrastructure dollars that support households struggling to make ends meet and avoid disconnection. I was able to get a program to address water affordability authorized in the IIJA. The study that I pushed for EPA to complete found that nearly 19 million households have trouble affording clean water. For families experiencing poverty, being able to afford the nationwide average of \$42 a month for water utilities can be a struggle.

Can you discuss how the inability for customers to pay for water bills actually hurts the ability of utilities to serve the communities they are in?

Ms. Dreyfuss-Wells. Thank you, Senator. And that is exactly right. So the goal of any utility provider on water, wastewater, stormwater side is to make sure that you are bringing all of your customers along with you. So having the Low-Income Households Water Assistance program there to help folks pay some of those bills is very important.

Then also making sure that your own utility has a focus on that customer service, bringing your customers so that they can apply for and receive that assistance that is available. And it is something that we are very focused on at the National Association and very focused on at the Sewer District.

Senator Blunt Rochester. Great. Thank you so much.

I have other questions I will submit for the record, but

thank you, and I yield back.

Senator Capito. [Presiding.] Thank you. Senator Ricketts, did you have another question, or are you good?

Okay. I think we are all good. As I said, it is very busy here on Capitol Hill. So some folks had intended to come, I am sure you will hear from them.

So with no further questions, I want to thank the witnesses and all my colleagues for their participation in today's hearing. I really look forward to writing the DWWIA bill coming up. I think we are starting early.

And I think that is the smart way to do it. We couldn't do it without you all helping us. So I really appreciate this.

Senators who wish to submit written questions for the record have until 5:00 p.m. on Wednesday, May 14th to do so. The witnesses' responses to those questions are due back to the committee no later than 5:00 p.m. on Wednesday, May 28th. And they will be submitted for the record.

With that, this hearing is adjourned, and thank you all very much.

[Whereupon, at 11:17 a.m., the hearing was adjourned.]