Testimony of
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City of West Point, Nebraska
And on behalf of
The Nebraska Rural Water Association
And
The National Rural Water Association
Before the
U.S. Senate Committee on Environment and Public Works
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"Building on the IIJA's Successes: Identifying Opportunities to Strengthen Water Infrastructure Programs"
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Good Morning Chairman Capito, Ranking Member Whitehouse, Senator Ricketts, and distinguished Members of the Committee. Thank you for the opportunity to testify today.

My name is Tom Goulette, and I've had the honor of serving as the City Administrator and Utility Superintendent for the City of West Point, Nebraska, a rural community of 3,500 people in Cuming County, since 1993. I've held these two positions simultaneously since 2001 and have worked in the water and wastewater utility industry for more than 40 years. The City of West Point is also a proud member of the Nebraska Rural Water Association (NeRWA) which represents 467, or 92%, of the community water systems in the Cornhusker State. NeRWA has been dedicated to the improvement and assistance of all public water systems since 1977, and as the current President of the Association, I'd like to express a heartfelt thank you to the staff who work tirelessly every day to achieve this most important mission.

I am here on behalf of the National Rural Water Association (NRWA), the country's largest utility association with over 31,000 utility members dedicated to drinking water quality, environmental protection, and public health protection. NRWA provides training, financial management, emergency response, disaster relief, environmental compliance, energy audits, governance, and on-site technical assistance to water and wastewater utilities to enhance the public health and safety of citizens in small and rural communities in all 50 states and Puerto Rico. I have served as Nebraska's

representative on the NRWA Board of Directors since 2005 and am a proud member of NRWA's current Executive Committee. I can attest that this organization truly promotes the water and wastewater professionals that serve small and rural communities across the country and is unmatched in supporting the grassroots advocacy efforts required to help rural America prosper.

In rural America, we don't have the luxury of "passing the buck." When water turns brown or pipes break, our neighbors call us, the water operators, directly. We answer, and we fix it. That's what makes this Committee's work on the Infrastructure Investment and Jobs Act (IIJA) so consequential. You didn't just authorize funding, you made a deliberate, historic and much needed investment in the infrastructure that protects public health, the environment and the economic future of communities like mine. Thank you!

Passed in November 2021, the IIJA will be remembered as one of the most significant public water and wastewater achievements in our nation's history, especially for rural America. Rural Water proudly supported the bill's precursor, the Drinking Water and Wastewater Infrastructure Act of 2021, introduced by then-Chairman Carper at Delaware Rural Water Association's headquarters. That moment reflected Rural Water's longstanding commitment to this Committee's mission and our appreciation for legislation that truly works for small communities.

The intention of the water provisions included in the IIJA have been helpful to small and rural communities, especially the dedicated funding for lead service line replacement, emerging contaminants, set asides for disadvantaged communities, and the expansion of State Revolving Funds paired with technical assistance. Just as importantly, the bill respected local authority by avoiding new federal mandates on municipal systems. On behalf of thousands of small and rural utilities in all 50 states, thank you for getting this right.

But more can be done to maximize the efficiency and efficacy of this landmark legislation. The vast majority of public water and wastewater treatment systems serve communities with populations of 10,000 or less. About 91% of the approximately 50,000 community drinking water systems are small and 80% of the country's more than 16,000 wastewater systems serve fewer than 10,000 people.

In Nebraska, 467, or 92%, of the total 509 community water systems serve a population of fewer than 10,000 people.

In West Virginia, 390, or 94%, of the total 415 community water systems serve a population of fewer than 10,000 people.

In Rhode Island, 75, or 90%, of the total 90 community water systems serve a population of fewer than 10,000 people.

These small communities have a much more challenging time complying with the myriad of federal regulations and operating complex water and wastewater treatment systems due to the lack of technical resources and economies of scale. While we have far fewer resources, we are regulated in the exact same manner as a large community.

For the next few minutes, I'd like to discuss how my small, rural community water system is implementing water infrastructure investments authorized by this Committee, highlight Rural Water's technical assistance initiatives, and outline persistent funding, workforce and regulatory challenges and opportunities that towns like mine are experiencing.

SRF Success Story: City of West Point, NE

In 2018, the City of West Point, Nebraska with a population just over 3,500, and approximately 1,600 water service connections, faced a water quality challenge familiar to many small communities. Discolored water caused by elevated levels of iron and manganese in the groundwater had become a persistent issue. While manganese is not regulated under the Safe Drinking Water Act, at higher concentrations it impacts taste, color, and can pose health risks. The City, recognizing the potential public health implications and erosion of public trust, chose to act decisively before the issue got worse.

West Point initiated a comprehensive solution to modernize its water system with a new treatment facility capable of addressing these contaminants while building long-term capacity and sustainability. The project was developed with due diligence at every stage from pilot testing the proposed technology to assessing long-term rate affordability for residents. Thanks to Nebraska's Drinking Water State Revolving Fund (DWSRF), the City secured a $2.76 million financing package, including $553,000 in principal forgiveness. The remaining $2.21 million was financed over 20 years at 1.5% interest with a modest administrative fee. These terms made this project affordable and feasible for a small utility, and without this assistance the monthly costs per household would have been 40% higher. Unfortunately, this is a common financial predicament that small and rural water systems face around the nation.

The funding supported the installation of a new catalytic filtration system, system control upgrades, variable frequency drive installation, targeted water main rehabilitation, and all related engineering and testing work. A pilot study of the treatment process was completed before construction to ensure the proposed solution would perform as expected, limiting both cost overruns and long-term operational risk. Plus, due to the success of the pilot study, the utility didn't have to acquire any new land.

At the local level, West Point's elected officials and water utility staff provided the leadership and fiscal stewardship required to make this project a reality. The City had previously retired water utility bonds ahead of schedule and operated with consistent

financial responsibility. This successful strategy gave the utility the ability to absorb modest rate adjustments while protecting affordability for residents. Even with this major upgrade, the projected monthly household water bill remained at $32.18, or just 0.92% of the City's median household income which is below EPA's affordability threshold.

At the state level, Nebraska's DWSRF administrators worked closely with City officials and engineers to move the project through planning, design review, and funding approvals without delay. The result was a streamlined implementation timeline bringing the new treatment facility online by May 2021, just three years after project initiation. For a project of this scope, that is an achievement in itself and a testament to the strength of state-local cooperation and partnerships. Additional recent Nebraska SRF successes include:

- City of Crofton: Faced with a failing 35-year-old mechanical wastewater treatment plant, Crofton needed to construct new sewer lagoons which would have required raising the average monthly sewer bill to $78.50. However, thanks to significant loan forgiveness through the SRF, the city was able to limit the average monthly sewer bill to $52.00, saving local ratepayers 34% compared to what would have been necessary without this SRF assistance.
- City of Oshkosh: When elevated arsenic levels forced the city to secure a new water source, the SRF provided $1 million in grant assistance. As a result, residents now pay an average monthly water bill of $40.00 instead of $64.00, saving households nearly 38% per month while ensuring safe drinking water.
- Village of Fairmont: Confronted with excessive manganese levels, Fairmont needed to build a new water treatment facility. Without SRF assistance, the average monthly water bill would have risen to $68.00. However, with 50% loan forgiveness from Nebraska's SRF, the average monthly water bill was $42.50, saving customers 38% compared to a project without this SRF assistance.

At the federal level, the SRF framework worked exactly as this Committee intended by providing flexibility to tailor a feasible solution, adequate funding to preserve affordability, and the authority for Nebraska's primacy agency to deliver meaningful support without imposing a one-size-fits-all mandate. By all accounts, this process respected local decision-making while empowering the Nebraska SRF to target resources where they were needed most.

Importantly, this project also underscores why affordability metrics must remain a central feature of SRF financing. Without principal forgiveness, low-interest terms, and the ability to structure repayment schedules around the realities of rural income levels, this project would not have moved forward or would have required an unacceptable rate burden for ratepayers. This is why SRF financing tools remain so essential, particularly

in small communities with a limited tax base, ever increasing regulatory burdens and unfunded mandates.

It's also a reminder that small and rural communities are tasked with meeting the same regulatory standards as major metropolitan utilities. In West Point, we have a staff of 32 employees that manage, operate and repair the entire system 24 hours a day, 365 days a year. There's no in-house legal counsel, no engineering department, and no planning division. Thankfully, Rural Water's technical assistance and expertise played a critical role in helping West Point officials navigate regulatory and funding complexities without costly delays or mistakes.

In summary, the West Point project is a model of what's possible when federal policy, state partnership, and local leadership work in concert. It represents the best of cooperative federalism. This project strengthened the City of West Point's long-term sustainability, improved water quality, protected residents from unaffordable rate increases and is a clear demonstration of how a small town can meet future infrastructure challenges through smart planning, due diligence and trusted partnerships. It underscores a basic principle this Committee recognized long ago: the path to safe, affordable water begins with practical, locally led solutions, supported by federal partners committed to their success.

Identifying IIJA Implementation Barriers

The Infrastructure Investment and Jobs Act (IIJA) was a historic, generational investment, and rural water systems are grateful to this Committee and Congress for the enactment of this landmark legislation. As noted previously, it is one of the most significant public drinking water and wastewater initiatives this country has ever undertaken. However, we are hearing from many systems and states that the funds provided in the bill have been slow to be implemented due to overly complex applications, burdensome federal requirements, runaway project costs, supply chain delays, a shortage of qualified contractors and engineers, and competitive funding processes that favor larger utilities over those communities most in need.

The State Revolving Funds are one of the most effective statutory tools Congress has created to support public water infrastructure. However, for too many small systems, the SRFs are inaccessible. Unlocking the bipartisan infrastructure law's intended impact requires deliberate action like simplifying application requirements, providing upfront technical assistance, reducing match requirements, expediting environmental reviews, prioritizing need over scale in scoring systems, and ensuring "disadvantaged" definitions reflect the realities of small and rural communities.

For example, the 49% cap on lead service line replacement subsidization makes it nearly impossible for small systems to afford the very projects they are being asked to prioritize. Compliance with Davis-Bacon, American Iron and Steel, Build America Buy

America, and other federal mandates further drives up costs and strains limited administrative capacity. Lengthy and complicated environmental reviews add more delays. Meanwhile, small systems often lack the cash flow to front construction expenses without interim financing, even as contractors pull back and prices continue to rise. As a result, many small communities, already stretching every dollar, are being forced to shelve critical projects that should be moving forward.

At Nebraska Rural Water Association and National Rural Water Association, our members do an excellent job maximizing funds and economies of scale while delivering essential water service with limited personnel. However, the current challenging industry conditions highlight how the financial health and viability of a small community water system is inextricably tied to rate payment affordability, infrastructure status, and expertise of the utility's operator(s). The affordability of water service is a critical issue for all communities, but it has a disproportionate impact on small and rural water and wastewater systems which affects every aspect of their ability to operate.

Currently, a significant portion of funding from the State Revolving Funds (SRF) is directed toward larger communities—approximately 72% of Clean Water SRF funding and 73% of Drinking Water SRF funding go to large systems, according to the EPA Clean Water State Revolving Fund Annual Report and the EPA Drinking Water State Revolving Fund National Information Management System, respectively.

However, provisions within the SRF, such as principal forgiveness, negative interest loans, and grants, or a combination thereof, can help alleviate financial burdens on smaller systems. Every year, Rural Water advocates for at least the previous fiscal year's appropriated funding level for EPA's SRF programs and associated technical assistance, emphasizing the need and results of this most important water infrastructure investment initiative.

NRWA and NeRWA fully support EPA's SRF water and wastewater programs, as well as the provision of technical assistance to small and rural communities within the regulatory structure of the Safe Drinking Water Act and Clean Water Act. It is essential to empower small and rural communities to set affordable water rates, ensuring the protection of public health and the environment while avoiding unnecessary over-regulation. To realize the full potential of the IIJA and the SRF programs, please consider bridging the gap between legislative intent and practical implementation.

The Value of Trusted Technical Assistance

For half of a century, the National Rural Water Association and our state affiliates have been providing small, rural, tribal, and disadvantaged communities with local, on-site technical assistance and training. This is not a new concept. The Infrastructure Investment and Jobs Act of 2021 (IIJA) included multiple technical assistance provisions and set asides to provide assistance directly to communities that lack the financial,

managerial, and technical capacity to access the State Revolving Fund (SRF) programs. Rural Water, through trusted relationships and exceptional technical expertise, has established itself as the premier resource and partner for small, rural, disadvantaged, and tribal communities to comply with the numerous federal Environmental Protection Agency (EPA) regulations, avoid EPA fines, access water infrastructure funding, and safely operate drinking water and wastewater systems.

The vast majority of U.S. water systems are small; 91% of community water systems and 80% of the country's wastewater systems serve populations of 10,000 or less. Small and rural communities have more difficulty affording public water and wastewater service due to the lack of population density and economies of scale. Some communities are so small they rely on volunteers to operate their systems. These challenges are compounded by the fact that rural communities have lower average median household incomes and often have higher rates of poverty. Despite these challenges, small communities want to ensure quality water and stay in compliance—rural water provides them the shared technical resources to do so.

The EPA Water Training and Technical Assistance Program is designed to strengthen the technical capacity in small water systems, with the aim to reduce the number of systems out of compliance with health-based standards. An important part of Rural Water's long-standing public-private partnership with EPA has been the ability to travel to small and rural communities and assist them with operating, governing, financing, upgrading, and maintaining their water and wastewater infrastructure. This includes compliance with all federal Clean Water and Safe Drinking Water Act regulations, as well as all the training needed to keep local officials and operators certified and educated on the latest rules, regulations, and technologies. This type of hands-on, on-site assistance is the most effective method to help staff and management become more successful operating their systems, and results in a better understanding of the laws' requirements. In fact, National Rural Water's combined state affiliates- including Nebraska- delivered 72,519 on-site technical assistance visits and 396,330 hours of training to more than 105,363 utility personnel in 2024.

Recent technical assistance solicitations from EPA totaling over $79 million show how far NRWA has come in advocating for these important resources. Unfortunately, these solicitations do not reflect the spirit or intent of the Clean and Safe Drinking Water Acts. The way the agency has been administering these funds, fragmenting awards across dozens of providers with burdensome and duplicative reporting requirements, undermines the impact of this federal investment and destabilizes the industry. Small and rural (if not all) communities do not want direct assistance from the regulatory agency that oversees their compliance with federal laws that can get them fined or worse. The core principle that has made these programs successful from the start is that third-party, trusted technical assistance can facilitate solutions to persistent

problems between communities, consultants, regulatory agencies, and funders. While the availability of additional technical assistance may be good in some cases, communities rely on proven partners and proven programs. Too many inexperienced providers have already resulted in decreased efficiency, confusion and wasted time for system personnel.

It is of the utmost importance for the EPA to recognize that small and rural communities are a solution, not a problem, to improving public health and protecting the environment. We urge the Agency to recognize that small, local governmental water utilities are all governed directly by local citizens to benefit local citizens. Our constituency exists to improve drinking water and sanitation in rural and small communities and on-site technical assistance initiatives are the most effective environmental protection efforts for drinking water and wastewater, ground water, source water, and compliance with the Clean and Safe Drinking Water Acts.

Many small systems face unique challenges in providing reliable drinking water and wastewater services that meet federal and state regulations, including a lack of financial resources, aging infrastructure, and high staff turnover. The on-site technical assistance we provide helps small and rural communities build the technical, managerial and financial capacity necessary to effectively operate drinking water and wastewater systems to comply with regulations, improve operations and management practices, promote system sustainability predominantly through funding access, and better protect public health and the environment. We believe this assistance is most effective when it comes from a trusted individual who is willing to travel directly to the community, has technical expertise to remedy the specific issue with existing treatment and infrastructure, and can be available on-site at any time.

National and State Rural Water Associations are effective, proven technical assistance partners with EPA and have an unmatched track record of supporting a significant majority of the country's drinking water and wastewater systems and protecting public health and the environment. In December 2015, Congress unanimously passed, and the president signed the Grassroots Rural and Small Community Water Systems Assistance Act (Public Law 114-98), which directs the EPA to provide on-site technical assistance in a manner that is most effective to small and rural communities. By following the authorities under the Act, and by leveraging the new-found resources in the Infrastructure Investment and Jobs Act, we are hopeful on-site technical assistance can be reestablished in our states and ultimately make the program more effective and easier for EPA to implement-which is the intent of Congress.

Rural Water Apprenticeship Program

Alongside unwavering support from Chairman Capito since 2016, National Rural Water, State Rural Water Associations, local small and rural community water utilities, and federal agencies including the U.S. Department of Agriculture, U.S. Department of

Labor, and the U.S. Environmental Protection Agency have been collaborating successfully to establish the first nationally recognized Registered Apprenticeship Program for water and wastewater system operators (O*NET-SOC CODE: 51-8031.00), while creating jobs in rural America.

In July 2024, NRWA achieved a significant milestone by securing $5,594,000 through EPA's Innovative Water Workforce Development Grant Program. These funds, authorized by this Committee, support expanding career opportunities in the drinking water and wastewater utility sector and elevating public awareness about jobs in the water workforce. NRWA is poised to capitalize on these new federal funding awards to strengthen the water sector workforce and is grateful for this Committee's foresight to address this serious issue.

As of January 2025, 34 State Rural Water Associations have completed the rigorous process of obtaining federally approved Registered Apprenticeship Programs and are now attracting, training, and retaining the next generation water workforce with over 573 apprentices enrolled and over 337 have completed their apprenticeship as of December 31, 2024. Because of this novel effort, water and wastewater systems are now empowered to leverage workforce development activities including an identifiable career path and a modern, systematic apprenticeship model for the first time.

Safe and effective water utility management is vital to rural America and the nation. Employment data indicates up to 50% of this workforce will leave the water industry within the next 10 years. Rural water and wastewater utility owners and operators need a pipeline of skilled workers to help ensure clean and safe water for the public and to maintain the water infrastructure necessary to keep rural service areas economically viable. The majority of rural and small community water systems have been unable to attract, train and retain the next generation workforce due to the lack of an identifiable career path coupled with low salary levels and population density.

Supporting the country's public drinking water and sanitation systems is a highly skilled, low skilled and diversified labor force of water utility workers. In any given water utility, water utility personnel may be operating heavy equipment to repair broken lines, managing toxic chemicals, keeping public records, conducting tests in the laboratory, operating process controls, reviewing engineering plans, participating in the local municipal government, monitoring biological treatment processes, complying with federal environmental or labor standards, managing large construction projects, operating and maintaining pumps, engines, and generators, collecting samples, filling out operational reports, and the list goes on *ad infinitum*. The water utility workforce must be available during emergencies like rainstorms, floods, hurricanes, earthquakes and intentional acts of sabotage. Many facets of operating water utilities are inherently dangerous such as operations of heavy machinery and management of large quantities of toxic chemicals.

Water workers are often trained in emergency management response and safety. All water utilities must be operated 24 hours a day, including holidays and weekends. The

exact duties of water workers typically depend on the size and complexity of the water utility. In smaller utilities, one person may run and service the equipment, make repairs, perform tests, and keep records. In larger utilities with many employees, workers may be limited to specific functions such as repair crews, reading individual meters, monitoring treatment, etc.

The NRWA Water and Wastewater Operator Apprenticeship Programs include 4,000 hours of on-the-job training with a one-to-one mentor to apprentice ratio and 288 hours of technical instruction over a 2-year period with an increasing wage schedule suggested every six months. NRWA Apprenticeship Program graduates serve as public health officials and will often be the only person responsible for complying with the multitude of applicable federal Safe Drinking Water Act and Clean Water Act regulations to supply their small community with safe drinking water and sanitation services every second of every day.

Apprenticeship Program activities include learning the basics of the tools, pipe and other materials used in system operation, personal protective equipment and safety procedures, general plant safety and security operations, operate vehicles and heavy equipment, system operations and maintenance, perform installation and inspection of new water lines and services, implement customer metering and billing procedures, perform leak detection and understand water loss control, read water meters and interpret maps and drawings of the water system to locate valves and water mains, assist with installation, maintenance and repair of the treatment plant, storage tanks, and the distribution system, preventive maintenance, troubleshooting and repair of mechanical equipment, quality control, sampling, monitoring and testing required to maintain compliance with Federal, State and Local regulations, learn emergency response procedures, and collaborate with other members of the industry to learn new technologies and techniques.

The Rural Water Apprenticeship Program allows NRWA and our state affiliates to enhance water workforce participation and retention in small, rural and tribal communities, protect the federal investment in America’s water and wastewater systems, improve these vital services to customers, certify water worker proficiency with an identifiable career path, modernize the water industry’s approach to workforce development, enhance professionalism and upskill the incumbent worker, increase the recognition of the public benefit that water and wastewater systems deliver to their communities, schedule wage increases, and provide access to sophisticated and advanced technology.

PFAS and CERCLA: Hold Polluters Accountable

Most public water systems impacted by any future federal actions for PFAS will be small water systems who have a much more challenging time complying with federal regulations and operating complex water treatment systems due to the lack of technical resources in small communities. NRWA shares the goal of eliminating all concentrations of per- and polyfluoroalkyl substances (PFAS) from the public’s drinking water and environment. However, regulation, civil enforcement and liability under the

Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) are not the appropriate federal remedies for addressing this problem for local governments. Small and rural communities are not responsible for introducing PFAS into the environment or the public drinking water. The regulatory and enforcement provisions of CERCLA result in the unintended consequence of penalizing the communities whose drinking water or environment was contaminated. This dynamic will be especially problematic in economically disadvantaged communities and for populations with limited resources.

In the near term, Rural Water's primary focus is on protecting water systems and their customers from the potential legal liability, remediation costs, and reputational risks associated with the Environmental Protection Agency's (EPA) proposed hazardous substance designation of PFOS and PFOA under CERCLA. CERCLA is intended to uphold a "polluter pays" principle, whereby those responsible for releasing hazardous substances into the environment are held liable for the cost of cleaning up contaminated sites. However, absent a statutory exemption from PFAS liability for drinking water and wastewater systems who merely passively receive PFAS in providing their respective public health services, polluters could pass these costs on to our customers and your constituents, effectively creating a "public pays" principle under CERCLA.

EPA does not have the authority to provide any formal legal shield, leaving water systems with a commitment that would be formalized through a policy memorandum, at best. This leaves water systems and their customers vulnerable to litigation by potentially responsible parties who may attempt to reduce their own cleanup costs by recovering costs from those who merely passively receive these chemicals.

NRWA and NeRWA want to emphasize the significant financial burden that PFAS testing and treatment costs already place on our communities. Now that PFAS is designated under CERCLA as a hazardous substance, the disposal costs are further exacerbating financial instability and can potentially lead to insolvency. This burden cannot be overlooked, and equitable solutions must be identified.

The only viable option for small water systems and ultimately the public is for Congress to provide a statutory exemption from PFAS liability for drinking water and wastewater systems under CERCLA. This is why in March 2024, Rural Water sent 83 letters representing the interests of over 11,000 water and wastewater systems in rural America to this Committee requesting a narrowly tailored legislative exemption from PFAS-related liability under CERCLA.

NRWA and NeRWA want to express our strong support for the "Water Systems PFAS Liability Protection Act" legislation which has again been introduced in the House (H.R. 1267) this Congress and was under consideration by this Committee in the last Congress. This legislation aligns with the goal shared by small and rural communities across the country to eliminate PFAS from the public's drinking water and environment while preserving the essential "polluter pays" principle for cleanups under CERCLA. It is crucial to recognize that small and rural communities are not responsible for

introducing PFAS into the environment or public drinking water. Extending CERCLA liability to these communities, which are innocent bystanders of PFAS contamination, has unintended consequences and unjustly penalizes them. This approach disproportionately impacts economically disadvantaged communities and populations with limited resources, further exacerbating financial burdens. It is imperative to hold responsible parties accountable for the remediation, treatment, and provision of alternative sources of safe drinking water for the affected communities. They should bear the responsibility for the consequences of their actions, rather than shifting the burden onto innocent parties.

Our members and affected communities need assistance in various forms, including funding for treatment, monitoring, on-site technical assistance for immediate response, credible public health information, emergency access to safe drinking water, and compensation from the responsible parties. Finally, EPA's focus on reporting costs drastically underestimates the overall expenses incurred by water systems. These include biosolids management, disposal of PFAS-laden media, legal fees, fines, and potential cleanup costs, which water systems cannot absorb.

On behalf of the 31,000 small and rural systems NRWA represents, thank you, Madam Chairman and Members of the Committee for the honor to testify. We appreciate your leadership and all the opportunities this Committee has provided rural America to participate in the federal water and environmental legislation and policy crafting process.