ERIE COUNTY WATER AUTHORITY
INTEROFFICE MEMORANDUM

May 1, 2025

TO: Terrance McCracken, Secretary

FROM: Sabrina A Figler, Director of Water Quality

SUBJECT: AWWA FLY-2025 SYNOPSIS

At the request of the Commissioner Ianello, I am providing a synopsis of the 2025 AWWA Fly-In Washington D.C. The Annual Fly-In was held on April 8th and 9th. Jerome Schad, me and other members of the AWWA NYS delegation met with staffers from the following offices:

Senator Kristen Gillibrand
Senator Charles Schumer
Congressman Tim Kennedy
Congressman Nick Langworthy

Our efforts focused on the following:

Investment in the Nation's Water Infrastructure
Protection of Water Systems and Ratepayers from PFAS Cleanup Costs
Support of a Collaborative Approach to Cybersecurity in the Water Sector
Support of a Permanent Low-Income Household Water Assistant Program (LIHWAP)

The AWWA information sheets are attached to this memo.

In addition to AWWA, American Metropolitan Water Association, NY Water Environment Association, National Association of Clean Water Agencies and the Water Environmental Federation were also in DC meetings with congressional representatives to emphasize the need for water funding and other legislation important to their membership.

Overall, the consensus was that our meetings were well received, and that safe, affordable drinking water is a non-partisan issue. However, things in DC are presently a bit unsettled and neither side seemed sure what programs have been cut and what the FY 2026 budget will look like. Keeping SRF and WIFIA funding a present levels was positive, but no one agreed to eliminate earmarks or seek alternative means to fund them. There was broad support for LIHWAP, but offices were unsure of how it would be administered since the program within HHS that administered it has been eliminated. While most understood our position on PFAS liability, concern was expressed over making exceptions under CERCLA as it may "open the floodgates" for the request of more

exceptions in industries other than the water and sewer industries. Similarly, all agreed cybersecurity is important. Most of us are confident that by participating in the Fly-In, we are having a long-term impact on shaping and passing legislation.

INVEST IN THE NATION'S WATER INFRASTRUCTURE

American Water Works Association

OUR ASK

Fully fund the Drinking Water State Revolving Fund (DWSRF) and the Clean Water State Revolving Fund (CWSRF) at $3.25 billion each. Provide at least $65 million for the Water Infrastructure Finance and Innovation Act (WIFIA). Do not use the SRFs to fund congressionally directed spending (CDS).

BACKGROUND

The Environmental Protection Agency (EPA) estimates that drinking water and wastewater systems will need to invest nearly $1 .3 trillion over the next 20 years to repair, replace, and expand existing infrastructure. This estimate does not include the funding necessary to comply with recent regulations pertaining to drinking water standards for per- and polyfluoroalkyl substances (PFAS) and lead service line replacement, nor does it account for inflation.

- Water and wastewater systems are funded overwhelmingly by ratepayers. On average, more than 90% of a water system's revenue comes from ratepayers. Not every community can easily accommodate rate increases, which leaves many utilities struggling to fill a fiscal gap.
- Federal programs provide critical flexibility. Programs like the SRFs and WIFIA relieve pressure on ratepayers by helping water systems access low-cost loans and extended repayment periods.
- The SRF programs empower states to tailor their programs to their individual needs. States have the flexibility to choose loan recipients, interest rates, and repayment terms. Because SRF loans are repaid to the states, the programs also provide states with recurring revenue to fund future projects.
- WIFIA supplements the SRF programs by accelerating private and local investment in major water infrastructure projects. WIFIA is a competitive credit assistance program that offers customizable loan terms, as well as low, fixed interest rates and repayment periods of up to 35 years.
- These programs protect taxpayers' investments by stretching federal funds. Every dollar appropriated to the SRF programs generates $3 to $4 in additional investment. Every dollar appropriated to WIFIA provides around $100 in loan authority.
- CDS puts the SRF programs at risk. Since 2022, Congress has diverted $3.73 billion from the SRF programs - nearly half of all SRF funding — to pay for CDS. As a result, 33 states have experienced a

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PROTECT WATER SYSTEMS AND RATEPAYERS FROM PFAS CLEANUP COSTS

American Water Works Association

net loss in federal infrastructure funding. CDS grants also reduce the funds available to states for administration of their programs and deprive states of a source of recurring revenue.

OUR ASK

Support H.R. 1 267, the Water Systems PFAS Liability Protection Act, bipartisan legislation introduced by Reps. Marie Gluesenkamp Perez and Celeste Maloy to ensure that PFAS manufacturers and polluters pay to clean up environmental PFAS contamination, not local drinking water and wastewater systems.

BACKGROUND

Last year, EPA designated perfluorooctanoic acid (PFOA) and perfluorooctanesulfonic acid (PFOS) - two PFAS chemicals - as hazardous substances under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). EPA intended to target manufacturers and generators of PFAS, but drinking water and wastewater systems - and the communities they serve - could face significant financial liability as well unless Congress acts.

- Water systems are passive receivers of PFAS. Drinking water and wastewater systems do not produce, use, or benefit from PFAS. However, because these systems treat for, manage, and dispose of PFAS and associated residuals, they qualify as 'potentially responsible parties' or PRPs under CERCLA. Any PRP can be held liable for the cost of cleaning up contaminated sites.

- Manufacturers and polluters will use CERCLA to spread their cost burden. CERCLA gives PRPs the opportunity to compel other entities into expensive and lengthy litigation. Because water systems must manage and dispose of PFAS they passively receive into their systems, they qualify as PRPs and may face litigation by manufacturers and polluters looking to spread their cost burden.

- EPA cannot protect water systems on its own. EPA issued an enforcement discretion memo alongside the rule, pledging to focus federal enforcement on the entities responsible for releasing PFAS into the environment. However, the memo applies only to federal enforcement - not to litigation by other PRPs and third parties - and can be changed or rescinded at any time.

- The cost of litigation and cleanup falls to ratepayers, exacerbating affordability challenges. Water and wastewater systems receive more than 90% of their revenue from ratepayers. Ultimately, any costs that water systems incur will be paid for by ratepayers - the same ratepayers who have already paid to install the treatment technology necessary to remove PFAS from their water supplies.

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SUPPORT A COLLABORATIVE APPROACH TO CYBERSECURITY IN THE WATER SECTOR

American Water Works Association

- Only Congress can protect water systems and their ratepayers. Lawmakers can hold polluters accountable by passing legislation to protect drinking water and wastewater systems from the costs of litigation and Superfund cleanups.

OUR ASK

Support reintroduction of the Water Risk and Resilience Organization (WRRO) Establishment Act, bipartisan legislation to ensure that water professionals have a seat at the table during the development of minimum cybersecurity requirements for the water sector.

BACKGROUND

Cybersecurity threats to critical infrastructure, including drinking water and wastewater systems, continue to grow over time. AWWA has actively engaged our members, and the sector at large, in building cybersecurity awareness and providing resources to support the implementation of best practices. Still, we know more needs to be done to prepare systems across the country for the threats they face today. First introduced by Rep. Rick Crawford in the 1 1 8th Congress, the WRRO Establishment Act provides a collaborative framework that will produce informed, workable, and lasting solutions for the sector.

- Water service is a critical function in society. Drinking water and wastewater systems play an extremely important role in protecting public health, supporting the economy, and promoting national security. While many water systems around the country are already building cyber resilience through voluntary measures, we know that more must be done to combat intensifying threats from both domestic and foreign actors.

- The water sector is unique. There are more than 50,000 community water systems and 17,500 wastewater systems throughout the country. One system may serve 3,300 customers and have just a few employees. Another may serve millions of customers and have thousands of employees. These systems have vastly different resources, risk profiles, and performance metrics. A one-size-fits-all approach sets many water systems up to fail, especially those serving small and rural communities.

- The WRRO leverages existing expertise. The WRRO Establishment Act would authorize an independent, nongovernmental organization to develop minimum cybersecurity requirements for the water sector, with oversight by the Environmental Protection Agency (EPA). The WRRO would provide

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an opportunity to leverage existing expertise and implement a tiered approach to cybersecurity based on system size, capacity, and risk profile.

OUR ASK

Support a permanent Low-Income Household Water Affordability Program (LIHWAP) at the Department of Health and Human Services (HHS).

BACKGROUND

According to HHS, 20% of households nationwide are in debt to their water utility as water rates have increased 43% over the last decade. At the same time, utilities continue to face financial challenges related to aging infrastructure, new regulatory actions, and supply chain constraints. Congress created LIHWAP in 2020 to help low-income families maintain access to affordable water service while providing utilities with the revenue needed to continue making investments necessary to protect public health. However, the program expired in 2023 and has not been funded since.

- Water utilities must invest $1.25 trillion over the next twenty years. According to EPA surveys, drinking water and wastewater utilities must invest $1.25 trillion over the next twenty years just to repair, replace, and expand existing infrastructure.

- These costs are largely shouldered by ratepayers. While Congress has made significant investments in water infrastructure, the need still far outpaces available funds. Because ratepayers typically contribute more than 90% of water systems' revenue, ratepayers will shoulder the bulk of these investments.

- LIHWAP relieves pressure on families and the social safety net. By reducing water bills and clearing arrearages for low-income families, LIWHAP helps these families maintain or restore access to water service and stay in their homes.

- LIHWAP also helps water utilities maintain revenue needed for investment. When ratepayers can't afford water service, water utilities lose revenue needed to sustain the system and repair, replace, and upgrade critical infrastructure.

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- LIHWAP helped nearly two million families. Over two years, the program provided $1 .1 billion in assistance to more than 1.5 million households across 49 states, the District of Columbia, five U.S. territories, and 97 Native American tribes and Tribal organizations.

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