GREAT LAKES AND ST. LAWRENCE
CITIES INITIATIVE
L'ALLIANCE DES VILLES
DES GRANDS LACS ET DU SAINT-LAURENT

Mayors Commission on Water Equity

Recommendations to Federal and State Agencies to Advance Water Equity for Great Lakes and St. Lawrence Cities

August 2021

The recommendations have been adopted by the Mayors Commission on Water Equity for possible inclusion in the Mayors Policy Agenda for Water Equity. The policy agenda will be presented to the members of the Great Lakes and St. Lawrence Cities Initiative at its annual meeting in August 2021.

SUMMARY OF RECOMMENDATIONS

Equitably Eliminate the Threat of Lead in Water

Federal Recommendations:

- Fund mapping for all lead service lines
- Create a cross-agency "Lead Safe Communities" fund
- Require landlords and those selling their home to disclose the presence of any lead service lines, lead fixtures and solder, or lead paint to tenants and buyers

State Recommendations:

- Educate the public on ways to reduce the risk until all lead lines can be replaced
- Implement state-wide testing programs
- Strengthen state regulations
- Dedicate part of state water infrastructure funding for lead service line replacement

Make Water and Sewer Services Affordable for All

Federal Recommendations:

- Expand and Improve the Low-Income Household Drinking Water and Wastewater Emergency Assistance Program.
- Provide technical assistance to utilities for customer assistance programs and equitable rate design.
- Restore and accelerate advance refunding and restructuring of municipal water infrastructure debt.
- Improve State Revolving Fund guidance and policy to better address service access and affordability.
- Explore models to provide sustainable, equitable federal funding for safe, reliable water and wastewater infrastructure.

State Recommendations:

- Create a statewide program for water bill assistance for low-income residents
- Establish affordability criteria to better target state funding
- Remove legal barriers to affordability solutions
- Grant state authority to incentivize utility partnerships and consolidation

Build Pathways to Opportunity in the Water Workforce

Federal Recommendations:

- Expand and Improve Federal Efforts to Develop the Water Workforce
- Implement Federal "Ban the Box" Legislation
- Raise Awareness About Careers in the Water Sector

State Recommendations:

- Create a Water Workforce Incentive Programs for Underrepresented Groups
- Remove Barriers to State Occupational Licenses for Formerly Incarcerated People, and Revamp Vocational Programs
- Explore Multi-State Occupational Licensing

Equitably Address Urban Flooding and Sewage Overflows

Federal Recommendations:

- Expand and improve funding options for grey, green, and natural stormwater infrastructure
- Enhance EPA guidance, rules, and communication on solutions
- Help communities adapt to sea, river, and lake-level rise
- Invest in mapping and modeling that better supports planning, mitigation, and flooding response
- Reduce flooding risk and increase access to affordable flood insurance for low-income homeowners

State Recommendations:

- Implement statewide stormwater fee to create a designated funding stream for stormwater infrastructure
- Support municipalities to create stormwater ordinances, and educate residential property owners on actions they can take
- Provide technical assistance to create pumping and treatment resilience plans
- Provide regional, watershed scale guidance and coordination across municipalities

DETAILED RECOMMENDATIONS

Equitably Eliminate the Threat of Lead in Water

Federal Recommendations:

- **Fund mapping for all lead service lines.** Despite being required by the Lead and Copper Rule, states have not enforced its mandate that utilities map lead lines in their systems often citing lack of funds to reasonably do so. Congress should fully fund the complete mapping of all lead service lines in the United States, on both public and private property, so stakeholders can have full awareness of the scope of the lead problem. Congress should also include resources for technical assistance for low-income communities to gain access to such federal funding.
- **Create a cross-agency "Lead Safe Communities" fund** to affordably address lead service lines on both public and private property, support states programs to identify and replace lead plumbing, fixtures, and paint in homes and schools, and augment funding for interim corrosion control treatment measures. This fund should include adequate funding directly to low-income homeowners through the Drinking Water State Revolving Fund to supplement the support provided

through the support this fund would provide to utilities. Funding should be accessible to less resourced small and mid-size communities, and Congress should consider waiving local match requirements as applicable.

- **Require landlords and those selling their home to disclose the presence of any lead service lines, lead fixtures and solder, or lead paint to tenants and buyers.** Congress should amend federal housing laws to require these disclosures as a means to inform renters, as a higher risk population, and home buyers about the need to take preventative measures to reduce contamination risks. Landlords should be inclusively defined to include government housing administrators.

State Recommendations:

- **Educate the public on ways to reduce the risk until all lead lines can be replaced.** While only full replacement will eliminate the risk, that will take a significant amount of time in which an entire generation could still suffer the effects of lead in water. States should lead strategic awareness campaigns so those who may be at risk can take precautions that substantially reduce the chances of lead poisoning. Campaigns should make clear the various sources of risk, not just lead service lines, work with landlords and public housing authorities, and engage school and childcare center staff.
- **Implement state-wide testing programs.** Offer free testing for lead in drinking water to residents served by private well or public water systems. Focus on people most vulnerable to the threat of lead in drinking water, for instance incentivizing and assisting schools in voluntary drinking water testing and in developing related programs.
- **Strengthen state regulations** by shortening the timeline in which lead lines must be replaced, by reducing the Lead Action Level, and by banning the practice of partial lead service line replacement. Increase funding so the costs of achieving these goals do not worsen unaffordable rates at the local level.
- **Dedicate part of state water infrastructure funding for lead service line replacement** and prioritize that funding to schools, daycares, and multi-family and other residences in disadvantaged communities. Allow disadvantaged communities to be defined at a neighborhood scale rather than a water service provider's entire service area, and allow state funds going for lead service line replacement to be used to remove lines on private property.

<u>Make Water and Sewer Services Affordable for All</u>

Federal Recommendations:

- **Expand and Improve the Low-Income Household Drinking Water and Wastewater Emergency Assistance Program.** While the one-time infusion of $638 million in December 2020 will help people struggling to keep their water on, as well as financially struggling utilities, it is not nearly enough to address the short-term affordability crisis nor will it address rising unaffordability in the long term. Congress should make this program a permanent part of the annual appropriations process and increase the amount of funding to meet the full need of low-income customers and the utilities that serve them.
- **Provide technical assistance to utilities for customer assistance programs and equitable rate design**. The upfront costs of changing utility rate structures or implementing assistance programs as stopgap measures are high and can prevent utilities from pursuing more equitable rate design and assistance programs. Congress should create a program and provide technical assistance grants to help utilities create and administer customer assistance programs (CAPS) and design more equitable rate structures within the confines of relevant state laws.

- **Restore and accelerate advance refunding and restructuring of municipal water infrastructure debt.** When municipalities use bonds to cover water infrastructure costs, customer rates pay for the amount borrowed plus interest. Congress should restore utilities' ability to use tax-exempt advance refunding and allow them to restructure water infrastructure debt obligations issued in the past ten years. This would allow them to take advantage of the historically low interest rates more recently imposed by the Federal Reserve, reduce water infrastructure debt service obligations, and save ratepayers money in the long-term. This option would benefit many large water systems and allow grant and appropriation dollars to be more effectively targeted towards struggling communities.
- **Improve State Revolving Fund guidance and policy to better address service access and affordability.** EPA should modify financing through the State Revolving Loan and WIFIA programs to address low-income affordability and access pressures. EPA should modify terms of borrowing (e.g. interest rates, repayment structures) and prioritize loans and loan forgiveness for projects with utilities that have programs to address affordability and projects that feature measures to address environmental injustices.
- **Explore models to provide sustainable, equitable federal funding for safe, reliable water and wastewater infrastructure.** Other categories of infrastructure like highways and inland waterways benefit from stable, predictable long-term funding sources such as the highway trust fund, inland waterways trust fund, and the harbor maintenance trust fund. Water and wastewater infrastructure remain subject to the whims of the annual appropriations process, adding more volatility into the federal government's already reduced role in water infrastructure funding. Congress and EPA should explore options and seek to create a predictable, long-term, centralized financing structure that eliminates disparities in infrastructure quality and significantly reduces the cost of these public goods on individual ratepayers.

State Recommendations:

- **Create a statewide program for water bill assistance for low-income residents.** States can help take some of the onus for affordability and assistance off of local utilities by institutionalizing state bill assistance programs. California has been a leader on this front, passing a program in 2015 that provides people under 200% of the poverty line with bill credits, tax credits, or further support through existing programs.
- **Establish affordability criteria to better target state funding.** Given the limited amount of state funding for water and wastewater, it is imperative to prioritize funding equitably. For example, North Carolina's Department of Environmental Quality defines affordability in statute and prioritizes communities with smaller populations, who are comparatively worse than state benchmarks for five economic indicators, and have water rates higher than the state average.
- **Remove legal barriers to affordability solutions.** Many states have either explicit prohibitions or ambiguous laws around implementing progressive rate structures, and in some cases even against publicly funded assistance programs. States should pass constitutional amendments affirming a basic human right to water and explicitly authorizing income-based rate adjustments to further affirm this commitment.
- **Grant state authority to incentivize utility partnerships and consolidation.** Utilities can achieve greater economies of scale through regional partnerships and consolidation. Doing so means utilities are better able to pass savings on to their rate payers. Especially when public health is at significant risk, states should have the ability to incentivize utility consolidation. In non-emergency situations, states should incentivize voluntary, locally-led and determined utility partnership and consolidation.

Build Pathways to Opportunity in the Water Workforce

Federal Recommendations:

- **Expand and Improve Federal Efforts to Develop the Water Workforce.** Congress has recognized the need to develop federal water workforce development efforts and established the Federal Water Workforce Development Grants program. Now that those programs are up and running, Congress should reauthorize and expand funding for them to invest in targeted internship, apprenticeship, pre-apprenticeship, and post-secondary bridge programs. These funds should be targeted to nonprofits, educational institutions, and utilities that have high retirement rates and are located in areas with high unemployment, large low-income populations, rural areas, and large communities of color underrepresented in the water workforce.
- **Implement Federal "Ban the Box" Legislation.** Congress should expand the Fair Chance Act of 2019 to cover all employees, not just federal contractors.[1] Twenty-seven percent of formerly incarcerated people are unemployed, higher than the national rate even during the Great Depression[2]. Ban the Box legislation is key to equitably develop their workforces to benefit those with the least economic opportunities.
- **Raise Awareness About Careers in the Water Sector.** Congress should direct EPA to undertake education and awareness programs to make water sector careers more known among children and adults. Water sector professions are stable, family-sustaining careers and provide opportunities for people from multiple disciplines—from engineering, to finance, communications, policy, construction, and more. Many entail on-the-job training and apprenticeship. EPA's efforts should lay out a strategy for filling the employment gap and recruiting and retaining a diverse water workforce to protect the public health and environmental quality of communities across the country.

State Recommendations:

- **Create a Water Workforce Incentive Programs for Underrepresented Groups.** Connecticut, California, and Illinois have all implemented grant or tax incentive programs for groups such as veterans, non-native English speakers, women seeking education, and youth disconnected from the education system[3]. Targeted, industry-specific workforce development grants have also demonstrated success in states such as New Mexico and Iowa[4]. A combination of these approaches, tailored for each state, could help significantly lower barriers to water sector employment.
- **Remove Barriers to State Occupational Licenses for Formerly Incarcerated People, and Revamp Vocational Programs.** States control licensing standards for a variety of water and wastewater-related jobs.[5] Formerly incarcerated people often face legal obstacles in obtaining these licenses, including overly broad criminal record inquiries and blanket or mandatory bans. States should remove automatic blanket bans, mandate consideration of any applicant's rehabilitation and mitigating circumstances, eliminate any required self-reporting of criminal record, and severely limit the scope of when and how a licensing authority or employer can check criminal records and how they can act with that information.

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[1] https://www.akingump.com/en/news-insights/congress-passes-federal-ban-the-box-law-for-federal-agencies-and.html

[2] https://www.prisonpolicy.org/reports/outofwork.html

[3] https://www.ncsl.org/research/labor-and-employment/trends-and-incentives-in-workforce-development.aspx#State

[4] https://www.ncsl.org/research/labor-and-employment/trends-and-incentives-in-workforce-development.aspx#State

[5] https://www.awwa.org/Portals/0/AWWA/ETS/Resources/Final_Report_Compiled_2.19.18.pdf

- **Explore Multi-State Occupational Licensing.** Despite similar requirements in training and education requirements, there are vast differences between state operator certification programs and there is no standardized approach to operator licensure. Most states evaluate reciprocity with other state certifications and licenses only on a case-by-case basis, the rest will not offer reciprocity at all. Workers of all backgrounds would benefit from being able to transfer their licensing qualifications across multiple states, saving costs on retraining and certification for both worker and state alike. States should explore opportunities to establish standards equivalencies with neighboring states, if not standard certification and licensing requirements.

Equitably Address Urban Flooding and Sewage Overflows

Federal Recommendations

- **Expand and improve funding options for grey, green, and natural stormwater infrastructure.** Many municipalities need to replace aging stormwater infrastructure, invest in green infrastructure, fund maintenance to prevent clogging and lowered capacity, and reduce inflow and infiltration or expand treatment plant capacity so systems can handle increased volumes of stormwater. Congress should provide $50 billion in additional funding, dispersed through existing mechanisms: the Clean Water SRF funding with a special carve out specifically for stormwater projects, the Sewer Overflow and Stormwater Reuse Municipal Grants Program, and the FEMA BRIC program which should be expanded to make projects that proactively address urban flooding more explicitly eligible and reduce emergency expenditures. In the last funding round, FEMA received $3.6 billion in BRIC applications, but was only funded at $50 million. Non-federal cost-share requirements should be waived or minimized for disadvantaged communities to ensure they are able to access federal funding.
- **Enhance EPA guidance, rules, and communication on solutions.** EPA should create guidance and models on how to design state and municipal stormwater ordinances and fees to serve as direct funding sources for green and grey stormwater projects. EPA should also require states to make green infrastructure eligible for funding under the Clean Water State Revolving Fund and encourage states to use at least 20 percent of CWSRF grants for best management practice-based green and natural infrastructure. EPA should provide guidance to states about offering SRF principal loan forgiveness to communities with a stormwater fee to incentivize that practice at the local level.
- **Help communities adapt to sea, river, and lake-level rise.** Congress should provide $40 billion in planning and construction grants and loans to places at-risk of water rise, erosion and increased urban flooding. These funds should be prioritized to areas serving environmental justice and low-income communities. This funding could be made available for planning efforts, managed retreat, sea walls (including on private property), tidal pumps, and natural infrastructure solutions that can protect communities from rising sea, river, and lake levels which exacerbate urban flooding. Planning projects should be required to meet equity and inclusion criteria that allow the most vulnerable communities to guide solutions.
- **Invest in mapping and modeling that better supports planning, mitigation, and flooding response.** Congress should instruct the EPA, NOAA, FEMA, and NASA to collaborate on a federal data collection and tracking system that provides downscaled flooding data and modeling that can be used for planning and resource distribution by cities that do not have the resources, expertise, and time to garner this level of data and modeling. This system should serve as the 'umbrella' and include funding sources for highly vulnerable states and cities. It should be regularly updated, and include data submitted through citizen science collection efforts.
- **Reduce flooding risk and increase access to affordable flood insurance for low-income homeowners.** Congress should amend the National Flood Insurance Program by allowing income-based premium sharing, where the Federal Government pays for a portion of lower-income

households' insurance policy costs. The more a household's income, the less the federal share of the premium. To prevent a cycle of using insurance to rebuild low-income households in flood prone areas, Congress should also create a flooding mitigation funding program that provides grants to low-income households and low-interest loans to moderate income households. These funds could be used for measures that reduce flood insurance premiums and make homes and small businesses more resilient to floods.

State Recommendations:

- **Implement statewide stormwater fee to create a designated funding stream for stormwater infrastructure**. Presently, residents pay more than their share of stormwater infrastructure costs relative to residential contributions to impervious surface and flooding challenges. A statewide stormwater fee would more equitably distribute costs across residents and private entities. This would create a reliable funding source and be especially helpful to communities with separate systems who cannot access CWSRF funds for stormwater infrastructure like communities with combined systems can.
- **Support municipalities to create stormwater ordinances, and educate residential property owners on actions they can take.** States should support and incentivize municipalities to pass stormwater ordinances requiring new developments and large renovation projects to manage a target percentage of stormwater onsite. These ordinances prevent further hardscaping which can increase the amount of rainfall entering sewer systems with limited capacity. States should also create educational programs to educate residential property owners about why managing rainwater where it falls is important and steps they can take to do so on their properties.
- **Provide technical assistance to create pumping and treatment resilience plans.** Flooding events turn into flooding emergencies when power outages take out pumps and treatment plants. States should provide technical assistance to help municipalities create power outage resilience plans and implement the precautionary measures prescribed to avoid these outages which can further threaten public health by unleashing raw sewage along with torrents of rainwater into communities and local waterways.
- **Provide regional, watershed scale guidance and coordination across municipalities.** States can ensure flood mitigation and response efforts are effective and equitable by coordinating across municipalities and departments and by supporting Regional Planning Councils, a successful model for addressing cross-municipal challenges. By thinking and mobilizing from an ecosystem scale, implicated jurisdictions can pool resources and efforts to efficiently tackle stormwater and urban flooding challenges. States can also define and incentivize success along multiple parameters: environmental, social, and economic.