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April 10, 2024

The Honorable U.S. Representative

Tom Cole Chair

U.S. House Committee on

Appropriations

Washington, D.C. 20515

The Honorable U.S. Representative

Rosa DeLauro Ranking Member

U.S. House Committee on

Appropriations

Washington, D.C. 20515

The Honorable U.S. Senator

Patty Murray

Chair

U.S. Senate Committee on

Appropriations

Washington, D.C. 20510

The Honorable U.S. Senator

Susan Collins Vice Chair

U.S. Senate Committee on

Appropriations

Washington, D.C. 20510

Dear Chairman Cole, Chair Murray, Ranking Member DeLauro, and Vice Chair Collins:

I write on behalf of the Great Lakes and St. Lawrence Cities Initiative's Mayors Commission on Water Equity to encourage Congress to provide \$3 billion for the Drinking Water State Revolving Fund (DWSRF) and full funding for the Low-Income Household Water Assistance Program (LIHWAP) in Fiscal Year (FY) 2025 appropriations legislation. These requests are consistent with the water-infrastructure and water-affordability needs of communities across the Great Lakes and St. Lawrence River Basin and the entire country.

I am proud to serve in elective office in Milwaukee, a city that was "built on water." We rely on our freshwater resources to promote our residents' health, power our economy and sustain our way of life. However, Great Lakes communities are also burdened by severe water-infrastructure challenges, with a significant portion of the estimated 9.2 million lead service lines (LSLs) left in the United States concentrated in our neighborhoods, including approximately 66,000 LSLs remaining in Milwaukee.

The need to expedite LSL replacements and reduce the risk of lead exposure for our residents is a major reason Great Lakes communities call on Congress to increase base appropriations for the DWSRF to \$3 billion in the FY25 Appropriations Act for the Interior, Environment and Related Agencies. We are deeply grateful for the \$15 billion Congress provided for LSL replacement via the Infrastructure Investment and Jobs Act, but this substantial down payment must be supplemented with robust base appropriations annually given that the total cost of LSL replacement nationwide could eclipse \$90 billion according to the American Water Works Association.

We also ask congressional appropriators to ensure the continued viability of the DWSRF amid growing interest in Community Project Funding (CPF) requests for water-infrastructure projects. While we support direct funding to local governments, CPF requests should <u>not</u> come at the expense of existing programs like the DWSRF that play a vital role in safeguarding drinking water.

Jonathan Altenberg President & CEO Reduced base appropriations disadvantage <u>all</u> states and communities over the long term in three significant ways: 1) reduced principal forgiveness available to state-defined disadvantaged communities (DACs); 2) reduced set-aside funds to support SRF program administration and technical assistance for local communities and 3) reduced future SRF funds from repaid loans. States are required by statute to provide at least 12 percent of their annual DWSRF capitalization grants to DACs as principal forgiveness. When CPFs crowd out base appropriations for the DWSRF, the net effect is a smaller pool of available resources for DACs. This dynamic also results in less available funding for states to administer their SRF programs, support overstretched staff and provide technical assistance to DACs. Finally, the effect of reduced base appropriations compounds over time, with smaller capitalization grants leading to fewer loans made and fewer loans repaid, ultimately undermining SRFs' financial health and ability to advance important waterequity goals.

In addition to our requests regarding the DWSRF, we wish to bring to your attention the needs of our low-income residents who depend on federal support to maintain their access to water services. We strongly believe that no one should have to forego food, medicine or other basic necessities to pay their water bills.

That is why we urge Congress to permanently authorize LIHWAP this session and fully fund it in the FY25 Appropriations Act for Labor, Health and Human Services, Education and Related Agencies. LIHWAP has been instrumental in backstopping utilities' capacity to aid low-income residents during a persistent pandemic and historic inflation, preventing 569,529 water-service disconnections nationwide as of June 30, 2023. Crucially, LIHWAP not only benefits low-income residents, as every dollar of LIHWAP assistance enables utilities to devote more of their scarce resources to water-infrastructure improvements that benefit the entire community. This essential, cost-effective program must be reauthorized and funded at levels commensurate with the needs of our low-income residents.

Thank you for your strong consideration of the Mayors Commission on Water Equity's FY25 appropriations requests. We look forward to working with your committees to close the wide gap between federal funding for water infrastructure and local needs, as well as promote equitable access to clean, safe and affordable water for all residents of our great nation.

Sincerely,

Cavalier Johnson

Mayor, Milwaukee, WI

Co-Chair, Mayors Commission on Water Equity

Great Lakes and St. Lawrence Cities Initiative