



**Trusting the Tap: Upgrading America's Drinking Water Infrastructure
Subcommittee on Environment and Climate Change
of the Committee on Energy and Commerce
U.S. House of Representatives
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**Opening Statement
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Indiana Finance Authority
On behalf of the Council of Infrastructure Financing Authorities (CIFA)**

Good Morning!

Thank you, Chair Tonka, Ranking Member McKinley, Chair Pallone, Ranking Member McRodgers, and members of the Subcommittee.

My name is Jim McGoff and I am the Director of Environmental Programs for the Indiana Finance Authority.

I am testifying on behalf of the Council of Infrastructure Financing Authorities, which represents the Clean Water and Drinking Water State Revolving Funds.

I would like to begin my testimony by taking this opportunity to personally thank you and the other members of Congress for trusting and empowering the State Drinking Water SRF Programs with the financial resources to make meaningful investments in our nation's drinking water infrastructure.

I know the success of our Programs is well documented and included in my written testimony, so I will get right to the purpose of this hearing.

I visit today with a simple request. Please consider expanding our ability to quickly and effectively deploy the historic funding in the bipartisan infrastructure bill.

My comments will focus on the SRF's ability to utilize the funding for emerging contaminants and lead service line replacement in a way that achieves our shared goal of protecting the health of the American people.

I can confidently say the SRF Programs are experts in providing low-cost financial assistance for every community's drinking water need. Congress was right to choose

the SRF Programs when looking for the appropriate vehicle to address emerging contaminants and lead service line removal.

However, to be able to achieve the intent of the law, this targeted funding requires a more flexible and innovative approach than the base program.

For example. Firefighting foam. It is currently stored at almost every fire station and usually contains PFOS or PFOA. We believe the intent of the legislation included the ability of states to inventory, collect and properly dispose of these toxic chemicals.

My apologies but being from Indiana I feel compelled to make at least one basketball analogy. This is a "layup!" Of course, we should be able to use this funding to eliminate that public health threat.

However, because we would not be providing financial assistance directly to a drinking water utility, we have been informed that we are not permitted to use the emerging contaminant funding you have provided to address this critical problem.

Another example. PFAS or PFOA and many other contaminants that would qualify as "emerging," can be found in our soils or other areas not associated with a drinking water utility. Again, the SRF Programs cannot go into those urban neighborhoods desperately needing the financial assistance to address known and identified emerging contaminants with this funding unless they are somehow associated with a drinking water utility.

EPA has provided flexibility in the past, primarily within the CWSRF, however we would hope, with your urging and/or modifications to the BIL, EPA would do the same with the DWSRF. For example, an SRF Program has used its CWSRF to fund energy efficiency projects with EPA approval under the theory that energy efficient additions to homes would reduce energy use, which would reduce energy production, which would reduce stack emissions, which would reduce particulate matter leaving the stack and falling into receiving streams. Arguably there is a greater threat of a container of firefighting foam failing and leaking in the basement of a fire house or the more likely scenario of it being used and then flowing into a receiving stream or well field that may be a town's only source of drinking water.

I will now turn my attention to our ability to address lead service lines.

Federal Law requires that we provide EPA with a list of projects we intend to fund before we can draw down the first dollar of federal funding. So, the funds you have made available to the States cannot be used unless and until we provide EPA with a list of projects that will be funded.

Therein lies the problem! Utilities in many states have not begun the process of developing an inventory of lead service lines. It would be logical to think we would be able to use these funds to generate a state-wide inventory to then begin the process of removing the lead lines. However, we are limited to only using a fraction of the funds. Funds referred to as "Set Asides" are generally reserved for program administrative expenses or state-specific initiatives may be eligible, but in the aggregate would not be sufficient to adequately create the necessary inventories.

Logic suggests and we believe your intent would be that the lead service line funding be eligible for use in all things associated with their removal. Or at the very least the first and second year of the funding be eligible for inventories, believing that once identified, the later years' funding could be solely targeted to their removal.

We do not believe wholesale changes to the legislation are necessary. It is good legislation. Great legislation. But minor revisions are needed to ensure we can achieve its goals, efficiently and effectively.

That concludes, my remarks. Thank you