



February 23, 2023

Radhika Fox
Assistant Administrator
Office of Water
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

Re: New Allotment Formula for Federal Funding to Replace Lead Service Lines

Dear Assistant Administrator Fox,

The Council of Infrastructure Financing Authorities (CIFA), which represents the Clean Water and Drinking Water State Revolving Funds (SRFs), urges the U.S. Environmental Protection Agency (EPA) to utilize the current allotment formula (2018-2022 formula) for the 2023 appropriations for lead service line replacement in the Infrastructure Investment and Jobs Act (IIJA/BIL).

Under the law, EPA must allot federal funding using the “most recent needs survey,” which is the 6th Drinking Water Needs Survey. EPA has the legal authority to use the current formula (2018-2022 formula) to allot 2023 federal funding. If a state can’t use this initial allotment of funding, the funding will be reallocated to other states; this funding can’t be used for other purposes.

The SRFs have concerns about the methodology for the allotment of lead funding. The Drinking Water Needs Survey (Needs Survey) has a well-established, accepted methodology for collecting data and documentation to demonstrate the need for capital improvements. However, EPA has chosen to use a different, unknown methodology for demonstrating the need for lead service line replacement. Because the Needs Survey is used to determine how much federal funding is allotted to each state, it is critically important that this new methodology be understood and accepted by Congress and the states.

Historically, EPA has issued a report with the methodology and results of the Needs Survey to Congress at least five months *before* the fiscal year in which the new allotment formula was implemented. This year, the allotment will be issued *simultaneously* with the report to Congress and will apply *retroactively* to funding for fiscal year 2023, which began last October.

Briefing Congress and the states on the new methodology is critically important for building acceptance of the allotment formula, which will be used to distribute \$12 billion over the next four years. Delaying implementation of the new allotment formula for lead service lines by one year will provide the time necessary for EPA and the states to build an understanding and

acceptance of the methodology. Because the dedicated funding for lead service lines is available for the next three years, EPA also has the opportunity to make adjustments to future appropriations based the new allotment formula.

Moreover, using the current formula will allow 2023 appropriations to be made available for these critical drinking water infrastructure projects *immediately*. Providing certainty for this dedicated funding will ensure SRFs can continue to build the pipeline of projects for rapidly replacing lead service lines.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'J Walker', with a long, sweeping horizontal stroke extending to the right.

Jeff Walker
Executive Administrator
Texas Water Development Board

CC: Dr. Jennifer McLain, Director, EPA Office of Ground Water and Drinking Water

About CIFA

CIFA is a national not-for-profit organization that represents the Clean Water and Drinking Water State Revolving Funds (SRFs), the nation's premier programs for funding water infrastructure that protects public health and the environment.

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