

August 7, 2023

The Honorable Patty Murray, Chair
U.S. Senate Committee on Appropriations
Room S-128, The Capitol
Washington, DC 20510

The Honorable Kay Granger, Chair
U.S. House Committee on Appropriations
H-307 The Capitol
Washington, DC 20510

The Honorable Susan Collins, Vice Chair
U.S. Senate Committee on Appropriations
Room S-128, The Capitol
Washington, DC 20510

The Honorable Rosa L. DeLauro, Ranking Member
U.S. House Committee on Appropriations
H-307 The Capitol
Washington, DC 20510

Dear Senators Murray and Collins and Representatives Granger and DeLauro:

The American Water Works Association – Texas Section (AWWA – Texas), Association of Water Board Directors (AWBD), Water Environment Association of Texas (WEAT), Texas Association of Clean Water Agencies (TACWA), Texas Water Conservation Association (TWCA), Texas Water Foundation (TWF), Texas Water Infrastructure Network (TXWIN), Texas Rural Water Association (TRWA), and WaterReuse Texas (WRTX), collectively referred to as the Coalition, urges Congress to fund congressional earmarks in addition to, rather than, in lieu of, state revolving fund (SRF) state water infrastructure projects.

Clean Water and Drinking Water SRFs are federally subsidized, state-run loan programs for water, wastewater, and stormwater infrastructure. SRFs provide affordable financing for local political subdivisions, especially small, rural, and disadvantaged communities that struggle to access financing in the private sector or bond market. Until recently, the bulk of SRF funds were issued as loans, allowing states to use loan repayments to build a permanent funding source to address repair/replacement needs for aging infrastructure.

Drastic growth in the funding of earmarks through the SRFs, especially over the last two years, raises serious questions about the future of the SRF programs. Congress has diverted \$2.3 billion from the SRFs in the last two years to pay for congressional earmarks, leaving states with a dwindling funding source for projects while needs are skyrocketing. The American Society of Civil Engineers reports that water infrastructure needs will reach \$434 billion by 2029.

The proposed U.S. House of Representatives 2024 budget diverts 88% of annual federal funding from SRF subsidized loans to one-time grants, including earmarks. Compared to 2021 (pre-earmark) funding levels, SRFs would be cut by 96%. SRF programs in Texas are more than 7x oversubscribed, making the on-the-ground impact to Texas utilities even greater. Texas SRF funding is proposed to decrease from \$158,824,000 in 2021 to \$5,884,622 in 2024, a 96% reduction.

The proposed Senate budget more closely balances earmark requests with state needs, which is preferable to the Coalition in the short-term. Long-term, the Coalition supports funding earmarks

in addition to, and not in lieu of, SRF funding using other sources of funding. For example, EPA's Emerging Contaminants in Small or Disadvantaged Communities could be a source of funding for earmarks, as these projects are already eligible to compete for funding within state SRF programs.

We greatly appreciate your leadership and commitment to improving our nation's water infrastructure and look forward to working with you on this issue into the future. Please let us know if we can provide any additional information.

Sincerely,

Mike Howe



Executive Director
AWWA - Texas

Rick Ellis



Executive Director
AWBD

Julia Nahrgang



Executive Director
WEAT | TACWA

Stacey Steinbach



Executive Director
TWCA

Sarah Schlessinger



Executive Director
TWF

Perry Fowler



Executive Director
TXWIN

Lara Zent



Executive Director
TRWA

Noelle George



Managing Director
WRTX