



September 14, 2020

The Hon. Andrew Wheeler
Administrator, U.S. Environmental Protection Agency
William Jefferson Clinton Building
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Dear Administrator Wheeler:

On behalf of the public utility members of the National Association of Clean Water Agencies (NACWA) and the Association of Metropolitan Water Agencies (AMWA), we write to respectfully request that the U.S. Environmental Protection Agency (EPA) recognize that the nation's wastewater and drinking water utilities are facing unprecedented revenue losses from the COVID-19 pandemic that could affect their ability to carry out certain capital projects on previously announced schedules. We therefore urge the agency to provide wastewater and drinking water utilities with appropriate flexibility to complete required capital projects on a timeframe that reflects the reality of communities' present financial situation.

NACWA represents over 300 of the nation's publicly owned wastewater and stormwater utilities and AMWA represents nearly 200 of the nation's largest publicly owned drinking water utilities. Collectively, NACWA's and AMWA's utility members serve the majority of the US population and are deeply committed to protecting public health and the environment. Public water sector utilities and their employees have been on the front lines of our nation's response to COVID-19, ensuring uninterrupted drinking water and wastewater services which are so vital to proper hygiene and minimizing the spread of the coronavirus in our communities.

As you are well aware, many public sector water utilities have been significantly impacted by revenue losses due to the economic fallout from the COVID-19 pandemic. This is especially true for utilities that are part of larger city and/or municipal governments. NACWA has estimated that public clean water utilities are looking at national estimated revenue losses of up to \$16.8 billion annually, while AMWA and the American Water Works Association have estimated national revenue loss for public drinking water utilities of up to \$13.9 billion.¹ Despite these revenue shortfalls and without having yet received direct federal COVID-19 financial relief, many public water sector utilities are continuing to provide uninterrupted service to low-income households that can no longer afford to pay their bills due to pandemic-related economic disruptions.

NACWA and AMWA members are committed to completing capital projects that are necessary to ensure compliance with the Clean Water Act (CWA) and the Safe Drinking Water Act (SDWA). We also understand that EPA, state regulators, and citizen groups have legitimate questions about how the financial impacts of the pandemic on public water sector utilities will impact some communities'

¹ COVID-19 Financial Impacts on the Water Sector, April 2020 - https://www.nacwa.org/docs/default-source/resources---public/water-sector-covid-19-financial-impacts.pdf?sfvrsn=98f9ff61_2

ability to do so, particularly for significant capital investments that were planned well before COVID-19 upended the financial realities of communities and utilities all across the country.

NACWA and AMWA are encouraging our members to address these potential questions and concerns with their regulators and other stakeholders in a proactive manner. However, the reality is that without significant federal aid to address current revenue shortfalls, many public water sector utilities may soon have to make very difficult financial decisions about operations and maintenance expenses, capital investments and staffing. Simply raising water and sewer rates to offset revenue shortfalls is not a viable economic or political option for many utilities due to growing affordability concerns for low-income households – affordability challenges that existed well before the pandemic but have been substantially exacerbated by it.

We therefore ask EPA to consider the new financial landscape when enforcing commitments made by wastewater and drinking water utilities prior to the COVID-19 pandemic related to significant spending on non-critical capital projects. We do not ask the agency to broadly exempt wastewater and drinking water systems from adhering to mandated project completion schedules; we simply urge EPA to consider, on a case-by-case basis, all of the unique circumstances impacting a specific utility and its ability to direct available resources where they are most urgently needed.

Ultimately, EPA and individual communities should work together to update project completion timetables to reasonably reflect the impacts of an unprecedented global pandemic while still meeting long-term public health and environmental projection objectives. We also ask that EPA Headquarters encourage its Regional Offices and state regulatory partners to do the same.

We greatly appreciate EPA's support for the public water utility sector during these difficult times. We look forward to continued collaboration to achieve our mutual goals of protecting public health and the environment and ensuring all Americans have access to clean, safe water.

If you would like to discuss these issues further, please contact Nathan Gardner-Andrews at NACWA at ngardner-andrews@nacwa.org or 202-833-3692, or Dan Hartnett at AMWA at hartnett@amwa.net or 202-331-2820.

Sincerely,



Adam Krantz, CEO
NACWA



Diane VanDe Hei, CEO
AMWA

CC: David Ross, Assistant Administrator for Water
Susan Bodine, Assistant Administrator for Enforcement and Compliance Assurance