



**Testimony of Brenda Coley
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Before the House Committee on Transportation and Infrastructure's
Subcommittee on Water Resources and the Environment
Water Quality Protection and Job Creation Act of 2021**

Response to Questions Posed at the February 23, 2021 Hearing

On behalf of Milwaukee Water Commons, I welcome the opportunity to submit this additional written testimony in response to questions posed by Subcommittee Members at the February 23rd hearing.

The US water Alliance defines vulnerable communities as, “communities that face historical and/or contemporary barriers to economic and social opportunities and a healthy environment, with some key factors being income, race or ethnicity, age, language ability, and geographic location. Vulnerable communities may include low-income persons, certain communities of color, immigrants, seniors, children, persons with disabilities, persons living in public housing, and currently or formerly incarcerated persons”.

In my prior testimony, I used local examples to illustrate how failing infrastructure has added to community vulnerability in Milwaukee, and throughout the Great Lakes Region, by threatening public health, economic security, and access to a healthy environment. Often, through no fault of their own, these consequences disproportionately burden already vulnerable communities.

Broad patterns of racial and socioeconomic inequity in Milwaukee and throughout the US have been reinforced by the way funding mechanisms for water infrastructure have changed over time. During the 20th century, small and large cities and towns benefited from extensive federal investments in public water systems. Over the second half of the century, city water systems were extended to serve middle- and upper-income white households moving to the suburbs, while Black households and other communities of color were held back in older urban neighborhoods by systematically racist housing and employment practices. Not only was the expansion of urban water systems key to enabling “white flight,” but this expansion was largely paid for by the urban water ratepayers who were left behind with aging water systems built several decades earlier and increasingly in need of repair and upgrades.

As these needs grew more pressing, however, the mechanisms through which water infrastructure is funded also shifted dramatically, so that responsibility for maintaining, repairing, and upgrading water infrastructure is placed almost entirely on each locality's water ratepayers. To the extent that federal funds are still expended towards water infrastructure, this has been increasingly in the form of loans issued through the state revolving funds which ultimately need to be repaid by local ratepayers.

The current over-reliance on local ratepayers to bear the burden of funding water infrastructure compounds other existing inequities. Redlined neighborhoods are still predominantly under-resourced, face historical barriers to a healthy environment, and are majority people of color. The inability of these communities to pay for much-needed infrastructure maintenance and upgrades means that their needs remain unmet, subjecting these already-vulnerable communities to greater risks of water insecurity and related health, social, and economic impacts. Racist inequities are baked into the way our current water infrastructure financing mechanisms function. To achieve environmental justice, these inequities must first be recognized, and then remedied.

The responses offered here to questions posed by the Subcommittee address how Congress can ensure that funding for clean water infrastructure appropriated through the Water Quality and Job Creation Act of 2021 contributes to greater environmental justice by (1) clearly prioritizing grant funding for vulnerable communities and (2) adopting specific measures to ensure that the workforce employed to repair and upgrade clean water infrastructure reflects the communities they serve.

Prioritizing Grant Funding for Vulnerable Communities

*At the February 23rd hearing, **Rep. Napolitano** asked how to ensure that water bills remain affordable for individual households if rates need to be increased to pay for needed water infrastructure repairs.*

One way to address these concerns through the revolving loan funds is to increase the amount of funding that states can make available to disadvantaged communities as principal forgiveness. The Clean Water Act specifies that affordability criteria used to determine a community's eligibility for such subsidies "shall be based on income and employment data, population trends, and other data determined to be relevant by the State, including whether the project or activity is to be carried out in an economically distressed area." **We urge Congress to require states to provide at least 30% of their federal CWRP appropriation as subsidies for communities that comply with affordability criteria, and furthermore to allow States to provide up to 50% as subsidies to disadvantaged communities. This would begin to restore federal water infrastructure funding to 20th century levels, at least for the most vulnerable communities.**

***Rep. DeFazio** noted that the CWRP framework introduced during the Reagan era puts states in the driver's seat with regard to how funds are allocated within each state, and asked for input in response to concerns that some state decision makers might favor certain areas of their state and neglect others, notwithstanding the Clean Water Act's guidance for affordability criteria to direct the most assistance to more vulnerable communities.*

This concern is borne out by how Wisconsin allocates principal forgiveness under the state's CWRP program.

Wisconsin's affordability criteria for determining eligibility for principal forgiveness, as explained in the state's [Intended Use Plan \(IUP\) for its CWRP allocations for FY 2021](#), allocate up to 50 points based upon the size of the community (smaller communities receive more points), up to 100 points based on how the community's median household income (MHI) compares to the state MHI (lower-income communities receive more points), and additional points for communities projected to lose 10% or more of their population over 20 years or

which have high levels of unemployment relative to the state unemployment rate. The Milwaukee Metropolitan Sewerage District (MMSD) provides wastewater treatment services for the City of Milwaukee and surrounding suburbs, serving over 1 million Wisconsinites. MMSD is by far the largest wastewater utility in Wisconsin; the next largest wastewater utility serves less than 400,000 people. [Wisconsin's CWRP Project Priority List \(PPL\) for 2021](#) includes MMSD projects with a total cost of \$131,352,128. Under the state's affordability criteria, 15% of this amount -- \$19,702,819 -- is eligible for principal forgiveness. However, because Wisconsin caps principal forgiveness at \$750,000 per utility per fiscal year, [Wisconsin's CWRP Funding List for FY 2021](#) awards only \$750,000 in loan forgiveness to MMSD. The story is similar for the City of Milwaukee, which is responsible for managing stormwater within the City. Wisconsin's 2021 PPL includes a \$18,010,333 stormwater project for the City of Milwaukee. Under the state's affordability criteria, 45% of this amount -- \$8,104,650 -- is eligible for principal forgiveness, but this is likewise capped at \$750,000.

According to [the state's 2021 IUP](#), Wisconsin plans to provide a total of \$36,248,937 in principal forgiveness to Wisconsin communities to relieve local ratepayers in those communities from at least some of the burden of paying for much-needed clean water projects. MMSD serves roughly 20% of Wisconsin's population, but will receive only around 2% of the total amount of principal forgiveness provided by the state's CWRP. Roughly 10% of Wisconsin's population lives in Milwaukee, and the City's need for CWRP subsidies is ranked high under the state's CWRP affordability criteria due to its low MHI and high unemployment rates relative to state averages. Nevertheless, Milwaukee will receive only around 2% of the principal forgiveness issued by Wisconsin's CWRP.

Wisconsin's practice of capping the amount of loan forgiveness any wastewater or stormwater applicant is eligible for per year at \$750,000 -- *regardless of the need indicated by the state's CWRP affordability criteria and regardless of the size of community served* -- clearly discriminates against vulnerable communities in the state's largest city, Milwaukee. The vast majority of Wisconsin's Black citizens live in Milwaukee neighborhoods with some of the state's oldest water infrastructure. This practice appears to go against federal directives that CWRP subsidies be provided to disadvantaged communities in line with prescribed affordability criteria. **Congress should adopt measures to prevent rules such as Wisconsin's per-utility cap of \$750,000, which has the effect of undercutting federal efforts to direct subsidies to the most vulnerable communities.**

Fostering Workforce Equity in the Water Sector

To deliver the most beneficial impacts for vulnerable communities, federal funding for water infrastructure must be tied to actions that foster workforce equity in our nation's water sector and provide living wage employment for communities of color and other vulnerable communities that have been historically marginalized from employment in the sector.

Providing more funding for water infrastructure will not organically create economic opportunities for vulnerable communities. Nor will vague calls for the promotion of workforce equity or a 'color blind' approach suffice. Instead, funding must be paired with specific, intentional, strategic policies and actions that lead to equitable employment, contracting, and procurement. These might need to include, for example, more intentional and tailored outreach, collaboration with workforce development organizations, and other wrap-around services to ensure that historically marginalized communities are not only provided with job opportunities in the water sector, but also have the opportunity to succeed there.

Rep. Carbajal asked about how the backlog of infrastructure problems impact disadvantaged communities, and how the jobs created through this bill could benefit those communities and come in the form of living wage employment.

Failing infrastructure is a national issue that requires urgent action. However, the consequences of these realities are not felt equally around our nation. Often it is communities that suffer from a history of social marginalization, income inequality, and/or segregation from environmental benefits that suffer most severely from the consequences of infrastructure failure. These consequences add onto existing social disparities. Oftentimes it is these compounding barriers that lead to community vulnerability and limit access to training and employment opportunities.

For these reasons, it is critical that we not only increase federal funding, and direct assistance to communities struggling to finance infrastructure solutions, but that this funding comes with priorities around environmental justice, workforce equity, and community benefits. **The Environmental Protection Agency has existing offices and agendas focused on environmental justice issues; funding through the CWRP program to address critical infrastructure failures should be tied to these agendas to address environmental injustice in our nation.** In addition, to ensure that the living wage employment opportunities offered by our nation's water sector are available to disadvantaged communities **this funding should be tied to specific requirements aimed to track workforce diversity and spur local strategies for developing a more diverse and inclusive workforce.**

In a 2018 report, [Renewing the Water Workforce](#), the Brookings Institute determined that in 2016 around 1.7 million workers in 212 different occupations were directly involved in designing, constructing, operating and governing US water infrastructure. The Brookings Institute also determined that water occupations around the country pay more on average compared to all national occupations, and also pay up to 50 percent more to workers at the lower 10th-25th percentile of the income scale. However, the same report assessed that in 2016 nearly 85% of water workers were male and two-thirds were white. In Milwaukee and its surrounding counties, among water sector professions such as pipelayers, plumbers, pipefitters, and steamfitters, positions are 85-100% dominated by white males.

Rep. Wilson also focused questions on workforce equity, including how to ensure that living-wage jobs generated by federally funded CWRP projects are provided to workers who reflect the communities that the infrastructure will serve.

Guidance to municipalities and utilities receiving federal funding should strongly advocate for local cross-sector coalitions to build locally-tailored pathways to greater workforce equity. The value of such efforts is demonstrated by the US Water Alliance-sponsored Water Equity Task Force in Milwaukee, a cross-sector partnership between water utilities, environmental organizations, educational institutions, and workforce development organizations that was facilitated by Milwaukee Water Commons. As documented in the [Milwaukee Water Equity Roadmap](#) endorsed by the Task Force, overcoming the barriers of segregation requires intersectional analysis and cross-sector leadership.

In addition, to encourage local collaboration and maximize the impacts of federal investments in infrastructure, federal funding should be tied to procurement requirements that include community benefits agreements. Community benefits models

have been piloted with great success by utilities around the country such as in [Louisville KY](#) and [San Francisco CA](#). Community benefit agreements deepen relationships between water utilities and the communities they serve, while also bolstering the impact that infrastructure investments have on priorities at a neighborhood level. These agreements encourage water utilities and contractors to participate in addressing community needs, and impact challenges that contribute to community vulnerability.

Finally, federal legislation should require water infrastructure funding recipients to track and report on workforce diversity and the diversity of contractors/subcontractors as well as their policies and practices aimed at fostering workforce equity. This would allow stakeholders to monitor progress and to identify which policies and practices are delivering desired results and where further efforts are required. This reporting could be done through the US EPA's Office of Environmental Justice and should show measured contributions to both federal and local plans to address environmental and economic justice concerns. We also recommend that US EPA should work with the Bureau of Labor Statistics to establish specific tracking of America's water sector. Water infrastructure funding recipients are already required to track and report on factors such as the use of American iron and steel and compliance with prevailing wage rate requirements. Workforce equity goals are equally important and should be subject to similar monitoring efforts.

Addressing PFAS and other Emerging Contaminants

*Both **Representative Pappas** and **Representative Lowenthal** expressed concerns about the added burden on water utilities navigating emerging threats to public health such as forever chemicals like PFAS and growing quantities of microplastics.*

Though each issue is distinct, the urgent need to address impacts to public health and the financial burden placed on water utilities are very real in both cases. We do not yet know the full scope of the threat of emerging contaminants because we are only beginning to learn about their presence in the environment and the legacy impacts on public health and access to safe water. Especially in smaller municipalities, upgrading water systems to manage these emerging threats is a daunting task that will require additional funding. As was mentioned during testimony on February 23rd, the most urgent need is for polluter accountability. In many cases, PFAS pollutants were disposed of in communities with full knowledge from manufacturers of their toxic impact. Now, more than a year after local governments and states have become aware of this legacy pollution, we are still struggling to regulate PFAS pollution, to hold manufacturers accountable for that pollution, and to find solutions that provide clean water to families poisoned by these chemicals. **We need urgent federal interventions from the US EPA to regulate these chemicals as well as federal legislation and funding to help local governments and utilities assess and clean up these pollutants. In addition, a federal legislative framework that would compel corporations that fouled our waters with these pollutants to finance remediation efforts is required.**

A One Water Approach to Funding Public Water Systems to Protect Our Health and Environment

People value water infrastructure when they don't have to think about water infrastructure. Water infrastructure comes to folks' attention when it poses risks to their health and environment. Such risks are generally greater for vulnerable communities living with aging water infrastructure but without the resources to pay for much-needed repairs and upgrades

without substantial federal assistance. To address these risks in a manner that will deliver environmental justice for vulnerable communities, we need to recalibrate our approach to paying for water infrastructure, to ease the burden currently placed on residential ratepayers and municipal water utilities. We need to adopt a [‘one water’ approach](#) to planning for and addressing our water infrastructure needs. And, as was the case in the mid-20th century, when urban water systems were initially built and expanded, federal grants are needed to support these needs. **We must understand -- and pay for -- public water systems as an essential public good and service that assures safe, clean, and affordable water for all.**

Thank you for the opportunity to provide testimony.

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