

ONE HUNDRED NINETEENTH CONGRESS

# Congress of the United States

## House of Representatives

### COMMITTEE ON ENERGY AND COMMERCE

2125 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6115

Majority (202) 225-3641

Minority (202) 225-2927

February 22, 2026

#### MEMORANDUM

**TO:** Members of the Subcommittee on Environment  
**FROM:** Committee Majority Staff  
**RE:** Hearing entitled, “From Source to Tap: A Hearing to Examine Challenges and Opportunities for Safe, Reliable, and Affordable Drinking Water.”

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#### **I. INTRODUCTION**

The Subcommittee on Environment will hold a hearing on Tuesday, February 24, 2026, at 10:15a.m. (ET) in 2123 Rayburn House Office Building. The hearing is entitled, “From Source to Tap: A Hearing to Examine Challenges and Opportunities for Safe, Reliable, and Affordable Drinking Water.”

#### **II. WITNESSES**

- **Eric Hill**, General Manager, Russellville Water & Sewer Board, Russellville, Alabama, on behalf of the National Rural Water Association;
- **Nicole Murley**, Deputy Inspector General performing the duties of the Inspector General, U.S. Environmental Protection Agency;
- **Lindsey Rechtin, CPA**, President & CEO, Northern Kentucky Water District, on behalf of the Association of Metropolitan Water Agencies; and
- **Erik Olson**, Senior Strategic Director for Health & Food, Natural Resources Defense Council (Minority Witness).

#### **III. BACKGROUND**

The Safe Drinking Water Act (SDWA), signed into law on December 16, 1974, by President Ford, is the main federal law regulating drinking water and protecting drinking water sources.<sup>1</sup> The law directs the Administrator of the U.S. Environmental Protection Agency (EPA) to establish national primary drinking water regulations to protect public health and to administer

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<sup>1</sup> 42 U.S.C. §§ 300f to 300j-12 (Supp. IV 1974).

federal funding mechanisms for drinking water infrastructure. This authority includes regulating contaminants that pose health risks in public water systems and establishing the Drinking Water State Revolving Fund (DWSRF).<sup>2</sup>

The SDWA applies to Public Water Systems (PWS), defined as systems that provide water for human consumption to the public through pipes or other constructed conveyances. A system qualifies as a PWS if it has at least 15 service connections or regularly serves at least 25 individuals. Systems below this threshold, including individual private drinking water wells, are not covered by the SDWA and instead are regulated at the state and local level. Today there are approximately 150,000 public water systems nationwide that provide drinking water service to a vast majority of the U.S. According to the EPA's Drinking Water Infrastructure Needs Survey and Assessment, public water systems nationwide face substantial challenges in replacing aging pipes, modernizing treatment facilities, improving storage, and enhancing system resilience.<sup>3</sup>

Public Water Systems are categorized into several types. Community Water Systems (CWS) serve the same population year-round and commonly face challenges related to aging infrastructure, regulatory compliance, and contaminant management. Non-Transient Non-Community Water Systems (NTNCWS) regularly supply water to at least 25 of the same individuals for a minimum of six months per year, serving stable populations such as schools, factories, office buildings, and hospitals, many of which struggle with limited technical and financial capacity. Transient Non-Community Water Systems (TNCWS) provide water to the public but do not consistently serve the same individuals, such as campgrounds and seasonal facilities.<sup>4</sup> These systems face distinct challenges related to seasonal operation, limited operator expertise, intermittent monitoring, and compliance with health-based standards. The American Society of Civil Engineers Infrastructure Report Card has highlighted these challenges across system types, citing deferred maintenance, workforce shortages, and underinvestment as ongoing risks to drinking water reliability.<sup>5</sup>

Key sections of SDWA include:

- Section 1412, which directs EPA to identify contaminants that may pose risks to public health, to establish National Primary Drinking Water Regulations, including Maximum Contaminant Levels (MCLs) or treatment techniques, and to rely on health risk assessments and cost-benefit analysis when regulating contaminants.<sup>6</sup>
- Section 1413, which authorizes EPA to delegate primary enforcement authority (primacy) to states, defining the federal-state relationship under the SDWA. It sets expectations for state program administration, monitoring, reporting, and enforcement, and directly affects how consistently the SDWA is implemented across states.<sup>7</sup>

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<sup>2</sup> See *id.* § 300g-1, § 300f(1), § 300g-2, and § 300j-12.

<sup>3</sup> U.S. Env'tl. Prot. Agency (EPA), Drinking Water Infrastructure Needs Survey and Assessment: Seventh Report to Congress, EPA Office of Water, EPA 810R23001-K200 (Sep. 2023), [https://www.epa.gov/system/files/documents/2023-09/Seventh%20DWINSA\\_September2023\\_Final.pdf](https://www.epa.gov/system/files/documents/2023-09/Seventh%20DWINSA_September2023_Final.pdf).

<sup>4</sup> See 40 C.F.R. § 141.2 (2024); 42 U.S.C. § 300f(4) (2018).

<sup>5</sup> AM. SOC'Y OF CIVIL ENGINEERS, 2025 INFRASTRUCTURE REPORT CARD, DRINKING WATER (2025), <https://infrastructurereportcard.org/wp-content/uploads/2025/03/Drinking-Water.pdf>.

<sup>6</sup> See 42 U.S.C. § 300g-1 (2018).

<sup>7</sup> See 42 U.S.C. § 300g-2 (2018).

- Section 1431, which provides EPA with emergency authority to act when a contaminant presents an imminent and substantial endangerment to public health. This authority has been used in high-profile crisis situations where state action was insufficient, allowing EPA to intervene and bypass standard procedural requirements.<sup>8</sup>
- Section 1453, which requires states to conduct source water assessments and develop strategies to protect drinking water sources, shifting SDWA implementation upstream toward prevention rather than treatment alone.<sup>9</sup>

## **B. Funding and Affordability**

The Drinking Water State Revolving Fund (DWSRF) was established under the Safe Drinking Water Act Amendments of 1996 and provides capitalization grants to states, enabling them to finance drinking water infrastructure through low-interest loans. Eligible projects include the construction and replacement of treatment facilities, upgrades to distribution and storage systems, improvements to existing infrastructure, and lead service line replacement.<sup>10</sup>

The Infrastructure Investment and Jobs Act (IIJA) significantly expanded DWSRF funding through supplemental authorizations. IIJA provided \$11.7 billion in general DWSRF capitalization grants for fiscal years 2022 through 2026, \$15 billion dedicated to lead service line replacement set-asides, and \$4 billion to address emerging contaminants such as per- and polyfluoroalkyl substances (PFAS).<sup>11</sup> These funds were intended to supplement, rather than replace, baseline DWSRF appropriations. Despite these increased authorizations, annual discretionary appropriations for the core DWSRF program have remained largely consistent from FY2022 through FY2026, generally around \$1.1 billion per year. More recently, the President's FY2026 budget request proposed that DWSRF be funded at \$150 million.<sup>12</sup> Of the approximately \$1.1 billion appropriated by Congress for FY2026, roughly \$715 million was congressionally directed spending for specific projects, rather than for the general state revolving funds where assistance would otherwise be recycled through interest-bearing loans.

The Water Infrastructure Finance and Innovation Act (WIFIA) of 2014 is a federal credit assistance program administered by the EPA that provides long-term, low-cost financing assistance and loan guarantees for large drinking water, wastewater, stormwater and water reuse projects of national or regional significance. WIFIA is designed to leverage federal dollars, reducing borrowing costs for project sponsors, and accelerate major water infrastructure investments.<sup>13</sup> Despite both providing a significant portion of the federal investment in drinking water, the DWSRF and WIFIA are different. WIFIA is a federal credit program for major water infrastructure projects, while DWSRF provides smaller ongoing loans and grants to a wider range of local water projects.

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<sup>8</sup> See 42 U.S.C. § 300i (2018).

<sup>9</sup> See 42 U.S.C. § 300j-13 (2018).

<sup>10</sup> See 42 U.S.C. § 300j-12 (2018).

<sup>11</sup> Infrastructure Investment and Jobs Act, Pub. L. No. 117-58, §§ 50101–50104, 135 Stat. 429 (2021).

<sup>12</sup> CONG. RESEARCH. SERV., R48575, U.S. ENVIRONMENTAL PROTECTION AGENCY FY2026 PRESIDENT'S BUDGET REQUEST: IN BRIEF (2025), [https://www.congress.gov/crs\\_external\\_products/R/PDF/R48575/R48575.2.pdf](https://www.congress.gov/crs_external_products/R/PDF/R48575/R48575.2.pdf).

<sup>13</sup> Water Infrastructure Finance and Innovation Act of 2014, Pub. L. No. 113-121, §§ 5022–5035, 128 Stat. 1325 (2014) (codified at 33 U.S.C. §§ 3901–3914) (establishing EPA credit assistance program for water infrastructure).

### C. Cyber Security and Water Infrastructure Reliability Concerns

Reliability is an ongoing concern for the nation’s drinking water infrastructure. In 2002, Congress mandated that CWS conduct vulnerability assessments of, and prepare response plans for, their facilities to guard against terrorist attacks or other intentional acts.<sup>14</sup> This was amended in 2018, with authorization for technical assistance and grants to assist CWS in addressing the vulnerabilities, along with promoting outreach to small water systems. Section 1442(b) of the SDWA authorizes the EPA to provide technical assistance and grants to PWS in emergency situations in which there has been a determination of significant danger to public health.<sup>15</sup> Section 1459F authorizes the Midsize and Large Drinking Water System Infrastructure resilience and sustainability program to assist in increasing water infrastructure resilience including cyber security for systems that serve 10,000 or more people.<sup>16</sup> Section 1420A mandates that EPA in collaboration with them to develop a framework to identify PWS that if impacted by cyber attacks would lead to significant public health and safety impacts.<sup>17</sup> EPA’s 2022 SRF memorandum includes guidance for states to use SRF funding increases in the IJA to make water systems more resilient, including to counter new and emerging threats like cyber.<sup>18</sup>

As water systems increasingly rely on digital monitoring and control technologies, foreign actors including China, Russia, Iran, and North Korea have demonstrated interest in probing U.S. water infrastructure for cyber vulnerabilities that could disrupt operations or compromise system integrity.<sup>19</sup>

Last Congress, the Energy and Commerce Committee’s Environment Subcommittee held a hearing entitled, “*Ensuring the Cybersecurity of America’s Drinking Water Systems*,” which examined the evolving cyber threats facing public water systems. The hearing identified gaps in cybersecurity capacity across the sector—particularly for small and medium-sized systems—and underscored the need for additional federal funding, targeted technical assistance, and improved coordination with EPA to strengthen preparedness, resilience, and information-sharing going forward.

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<sup>14</sup> See 42 U.S.C. § 300i-2 (2018).

<sup>15</sup> See 42 U.S.C. § 300j-1(b) (2018).

<sup>16</sup> See 42 U.S.C. § 300j-19f (2018).

<sup>17</sup> See 42 U.S.C. § 300g-9 (2018).

<sup>18</sup> Env’tl. Prot. Agency, *Implementation of the Clean Water and Drinking Water State Revolving Fund Provisions of the Bipartisan Infrastructure Law* (Mar. 8, 2022) (memo), [https://www.epa.gov/system/files/documents/2022-03/combined\\_srf-implementation-memo\\_final\\_03.2022.pdf](https://www.epa.gov/system/files/documents/2022-03/combined_srf-implementation-memo_final_03.2022.pdf).

<sup>19</sup> See Aamer Madhani, *Top White House Cyber Aide Says Recent Iran Hack on Water System Is Call to Tighten Cybersecurity*, AP News (Dec. 8, 2023).

In parallel, much of the nation's physical water infrastructure is aging, with deteriorating pipes and facilities contributing to leaks, main breaks, and service interruptions. Estimates indicate that nearly one-fifth of treated drinking water in the United States is lost before reaching consumers due to leaks, main breaks, and other system inefficiencies commonly referred to as non-revenue water.<sup>20</sup> At the same time, the growth of large-scale data centers has raised additional reliability and affordability concerns.<sup>21</sup>

#### **D. Protecting the Safety of our Drinking Water**

The recent Potomac Interceptor sewage spill has underscored the broader deterioration of aging water and wastewater infrastructure nationwide. The incident resulted in the release of hundreds of millions of gallons of untreated sewage into the Potomac River, a primary source of drinking water for communities across Washington, D.C., Virginia, and Maryland. This sewer break raises concerns about downstream contamination and how untreated sewage can impact sources for drinking water.

Section 1412 of the SDWA establishes EPA's core authority to identify and regulate contaminants in public drinking water systems that may pose risks to public health. Under this authority, EPA is directed to promulgate National Primary Drinking Water Regulations, including maximum contaminant levels or treatment techniques, informed by health risk assessments, contaminant occurrence, and feasibility considerations.<sup>22</sup>

Several categories of contaminants regulated or evaluated under this framework have raised public health and infrastructure challenges. Lead and copper, primarily introduced into drinking water through corrosion of legacy plumbing and service lines, have been linked to health effects, particularly in children, including neurological and developmental harm. These effects have underscored the importance of corrosion control, infrastructure replacement, and accurate monitoring and sampling protocols. In 2024, EPA finalized revisions to the Lead and Copper Rule (LCR) through the Lead and Copper Rule Revisions (LCRR). A key change was the establishment of a new lead trigger level of 0.010 mg/L, which requires water systems to take additional planning and optimization steps when lead concentrations exceed this threshold. Prior to the LCRR, required actions were generally initiated only when lead levels exceeded the action level of 0.015 mg/L. The introduction of the trigger level was intended to prompt earlier intervention and proactive corrosion control measures before exceedances reach the action level.<sup>23</sup>

Per- and polyfluoroalkyl substances (PFAS) are a class of man-made chemicals and certain chemistries that have raised concern due to their persistence in the environment and potential links to adverse health outcomes. PFAS contamination has been detected in drinking

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<sup>20</sup> See Bluefield Research, *Water Losses Cost U.S. Utilities \$6.4 Billion Annually* (Apr. 28, 2025) (industry analysis estimating national drinking water losses).

<sup>21</sup> Blake Dodge and Harris Sockel, *The Data Center Water Crisis Isn't Real*, Pirate Wires, (Dec. 18, 2025).

<sup>22</sup> See 42 U.S.C. § 300g-1 (2018).

<sup>23</sup> U.S. Env'tl. Prot. Agency, National Primary Drinking Water Regulations for Lead and Copper: Improvements (LCRI), 89 Fed. Reg. 86418 (Oct. 30, 2024).

water supplies nationwide, often originating from industrial activity, firefighting foam use, or legacy disposal practices, creating long-term treatment and cost challenges for water systems. In the Spring of 2025, the EPA proposed a new rulemaking to extend the compliance deadline for the PFAS National Primary Drinking Water Regulation. EPA cited the technical, financial, and logistical challenges water systems would face in meeting the requirements, particularly small, rural, and disadvantaged communities. The proposed extension was intended to provide additional time for systems to plan, finance, and implement treatment solutions necessary to achieve compliance without creating undue strain on ratepayers or jeopardizing system viability.<sup>24</sup>

The EPA requires monitoring and testing of certain unregulated contaminants, including certain pharmaceuticals and emerging contaminants. EPA is expected to finalize the Unregulated Contaminant Monitoring Rule 6 (UCMR 6) in December of 2026.<sup>25</sup>

The Underground Injection Control (UIC) Program, established under Part C of the Safe Drinking Water Act (SDWA), is designed to protect underground sources of drinking water from contamination caused by underground injection activities. Section 1421 of the SDWA directs EPA to promulgate regulations setting minimum requirements for state UIC programs, including permitting, monitoring, reporting, and enforcement standards to prevent the endangerment of drinking water aquifers.<sup>26</sup> Under Section 1422, EPA may grant states primacy to administer UIC programs, provided state regulations are at least as stringent as federal requirements. The program regulates multiple classes of injection wells associated with activities such as wastewater disposal, enhanced oil and gas recovery, industrial processes, and carbon sequestration, balancing environmental protection with energy and industrial needs. Collectively, these provisions aim to safeguard current and future drinking water supplies by preventing the migration of contaminants into protected aquifers.

### **E. Recent EPA OIG Activities**

EPA's Office of Inspector General (OIG) has a long history of conducting audits and permitting oversight of EPA's drinking water programs.

In January 29, 2026, the OIG reported that EPA did not appropriately identify unknown and improper payments or properly track them for reporting and resolution in FY22, totaling \$54.4 million, and in FY23, totaling \$8.8 million for SRF programs. Because of the lack of proper identification of unknown and improper payments, the OIG found EPA cannot make accurate determinations of the state loan program.<sup>27</sup>

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<sup>24</sup> U.S. Env'tl. Prot. Agency, *Extending the Compliance Deadline for the PFAS National Primary Drinking Water Regulation Rulemaking*, RIN 2040-AG49, Spring 2025 Unified Agenda of Regulatory and Deregulatory Actions (2025).

<sup>25</sup> U.S. Env'tl. Prot. Agency, *Unregulated Contaminant Monitoring Rule; Methods Request and Webinar*, 89 Fed. Reg. 8584 (Feb. 8, 2024).

<sup>26</sup> See 42 U.S.C. § 300h-1 (2018).

<sup>27</sup> See U.S. Env'tl. Prot. Agency, Off. of Inspector Gen., *Audit of the EPA's Resolution of Improper Payments Identified Through Its Annual Review of the State Revolving Fund Program* (2026).

An October 15, 2025, report found that 42 of 51 state DWSRF programs submitted independently audited financial statements, while nine states (Florida, Idaho, Montana, Nevada, North Carolina, South Carolina, Tennessee, Texas, and Utah) provided alternative documentation that did not include audited financial statements. Collectively, these nine states received approximately \$251.4 million in DWSRF funding and roughly \$490 million in total funding. The OIG attributed this outcome to guidance from EPA's Office of Water that was inconsistent with statutory requirements under the SDWA.<sup>28</sup>

A December 16, 2025, report found that post-award oversight of grants awarded under the IJIA remains a concern, as EPA's regional offices lack controls to monitor post-award performance. Many of these regional offices have also not completed their baseline administrative or programmatic monitoring reports. There are currently 1,669 active grants created by the IJIA, totaling \$22.6 billion. These deficiencies in regional offices' post-award monitoring increase the likelihood of waste, fraud, and abuse.<sup>29</sup>

On January 20, 2026, the OIG announced an audit of IJIA Lead Service Line Replacement funds awarded through the DWSRF to evaluate funds received from FY2022 – FY2024 and continues the oversight from the OIG on IJIA funds.<sup>30</sup>

On May 15, 2024, the OIG reported that a lack of internal controls may have caused EPA to base its allotment of IJIA funds for lead service lines on inaccurate data. A November 2025 update to the 7th Drinking Water Infrastructure Needs Survey and Assessment (DWINSA) estimates that there are approximately 4 million lead service lines (LSL) nationwide. This represents a significant decline from EPA's earlier estimate of approximately 9 million LSLs. EPA attributed the revised estimate to methodological adjustments made to address data gaps in the original inventory. Specifically, where a state did not report inventory data for a given water system, EPA assumed that all unreported service connections were non-lead. Additionally, if a state reported the total number of service connections but did not report the number of non-lead service lines, EPA treated the unreported lines as non-lead for purposes of the national estimate.<sup>31</sup>

#### IV. TOPICS FOR DISCUSSION

The following issues may be examined at the hearing:

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<sup>28</sup> See U.S. Env'tl. Prot. Agency, Off. of Inspector Gen., *Audit of Compliance with the Clean Water and Drinking Water State Revolving Fund Financial Statement Audit Requirements* (Oct. 15, 2025).

<sup>29</sup> See U.S. Env'tl. Prot. Agency, Off. of Inspector Gen., *Audit of the EPA's Post-Award Oversight of Grants Awarded Under the Infrastructure Investment and Jobs Act* (Dec. 16, 2025).

<sup>30</sup> See U.S. Env'tl. Prot. Agency, Off. of Inspector Gen., *Notification of Audit: Drinking Water State Revolving Fund Infrastructure Investment and Jobs Act Funds for Lead Service Line Replacement* (Jan. 20, 2026).

<sup>31</sup> See U.S. Env'tl. Prot. Agency, Off. of Inspector Gen., *Report: Data Reliability Issues Impede the EPA's Ability to Ensure Its Allotment of Infrastructure Investment and Jobs Act Funding for Lead Service Line Replacements Reflects Needs* (May 15, 2024); *see also*, U.S. Env'tl. Prot. Agency, Off. of Water, *2025 Update to the 7th Drinking Water Infrastructure Needs Survey and Assessment (DWINSA)* (Nov. 2025).

- How effectively are EPA and state primacy agencies implementing Safe Drinking Water Act requirements across different types of public water systems, including community and non-community systems?
- How could increased oversight of Drinking Water State Revolving Fund disbursements strengthen the long-term stability, transparency, and public confidence in the program, and what impacts, if any, has the expanded use of congressionally directed spending had on DWSRF implementation?
- Do existing statutory and regulatory cybersecurity authorities provide sufficient tools to address evolving cyber threats to drinking water systems, including risks associated with the increased use of artificial intelligence and digital control technologies?
- What do recent findings from EPA's Office of Inspector General indicate about weaknesses in financial management, grant oversight, and internal controls within drinking water programs, and what steps could improve accountability and consistency across EPA regions and state primacy agencies?
- What additional tools, technical assistance, or programmatic flexibility could better support rural and disadvantaged water systems in meeting Safe Drinking Water Act requirements while maintaining appropriate oversight and fiscal integrity?
- What lessons can be drawn from recent large-scale wastewater or interceptor failures affecting source waters for major metropolitan drinking water systems, and how can federal policy better support system resilience, coordination, and incident response for large, complex utilities without compromising drinking water safety?

## **V. STAFF CONTACTS**

If you have any questions regarding this hearing, please contact Byron Brown or William Layton of the Committee Staff at (202) 225-3641.