

ONE HUNDRED NINETEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

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September 1, 2026

MEMORANDUM

To: Subcommittee on Environment Members and Staff
From: Committee Majority Staff
Re: Subcommittee on Environment Hearing on September 03, 2026

I. INTRODUCTION

The Subcommittee on Environment will hold a legislative hearing on Thursday, September 3, 2026, at 9 a.m. (ET) in 2123 Rayburn House Office Building. The hearing is entitled, “Reliable Water in the Digital Age: Examining Legislation to Strengthen Drinking Water Systems and Protect Ratepayers.” The hearing will review the following legislation:

- H.R. ____, Safe Drinking Water Infrastructure Improvement Act of 2026
- H.R. ____, Water Cost Accountability Act of 2026

II. WITNESSES

- **Neil Bradley**, Executive Vice President, Chief Policy Officer, and Head of Strategic Advocacy, U.S. Chamber of Commerce
- **Julie Moore**, Secretary, Vermont Agency of Natural Resources, and Vice Chair, Water Committee, Environmental Council of States (ECOS)
- **Mae Wu**, Founder and Principal, Health and Environmental Advising, LLC

III. BACKGROUND

A. Overview

The Subcommittee on Environment is considering two pieces of draft legislation to amend the Safe Drinking Water Act (SDWA),¹ which is the main federal law regulating drinking water in the United States. Under SDWA, the U.S. Environmental Protection Agency (EPA)

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

establishes drinking water regulations to protect public health and administers funding programs, including the Drinking Water State Revolving Fund (DWSRF), to help states deliver safe, reliable and affordable drinking water to their communities. Congress originally enacted SDWA in 1974, and the law has been reauthorized and amended multiple times, including in 1986, 1996, 2015, 2018, and most recently with enactment of the Infrastructure Investment and Jobs Act (IIJA).²

The DWSRF provides capitalization grants to states, enabling states 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. The IIJA provided about \$50 billion in supplemental funding to multiple EPA programs, including \$11.7 billion in general DWSRF capitalization grants for fiscal years 2022 through 2026, \$15 billion for lead service line replacement set-asides, and \$4 billion to address emerging contaminants such as per- and polyfluoroalkyl substances (PFAS).

Annual discretionary appropriations for the core DWSRF program have remained largely consistent from Fiscal Year (FY) 2022 through FY2026, generally about \$1.1 billion per year. Of the approximately \$1.1 billion appropriated by Congress for FY2026, roughly \$715 million was congressionally directed spending in the form of grants for specific projects, rather than used to capitalize state revolving loan funds, which provide loans that are repaid with interest to fund future infrastructure investments.

B. Previous Committee Activity

On February 24, 2026, the Subcommittee on Environment held a hearing entitled “From Source to Tap: A Hearing to Examine Challenges and Opportunities for Safe, Reliable and Affordable Drinking Water.”³ Members and witnesses discussed opportunities to improve drinking water systems across the United States, including by strengthening cybersecurity and infrastructure reliability and addressing funding and affordability challenges through SDWA.⁴

On May 20, 2026, the Subcommittee on Oversight and Investigations held a hearing entitled “Corrosion, Collapse, and Clean-Up: Examining the Potomac Interceptor Collapse.”⁵ The hearing examined the January 19, 2026, collapse of a segment of the Potomac Interceptor, a sanitary sewer system that runs through parts of Virginia, Maryland and Washington, D.C. The interceptor released more than 240 million gallons of untreated wastewater into the Potomac River, the primary drinking water source for the National Capital Region.⁶

² Public Law 117-58.

³ *From Source to Tap: A Hearing to Examine Challenges and Opportunities for Safe, Reliable, and Affordable Drinking Water: Hearing Before the Subcomm. on Env't of the H. Comm. on Energy & Com.*, 119th Cong. (2026).

⁴ Safe Drinking Water Act, Pub. L. No. 93-523, 88 Stat. 1660 (1974).

⁵ *Corrosion, Collapse, and Clean-Up: Examining the Potomac Interceptor Collapse: Hearing Before the Subcomm. on Oversight & Investigations of the H. Comm. on Energy & Com.*, 119th Cong. (2026).

⁶ D.C. Water, *DC Water Releases Key Findings on Extent of Sewer Overflow and Potomac River Impact* (Feb. 6, 2026).

As part of this work, the Subcommittee on Environment staff has examined proposals to improve access to safe and affordable drinking water, strengthen the security and resilience of water systems against cyber and other threats, and to ensure that SDWA funding is reaching small, rural, and disadvantaged systems that need it most.

Finally, over the past year, the rapid growth of artificial intelligence (AI) data centers across the United States has attracted significant investment, created jobs, and strengthened America's global leadership in AI. While the water demands of data centers have raised questions about the impact on local infrastructure, and how best to pay for improvements to water systems by ratepayers, according to a 2024 report by Lawrence Berkeley National Laboratory, U.S. data centers consumed roughly 17.4 billion gallons of water in 2023, or only about 0.2 percent of all U.S. water use.⁷

In stark comparison, use of water for irrigated agriculture—including crops, golf courses, nurseries, and parks among others—accounts for 118 billion gallons of water *per day*, according to a 2018 U.S. Geological Survey report on water usage, with another 133 billion gallons of water per day drawn for thermoelectric power.⁸ Many large tech companies have made public commitments not only to reduce current water use but to replenish more water than they use in the communities where they build data centers.⁹

IV. LEGISLATION

The Subcommittee will discuss the following legislation:

A. H.R. ____, Safe Drinking Water Infrastructure Improvement Act of 2026

This draft bill would reauthorize many of the key programs within SDWA for FY 2027 through 2031, including the DWSRF, as well as technical assistance and grant programs that help small, rural, and disadvantaged communities maintain their systems.

It would also enhance the cybersecurity of public water systems by expanding the Drinking Water Infrastructure Resilience and Sustainability Program to support projects that reduce cybersecurity vulnerabilities and by strengthening cybersecurity training through the Innovative Water Infrastructure Workforce Development Program.

⁷ Arman Shehabi et al., *2024 United States Data Center Energy Usage Report*, LBNL-2001637, at 55-56 (Dec. 19, 2024), <https://eta.lbl.gov/publications/2024-lbnl-data-center-energy-usage-report> (hereinafter Shehabi et al., LBNL 2024 Report).

⁸ U.S. Geological Survey, *Estimated Use of Water in the United States in 2015* (2018), <https://pubs.usgs.gov/circ/1441/circ1441.pdf>.

⁹ See Judy Priest, *Inside Microsoft's two-decade push to cut water intensity while scaling for growth*, OFFICIAL MICROSOFT BLOG (Jun. 24, 2026), <https://blogs.microsoft.com/blog/2026/06/24/inside-microsofts-two-decade-push-to-cut-water-intensity-while-scaling-for-growth/>; Bikash Koley and Ben Townsend, *Google's water stewardship commitments for local communities*, NEWS FROM GOOGLE (Jun. 3, 2026), <https://blog.google/company-news/outreach-and-initiatives/sustainability/new-water-stewardship-commitments/>; 2025 Sustainability Report, *Connecting to a better reality*, META SUSTAINABILITY (2025), https://sustainability.atmeta.com/wp-content/uploads/2025/08/Meta_2025-Sustainability-Report_.pdf; Water Stewardship, AMAZON (2026), <https://sustainability.aboutamazon.com/natural-resources/water>.

Additionally, the bill would support lead remediation in schools and childcare facilities, improve assistance for *Colonias* and Tribal communities, and strengthen transparency and oversight of DWSRF funded projects.¹⁰

The draft includes brackets for authorization funding levels that are subject to bipartisan discussion.

B. H.R. ____, Water Cost Accountability Act of 2026

This draft bill would require each state receiving a capitalization grant through the DWSRF to prohibit public water systems in their state from recovering incremental costs associated with connecting a data center or expanding system capacity to serve a data center from any customer other than the data center's owner or operator.

The bill would also require EPA, in consultation with appropriate state agencies, to submit a report to Congress assessing the sources of water used by qualified data centers, identifying gaps in the information available to EPA and providing any recommendations resulting from the assessment.¹¹

V. DISCUSSION TOPICS

The hearing may include discussion on the following key issues:

- What are the most significant infrastructure, financial and operational challenges facing public water systems?
- What cybersecurity threats currently confront public water systems, and what resources do systems need to assess vulnerabilities and strengthen their cyber resilience?
- How could the proposed legislation strengthen drinking water infrastructure and help public water systems provide reliable drinking water?
- What costs do public water systems incur when connecting large water users to systems, expanding source, treatment, storage, and distribution capacity to serve them, and how are those costs currently allocated among ratepayers?
- What information is currently available regarding the sources of water used by large water users, and where do significant information gaps remain?

VI. STAFF CONTACTS

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

¹⁰ *Safe Drinking Water Infrastructure Improvement Act of 2026*, discussion draft, 119th Cong. (2026).

¹¹ *Water Cost Accountability Act of 2026*, discussion draft, 119th Cong. (2026).