

## NACWA Targeted Action Fund FY 2009 Continuing Project Budget Analysis

Below is a description of and justification for each item proposed for continuing funding in the Fiscal Year (FY) 2009 Targeted Action Fund (TAF) budget as of April 18, 2008.

### Litigation

#### General Legal Support

The proposed TAF funds of \$50,000 will be used throughout FY 2009 to consult and retain outside counsel on various regulatory and legal issues, and for general litigation and strategic input and support. As an example of the how this fund is used, the activities funded through the *General Legal Support* line item in FY 2008 thus far include: advocacy efforts on the wet weather peak flows policy, membership in the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA) legal committee, litigation expenses related to the BEACH Act case and other ongoing cases, and legal work related to sewer sludge incinerator regulation.

### Ongoing Initiatives/Coalition Work

#### National Biosolids Partnership (NBP)

NACWA is requesting \$30,000 (WEF reimburses NACWA \$15,000) to retain the services of John Montgomery to assist NACWA and the Water Environment Federation (WEF) in their efforts to secure an annual appropriation of \$1 million to further support the NBP environmental management system (EMS) program for biosolids.

While national budgetary forces have prevented the NBP from receiving an appropriation for FY 2007 and FY 2008, work on the program continues with carryover funding from previous years. Over this past year, Montgomery worked closely with NACWA and WEF in seeking broad-based congressional support for FY 2009, including obtaining a letter from more than a dozen U.S. Representatives supporting the \$1 million FY 2009 appropriation for the NBP. NACWA remains optimistic that Congress will restore funding for FY 2009 and efforts to ensure continued funding will be critical.

The NBP program is the first of its kind and the only one available to wastewater agencies striving for excellence in the management of their biosolids. Since the program was created from 'scratch', the first three years were devoted to the creation of the EMS documents, recruitment of demonstration agencies, creation of the technical support program and workshops, the formation of the Steering Committee and Appeals Board, and the development of the third-party audit.

These efforts help to ensure that the NBP can continue to move participating agencies through the Partnership's environmental management system (EMS) program, provide technical support, prepare agencies for the third party audit, recruit new agencies (with a focus on small and medium-sized agencies),

and provide resources to communicate the value of the NBP Environmental Management System (EMS) program for biosolids.

#### Advocacy Support

Fiscal year 2008 TAF funds in the amount of \$72,000 are used for general advocacy support. These funds help ensure that NACWA's message is carried successfully to Capitol Hill and to EPA on issues as varied as ensuring water quality issues are accounted for in the Farm Bill to working with Ducks Unlimited on a successful Memorandum of Understanding (MOU) on wetlands. The funding for Fiscal Year 2008 is being used to retain the services of The Accord Group and has aided NACWA's efforts to help ensure the broadest possible access to key Members of Congress on a broad array of issues of importance to the wastewater utility community. Continued funding at the \$72,000 level for FY 2009 will be critical for continuing these ongoing efforts.

#### Water Infrastructure Network

NACWA serves as Chair of the Water Infrastructure Network (WIN). WIN is recognized on Capitol Hill and by the trade media as an influential voice on wastewater/water infrastructure funding issues. Hill staff, the press, stakeholder organizations, the investment community, mayors' and governors' offices and educational institutions routinely call on WIN when they have questions regarding the funding of the nation's water and wastewater infrastructure. The membership of WIN works to support both short-term funding (EPA's state revolving fund programs) and long-term funding initiatives (the creation of a trust fund to finance wastewater/water infrastructure). As Administrator and Chair of the WIN coalition, NACWA plays an important role in building a wide-ranging stakeholder organization to ensure the future of the nation's wastewater and water agencies.

The \$25,000 for FY 2008 is being used to supplement contributions from other WIN member organizations to retain the services of The Accord Group, maintain the WIN website, and fund communications and outreach efforts. Tremendous progress has been made over this past year toward the establishment of a clean water trust fund – and a great deal of this success is owed to the WIN coalition speaking with a unified voice on this important issue. The proposed amount of \$25,000 for FY 2009 will ensure continuation of these ongoing efforts.

#### 2008 NACWA Financial Survey

Published every three years, the *Financial Survey* has consistently proven itself to be a valuable resource for NACWA member agencies as they evaluate financing options and consider rate adjustments. The 2008 *Survey* is now underway and the final results of the survey will be released at the 2009 *Winter Conference*. A total of \$55,000 in TAF funding was approved for conducting the survey and preparing the survey report in FY 2007 and 2008. The additional \$20,000 in FY 2009 funding will cover the cost of printing the survey report CDs and a new executive summary document.

#### CleanWater Central

The *CleanWater Central* database serves as a central hub for future data collection activities, such as the *NACWA Financial Survey* and *NACWA Index*, and as a repository for information vital to the wastewater treatment community. NACWA and WERF launched the database during the NACWA 2003 Summer Conference in Boston and continue to expand the amount of information in the system and the number of regular users. The proposed funding of \$12,200 for FY 2009 will cover half of the contract expenses

(NACWA and WERF equally share the cost) to maintain the database as well as the Internet hosting fees for the database and website. Maintenance includes daily and weekly information backups, a rigorous quality assurance program to verify all newly entered information, and other database maintenance activities. The \$12,200 will also enable NACWA to use the *CleanWater Central* contractor to conduct small surveys of its members at no extra cost.

#### Participation in the Federal Water Quality Coalition

For the past several years, NACWA has maintained an associate membership in the Federal Water Quality Coalition (FWQC). The FWQC is a broad coalition of stakeholders, including industry and municipalities focused on water quality issues such as water quality criteria, mercury issues, permitting, and total maximum daily loads. The proposed FY 2009 funding of \$15,000 would cover NACWA's discounted annual dues in the coalition and give the Association access to critical leveraging opportunities and information. The FWQC provides valuable assessments of a broad range of water quality issues and how they may affect municipalities, giving NACWA staff a valuable resource for ascertaining when to weigh in on behalf of the membership. This leveraging of resources has enabled NACWA to cover a much broader array of water quality issues.

#### Service Charge Index

Since 1992, the Association has published the *NACWA Index* annually to track average single-family residential service charge increases as measured against the rate of inflation. Because there is a wide range of rate structures used by utilities (e.g., one or a combination of flat rates, fixed or tiered volume rates, tax rates, etc.), the average annual single-family residential sewer service charge (inclusive of collection and treatment) provides a consistent benchmark to measure changes in the price of service among public utilities nationwide. Total funding requested for this effort in FY 2009 is \$2,750. These funds are allocated each year towards survey form creation and data analysis.

#### Water for People

Water for People is an organization dedicated to ensuring that all people have access to safe drinking water, adequate sanitation and basic health services. Their objective is to help people in developing countries improve their quality of life by supporting the development of locally sustainable drinking water resources, sanitation facilities and health and hygiene education programs. NACWA has appointed a member representative to serve on the Board of Water for People and has committed to make a contribution in FY 2009 of \$5,000.

#### Peak Performance Awards

NACWA's *Peak Performance Awards Program* recognizes member agency facilities for excellence in wastewater treatment as measured by compliance with their National Pollutant Discharge Elimination System (NPDES) permit requirements. This program has honored growing numbers of NACWA member agency facilities since its inception in 1987. The ongoing request for FY 2009 is \$10,000 to fund the analysis of data and the identification of honorees for this successful program.

#### International Outreach

International outreach funds have provided the Association with increased visibility on the international stage. In FY 2008, international outreach funding allowed the Association to participate in two unique

opportunities – *Singapore International Water Week 2008 – Water Leaders Summit* and *2008 World Water Week – Progress and Prospects on Water: For a Clean & Healthy World*. FY 2009 funding of \$15,000 will allow NACWA to participate in future international outreach opportunities.

#### Government Affairs Rapid Response Fund

The FY 2009 request of \$50,000 will be used to undertake time-sensitive priority projects to maximize the success of NACWA's key advocacy efforts. The requested amount is an increase over FY 2008 funded total of \$40,000, although an additional \$10,000 was placed into the Fund from NACWA revenue, which was used to support the joint NACWA/WEF/American Public Works Association (APWA) Clean Water Advocacy Center at WEFTEC. \$10,000 is expected to be used to support the advocacy center again in FY 2009. The Fund has enabled the Government Affairs staff to respond to critical issues on short time fuses over the past several years from continuing our advocacy on peak excess flow and sewage sludge incineration issues, as well as a scientific review of EPA's draft Greenhouse Gas Emission Inventory, among other key initiatives. Because of the additional \$10,000 provided to the Response Fund in FY 2008, the \$50,000 does not reflect an increase for FY 2009 but ensures the stability of the fund as the Association anticipates facing a more aggressive, environmentally-focused Congress and a likely Administration shift next year that will demand targeted and swift advocacy response.