

NACWA Targeted Action Fund FY 2012 Budget Justification

The following provides a description of, and justification for, each item proposed for continuing funding in the Fiscal Year (FY) 2012 Targeted Action Fund (TAF) budget.

Litigation

General Legal Support

The General Legal line item provides funds to support time-sensitive legal advocacy efforts and other related expenses that arise during the course of the year. The proposed TAF funds of \$25,000 will be available for use throughout FY 2012 to consult and retain outside counsel on various legal and regulatory issues, assist with NACWA's legal advocacy on an as-needed basis, and for general litigation support. As an example of the how this fund is used, the activities funded through the *General Legal Support* line item in FY 2011 thus far include membership in the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA) Legal Affairs Task Force, legal work related to sewage sludge incinerator regulations, work on development of legal arguments to challenge EPA's recent stormwater guidance document, legal research support, and general litigation support.

Ongoing Initiatives/Coalition Work

Advocacy Support

NACWA utilizes the services of the advocacy firm, The Accord Group, to support the Association's efforts to advance its legislative and regulatory priorities. This item is considered to be an ongoing expenditure and NACWA has utilized the services of The Accord Group for numerous years to provide the consistency and follow-through that the legislative and regulatory processes demand. Total approved funding for this line item in FY 2011 was \$72,000. The Accord Group's focus has been, and will continue to be, aiding the Association in developing a legislatively viable and effective campaign on NACWA's Farm Bill. In this regard they helped NACWA draft and disseminate its Farm Bill coalition letter, signed by over 140 groups, as well as developed the legislative strategy and messaging for NACWA's Farm Bill working group.

The Accord Group has also provided significant input into the drafting of the Association's *Money Matters* campaign messaging, as well as helped to set the stage for the introduction and progress of affordability/regulatory prioritization legislation. NACWA and The Accord Group also collaborated to secure key climate change and energy recycling/reuse provisions in energy legislation – and the firm continues to be helpful as this issue makes its way through the legislative process. Additionally, The Accord Group has provided input regarding the viability of legislative/regulatory fixes to the sewage sludge incineration issue, and will continue to help the Association advance these priorities through FY 2012. We anticipate that they will be instrumental in NACWA's efforts to secure hearings on regulatory reform, watershed and green infrastructure-related issues – as well as other discreet issues as they arise. NACWA is recommending the same amount of \$72,000 for advocacy support for FY 2012.

Water Infrastructure Network (WIN)

NACWA's financial contribution to WIN's FY 2011 budget was \$25,000 and the same amount is being proposed for FY 2012. This contribution secures NACWA's place on the WIN Executive Committee, along with other contributors of \$25,000 or more, and ensures the Association's funding priorities for the Nation's clean water agencies are advanced through the coalition's vital outreach and advocacy efforts. This past fiscal year, WIN has worked to ensure strong funding levels for the annual appropriations process; continued to lay the groundwork for reintroduction of long-term SRF reauthorization legislation; and, continued to advance support for trust fund legislation. Clearly, the federal budget circumstances have created a difficult environment for the funding issue but with over 90 new Members of Congress it is more critical now to continue to advocate for their support of infrastructure funding.

As in years past, the \$25,000 for FY 2012 will be utilized 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 was made over the past several years on all funding fronts (stimulus package, adding a grant and green infrastructure component to appropriated SRF funds, trust fund introduction and support, etc.) and it is critical to continue to build on this record. This is especially true in light of the difficult economic times municipalities are facing. The proposed amount of \$25,000 for FY 2012 will ensure continuation of these ongoing efforts. NACWA, in its role as administrator of WIN, receives \$15,000/year for its management services.

CleanWater Central

The *CleanWater Central* database serves as a central hub for current and 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 the Water Environment Research Foundation (WERF) launched the database in 2003 and continue to expand the amount of information in the system, and the number of regular users. The proposed funding of \$3,000 for FY 2012 will be used to 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. NACWA's total share of the annual maintenance costs is \$12,200, but due to unspent funds carrying over from previous years, only \$3,000 is needed for FY 2012. Maintenance includes daily and weekly information back-ups, a rigorous quality assurance program to verify all newly entered information, and other database maintenance activities.

2011 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 information and data provided by this survey, in particular, will be critically important as we assess the impact the economic downturn has had on utilities. The survey was distributed to the membership via *Member Update 11-03* in March. Responses are due May 6, 2011, though this deadline will likely be extended. A total of \$37,000 in FY 2012 funding is requested. This is in addition to the \$33,000 requested for FY 2011. \$22,000 of the FY 2012 funding is designated for NACWA's contractor and

\$15,000 of the FY 2012 funding is designated for design and publication costs. The final survey report will be released in spring 2012.

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 including water quality criteria, mercury issues, permitting, and total maximum daily loads. The proposed FY 2012 funding of \$15,000 would cover NACWA's discounted annual dues in the Coalition and give the Association and its members 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 an exceptional resource to supplement the Association's existing capabilities. This leveraging of resources has enabled NACWA to cover a much broader array of water quality issues each year.

NACWA 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 2012 is \$3,000. These funds are allocated each year towards survey form creation and data analysis.

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. With nearly 500 member agency facilities receiving recognition in FY2010, this program continues to be the Association's most popular awards programs. The request for FY 2012 is \$11,500 to fund the analysis of data and the identification of honorees for this successful program.

Government Affairs Rapid Response Fund

The *Government Affairs Rapid Response Fund* (GARRF) provides NACWA with the ability to quickly respond to time-sensitive legislative and regulatory issues. Over the past several years, the GARRF has supported vital advocacy efforts that continue to be used to advance NACWA's advocacy efforts advocacy white papers and publications on energy production and recapture from the wastewater treatment process and an assessment of the climate change mitigation and adaptation costs the Nation's publicly owned treatment plants. The Board approved \$50,000 for the GARRF in FY 2011 and NACWA is seeking \$25,000 for FY 2012 in an effort to streamline use of the GARRF and free up additional funds for the general TAF sustainability effort. The GARRF has provided support for key elements of NACWA's sewage sludge incineration (SSI) advocacy, partnership with the American Biogas Council to advance legislative advocacy in support of the Association's position on energy capture and reuse, PCB-related issues, and others. NACWA also anticipates using the GARRF this

fiscal year to help advance policy reforms in the Farm Bill, which will likely include the development of issue papers and other materials that help to effectively communicate our message. Again, NACWA is asking for \$25,000 for the GARRF instead of last year's amount of \$50,000.