NACWA
A Clear Commitment to America's Waters

Statement of the
National Association of Clean Water Agencies (NACWA)

Our Nation's Water Infrastructure Challenges and Opportunities

Committee on Environment and Public Works
U.S. Senate
December 15, 2011

The National Association of Clean Water Agencies (NACWA) is pleased to have the opportunity to provide the Senate Environment and Public Works Committee with comments for the record in connection with the Committee's hearing entitled, "Our Nation's Water Infrastructure Challenges and Opportunities."

NACWA represents the interests of more than 350 municipally owned wastewater treatment agencies and organizations. Our members are dedicated environmental stewards who treat and reclaim more than 18 billion gallons of wastewater each day while working to carry out the goals of the Clean Water Act.

America's wastewater utilities provide valuable services to our environment, our economy, and our health. By collecting and treating wastewater from households and businesses, these facilities deliver cleaner rivers, lakes, and coastal waters that sustain growing fish populations, enable water-based recreation, increase adjacent property values, and improve and protect public health. These outcomes, in turn, generate jobs that stay in America, increase economic output, and enable firms to locate and grow.

Since 1972, total investment in wastewater infrastructure has increased an average of 3.4% annually, amounting to $1.4 trillion to build, operate and maintain wastewater facilities and collection systems. While we can point to impressive cases of once impaired waters that are now fishable and swimmable, data over the past several years have suggested that we may have hit a plateau in terms of water quality gains and those gains may be at risk absent additional investment and a smarter approach to prioritization water quality compliance efforts.

Decreasing Federal Investment Harms Municipalities and Ratepayers

The Nation now faces a $23 billion and growing annual gap between what is currently being invested and the actual needs for clean water infrastructure in order to serve an increasing population while meeting the nation's water quality standards. At the same time, federal regulations to address concerns such as wet weather, biosolids management and air quality have expanded, leading to more expensive levels of treatment under the Clean Water Act (CWA).

The lack of federal funding has been extremely hard on municipalities, who currently shoulder approximately 97% of the costs of clean water projects and face an immediate backlog of over $40

billion in local clean water infrastructure projects. To meet their current clean water challenges and existing debt obligations, clean water utilities have raised rates by more than double the rate of inflation over the last decade. Today, 40% of households across America are already paying more out of their disposable incomes for wastewater management than EPA says is affordable. Given the current economic environment and high unemployment rate, utilities are reticent to ask ratepayers to pay even higher rates and strain their pocketbooks further.

Investment in Clean Water Infrastructure Spurs Economic Growth and Creates Jobs

While it is hard to argue against reducing our federal deficit, this is no time to be cutting back on federal clean water infrastructure funding. Increasing federal investment in clean water infrastructure would not only help reverse declines in water quality and help pad a well-documented investment gap, it would expand GDP and create hundreds of thousands of jobs. In fact, for every $1 billion spent on clean water infrastructure in the U.S., 28,500 new jobs are added, $3.4 billion is added to the GDP, and personal income is boosted by $1.1 billion.

Capital invested in clean water infrastructure is proven to generate more jobs per dollar than a comparable investment in schools, transportation infrastructure, energy infrastructure, or broad-based tax cuts. Clean water infrastructure is critical for private sector development as well. For every $1 billion in new investment in core infrastructure, we can expect an extra $840 million added to GDP each year from the private economy, of which about $141 million is increased output from the manufacturing sector.

Integrated Permitting Helps Communities Maximize Water Quality Benefits At Least Cost

While federal investment is critical, so too is granting utilities greater flexibility to meet the increasingly costly federal requirements of the Clean Water Act. In fact, this Committee should be equally focused during these difficult budgetary times to encourage EPA's initiative to develop an integrated permitting approach to the Clean Water Act. This approach would allow utilities to prioritize competing and costly requirements through sensible compliance schedules and to ensure that ratepayers can afford their rates for these vital services. Additional investment is still necessary but under this integrated approach there would be greater certainty that every invested dollar is being stretched as far as possible.

Conclusion

America is facing staggering shortfalls in infrastructure investment and communities nationwide are struggling to pay for the critical wastewater infrastructure necessary to protect public health and the environment without increasing local rates. Each day, the condition of our water infrastructure results in significant losses and damages from broken water and sewer mains, sewage overflows, and other symptoms of a water infrastructure system that is reaching the end of its useful life cycle. Without adequate support, these events will simply continue.

As Congress works to reduce the deficit, it is important that it provides continued support to programs like the Clean Water State Revolving Funds (CWSRF). For decades, The CWSRF has been one of the most successful federal-local partnerships, providing $47.9 billion to nearly 15,300 job-producing projects around the country. The short- and long-term improvements made possible by the CWSRF have delivered significant environmental, economic and public health benefits as well.

Furthermore, allowing public utilities to partner with states and the federal government will ensure that municipalities have the flexibility they need to invest limited dollars into projects and programs that will maximize water quality benefits and meet Clean Water Act requirements. This integrated permitting approach will also incentivize new and innovative technologies, techniques and management approaches, and serve as a key tool to help usher in an era of sustainable water quality improvement.

For these reasons, it is critical that federal support wastewater infrastructure, including funding for the CWSRF and the adoption of an integrated permitting approach, is a priority. Doing so will ensure municipalities that the federal government remains a reliable, long-term partner in meeting the nation's clean water needs. Congress' support for these requests is a vital step toward ensuring such a partnership remains intact.