

Testimony of the

National Association of Clean Water Agencies (NACWA)

October 29, 2008

House Committee on Transportation and Infrastructure

Hearing Entitled *Investing in Infrastructure: the Road to Recovery*

The National Association of Clean Water Agencies (NACWA) represents the interests of the Nation's public wastewater treatment utilities that serve the vast majority of Americans and collectively treat and reclaim over eighteen billion gallons of wastewater every day. NACWA applauds the timeliness of the committee's aptly titled *Investing in Infrastructure: the Road to Recovery* hearing and its focus on the important role infrastructure investment, including in our wastewater systems, should play in helping to revive the nation's economy. NACWA strongly encourages the House and Senate to move forward with an economic stimulus package that includes funding for wastewater infrastructure projects as soon as possible.

Expedited passage of an infrastructure-based stimulus bill is even more critical as information mounts regarding the severe impacts of the economic downturn on the Nation's municipalities. Communities across the country have been forced to halt much-needed infrastructure projects that support the economy, create jobs, and ensure public health and the environment. Increasingly, municipal treatment plants are unable to access the bond market, are having the variable rates on their short-term debt rise to unprecedented levels, halting the vital work needed to upgrade, and even maintain, their vital infrastructure networks.

Even before the economic downturn, municipalities were on their own in meeting the growing funding gap. Municipalities were paying more than \$60 billion per year to upgrade their clean and safe water infrastructure systems, while the federal government has reduced its contribution to the Clean Water State Revolving Fund (CWSRF) to \$650 million, the lowest level since passage of the Clean Water Act. Municipalities have, meanwhile, been raising their wastewater treatment service charges at double the rate of inflation and will continue to do their part to address the funding gap at the local level via rate increases. At the same time, the cost of labor, material, and expertise have risen to the point where significantly less work can be accomplished with each project dollar. Add to this picture the current financial crisis and you have a perfect storm at the municipal level and an urgent need for federal action.

Although the nation's focus recently has been almost entirely on the economy, it is important to note that October 18 marked the 36th anniversary of the Clean Water Act. Despite the tremendous progress made under this landmark legislation, the Transportation & Infrastructure Committee's

majority report, *Stagnant Waters: The Legacy of the Bush Administration on the Clean Water Act*, noted that the quality of the Nation's waters have started to decline over the past several years — a trend that will only continue absent a true federal-state-local investment partnership in the Nation's clean water infrastructure system. Providing for a significant investment in these systems in the stimulus bill will signal not only a commitment to the nation's economy and to creating new jobs (approximately 47,000 per \$1 billion invested) but also a re-commitment to putting the nation solidly back on track to meet the vital objectives of the Clean Water Act.

The recent House-passed stimulus package (H.R. 7110) included \$6.5 billion for wastewater infrastructure projects via the CWSRF — an important step forward on this issue that NACWA applauds. Under this program, however, the Administrator of the U.S. Environmental Protection Agency (EPA) has the discretion to use only 1.5% of these funds (approximately \$100 million) in the form of grants. While the inclusion of this overall funding is vital, NACWA believes that, as the House and Senate contemplate an even larger stimulus package to be taken up either during the lame-duck session or after the election, there should be additional funds made available for the nation's clean water community, and a larger percentage should be made available in the form of grants and negative interest loans. Additionally, when considering the prioritization for the distribution of these funds, states should look closely at each community's specific economic situation and circumstances.

Furthermore, the need for increased investment in clean and safe water infrastructure is a matter of consensus. Reports from the Government Accountability Office (GAO), the Congressional Budget Office (CBO), EPA, and the Water Infrastructure Network (WIN), all estimate the water and wastewater infrastructure needs of this Nation at a staggering \$300-500 billion over the next 20 years.

NACWA's own recent survey, enclosed with this letter, shows that NACWA members alone have identified nearly \$3 billion in ready-to-go infrastructure projects. Based on these responses, NACWA estimates that there are at least \$10 billion in ready-to-go projects when extrapolated to the 16,000 treatment plants across the country. This \$10 billion figure has been bolstered by recent ready-to-go project lists put together by organizations, such as the Association of State and Interstate Water Pollution Control Administrators, the Environmental Council of States, and the Council of Infrastructure Financing Authorities.

In line with these compelling data, NACWA recommends that the House bill's \$6.5 billion figure should be increased to \$10 billion in the upcoming stimulus bill and that a more significant grant and negative interest loan component be added in order to make the funds more useful to communities that have been hit hard by the economic downturn.

Again, each \$1 billion invested in clean water infrastructure generates tens of thousands of jobs. As such, the recommended \$10 billion investment in water infrastructure would create over 400,000 solid, much-needed new jobs.

Inclusion of clean water infrastructure investment in the second stimulus package would not only help lessen the impacts of the immediate economic crisis, but it would also be a significant step toward re-establishing a long-term local-state-federal partnership. NACWA greatly appreciates the leadership of the Transportation and Infrastructure Committee's work to consider clean water trust fund legislation in the 111th Congress and its work to introduce and pass by a veto-proof margin in the House the *Water Quality Financing Act of 2007* (H.R. 720), which would provide \$14 billion for the CWSRF.

Again, NACWA applauds your leadership in seeking to ensure that our Nation's critical wastewater treatment infrastructure is an integral part of the stimulus package and looks forward to working with you to ensure that this critical objective is achieved.

City	State	Ready-To-Go Projects	Dollars (In Millions)
Anchorage	Alaska	Eagle River Wastewater Treatment Facility Disinfection; Apslund Wastewater Treatment Facility Process Improvements; SCADA (Supervisory Control and Data Acquisition); Sewer C-5-A King- Rovenna Sewer R&R; C-5-1 North Campbell Lake Sewer Upgrade	\$42.20
Rogers	Arkansas	Interceptor Sewers and new 3.6MGD Wastewater Treatment Plant	\$70
Contra Costa County	California	Wastewater Construction	\$15
Mather	California	Septic Conversion Projects	\$18.38
Orange County	California	Carbon Canyon Dam, Sewer and Pump Station Abandonment and Rehabilitation of Westside Pump Station and Headworks Rehabilitation; Refurbishment and Bitter Point Force Main Rehabilitation and Central Generation Automation; Cable Tray Improvements at Plants 1,2, and Coast Trunk Sewer Rehabilitation of Bitter Point Pump Station	\$109.52
Pueblo	Colorado	Wastewater Related Projects Ready-to-Go in 90 Days and Ammonia Removal Facilities	\$19.37
Washington	District of Columbia	Rehabilitation, Improvements, Inspection and Cleaning of Facilities	\$109.61
Escambia County-	Florida	Perdido Key Gravity Sewer	\$147.30

Emerald Coast Utility Authority		System; Main Street WWTP Replacement Project; Inflow & Infiltration (I&I) Reduction; Montclair Lift Station Flow Diversion	
Downer's Grove	Illinois	Hobson Road Lift Station Expansion for SSO Control & I/I Removal; Sewer Rehabilitation Projects for SSO Control	\$2.80
Peoria	Illinois	Allen Road to Wilhelm Road Sewer Interconnection; Fargo Run Trunk Sewer Extension and Treatment Plant Building Renovation; Digester Boiler Replacement and Equipment Replacement	\$7.80
Urbana	Illinois	Northeast Treatment Plant Disinfection Conversion Project (to eliminate Chlorine gas); Nitrification Tower Structural Repair; Cogeneration Heat Exchanger Replacement; Southwest Plant Boiler Replacement; FY 09 Interceptor Sewer Rehabilitation Project	\$3.84
Wheaton	Illinois	Interceptor Sewer Replacement; Preliminary and Primary Treatment Improvements; Aeration Tank Improvements	\$17.30
Indianapolis	Indiana	Three Combined Sewer Overflow Abatement Projects: Construction of a 6.5-mile long tunnel; Two Projects to Increase Wet Weather Treatment Capacity at the City's Belmont Advanced Wastewater Treatment	\$250

		Plant; Twelve Septic Tank Elimination Projects; Two Sanitary Sewer Rehabilitation Projects	
Ames	Iowa	Water Plant 17,000lf of 30" Pipeline for a Raw Master Transmission Improvement; Booster Pump Station Redundant Electrical Feed; Conceptual Design for Plant Expansion; Water Pollution Control Pump Station HVAC Renovations; Clarifier Painting; Vertical Turbine Pump Replacement; Disinfection Installation	\$7.56
Johnson County	Kansas	Low Pressure Sewers & Gravity Interceptor; Plant Upgrade & Plant Rehab and Repair; Pump Station Rehabilitation and Repair; Sewer Rehab and Repair; Sewer Capacity Improvement	\$21.05
Olathe	Kansas	Low Pressure Sewers, Gravity Interceptor; Plant Upgrade; Plant Rehab and Repair; Pump Station Rehab and Repair; Sewer Capacity Improvement; Sewer Rehab and Repair	\$21.06
Ft. Wright	Kentucky	Western Regional Water Reclamation Facility and Western Regional Conveyance Tunnel to Western Regional Water Reclamation Facility	\$188.32
City of Gretna	Louisiana	Wastewater Treatment Plant Upgrade	\$3
City of Kenner	Louisiana	Pumping Stations and Force Mains	\$5
New Orleans	Louisiana	Restoration of Facilities	\$20
St. John the Baptist Parish (County)	Louisiana	4 MGD Wastewater Treatment Plant	\$20

Kansas City	Missouri	White Aloe Pump Station Improvements; Second Creek Interceptor Sewer; Fairlane Relief Sewer (Phase II; East Bannister Interceptor; Sewer Backup Program; Brookside Sewer Line Modification); Birchwood Pump Station Upgrade; Turkey Creek Pump Station Improvements	\$36.75
St. Louis	Missouri	Combined Sewer Overflow (11 projects); Sanitary Sewer Overflow (28 projects) and Treatment Plant Projects (3 projects)	\$131.67
Erie County	New York	Replacement of the Lake Street and Point Breeze Pumping Stations and Force Mains and Construction of a Diversion Chamber at the Big Sister Creek WWTP; Rehabilitation and Replacement of Sanitary Sewers in the Village of Blasdell and Town of Hamburg; Replacement of the Commerce Drive Pumping Station	\$15.85
Woodbury	New York	TMDL Nutrient Removal Project for the Port Washington Water Pollution Control Plant	\$30
Asheville	North Carolina	Lenox Street, Greeley St. USR, Rogers place; Alta Ave PRP; Rollingwood USR; Middle Beaverdam Crk; VA hospital PRP, Penley Ave. USR; Old Home Rd. PRP; Montford Ave @ US 19/23	\$2.77
Cincinnati	Ohio	Lateral Repairs; Pump Station Elimination; Sewer Replacement; Treatment Plant Replacements etc.	\$122.88

Cleveland	Ohio	Easterly Plant; Southerly Plant; Westerly Plant; Combined Sewer Overflow Control Program; Interceptors and Rehabilitation; IT and other projects.	\$164.38
Columbus	Ohio	Big Walnut/Rickenbacker Sanitary Interceptor; Sanitary Subtruck Sewer to Service Several Customers; Sludge Thickening Improvement and Additional Renovation Projects at the 80MGD Jackson Pike Wastewater Treatment Facility; Hydraulic Improvements at Jackson Pike	\$218.20
Gresham	Oregon	Secondary Clarifier	\$9
	Puerto Rico	Wastewater and Drinking Water Projects	\$499.67
Providence	Rhode Island	Construction	\$4
Knoxville	Tennessee	Wet Weather SSO's in Separate Collection System and at Treatment Plants	\$30
Nashville	Tennessee	Water and wastewater facility	\$30
Houston	Texas	Billings Park Storm Sewer and Water Quality Basins; Central Business District Storm Sewer and Relief Sewer; In-Pipe Storage Projects; Sanitary Sewer Relocation; Wastewater Treatment Plant Wet Weather Flow Handling Improvements; Manhole Chimney Reconstruction; Butler Pond Stormwater Detention Upgrade	\$26
Alexandria	Virginia	ENR + Project C2; Holmes Run Trunk Sewer CIPP; Commonwealth CIPP;	\$70.25

		Potomac Yards Pump Station; Transformers & Switchgear Replacement; Green Roofs; Security Upgrade; ESCO; Magnesium Hydroxide	
Centreville	Virginia	Cub Run Gravity Delivery System; Flat Branch Interceptor Upgrade and Pump Station; Biosolids Pad and Building	\$142.60
Hampton Road Sanitation District	Virginia	James River Treatment Plant Nutrient Reduction Improvements; Army Base Treatment Plant Incinerator Improvements; Nansemond Treatment Plant Nutrient Reduction Improvements	\$59
Roanoke	Virginia	Upgrade the WPC Plant's Disinfection System; Renovate Digesters and Install Generation Equipment	\$16
Virginia Beach	Virginia	Various Projects	\$83
King County	Washington	Treatment Facilities	\$25
Milwaukee	Wisconsin	Milwaukee County Grounds Basins (2 nd Bidding); South 43 rd Street Relief; JI Preliminary Facility Sewer Upgrade	\$99.90
TOTAL			\$2,916