

CLEAN WATER ADVOCATE

Nancy Sutley, Chair of the White House Council on Environmental Quality has confirmed her plans to speak during the 2009 National Clean Water Policy Forum May 3–6 at the Renaissance Washington in Washington, DC.



A Clear Commitment to America's Waters

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NACWA, WEF Gear Up for 2009 Clean Water Policy Forum— New Top EPA Officials, Others to Discuss Policy Issues

NACWA and the Water Environment Federation (WEF) are gearing up for the 2009 Clean Water Policy Forum, to be held May 3-6 in Washington, D.C.

This popular event attracts leading policymakers and top administration officials who will provide in-depth information about legislative, regulatory, and legal activities that can significantly affect the clean water community. This year's event is especially timely because it will provide an opportunity to hear from those who will be setting the new direction at the U.S. Environmental Protection Agency (EPA) now that the Obama administration is in place. Invited guests include new EPA Administrator Lisa Jackson and senior staff within the EPA Office of Water. In addition, the Forum will feature both Members of Congress and panels with congressional staff, who are helping steer legislation through Congress.

Environmental Legislation on the Move

Stronger Democratic majorities in both the House and Senate and a Democratic President increase the chances that environmental legislation will succeed. Clean water communities are already benefitting from \$6 billion in stimulus funding for the Clean Water and Drinking Water State Revolving Funds (SRFs). In addition, the Obama administration request for EPA's fiscal year 2010

budget significantly increases CWSRF funding to almost \$4 billion. Clearly, the federal government recognizes the importance of recommitting to clean water, and NACWA member agencies need to be more involved than ever in ensuring this momentum continues. The *Policy Forum* provides the perfect opportunity to do that. Other important issues to be covered both from the regulatory and legislative sides include climate change, chemical security, contaminants of emerging concern, and nutrients.

Another key feature at the *Policy Forum* is the Clean Water Utility Executives Summit on May 4 where utility leaders from around the country gather in an open-forum, roundtable discussion to explore issues related to the economic downturn, the opportunities and limitations of the recently passed stimulus package, and the direction this administration and Congress must take to ensure further water quality progress.

Registration is now available, with a special discount offered for multiple attendees from a single agency, and a complete agenda and other information is available on the *Conferences & Professional Development* page of NACWA's website www.nacwa.org. The Policy Forum takes place at the Washington Renaissance Hotel. A special conference room rate is available through April 13. We look forward to seeing you in Washington in May. ♦

NACWA Releases Service Charge Index – Residential Service Charges Continue Upward Trend

Enclosed with this issue of the *Clean Water Advocate* is NACWA's 2008 *Service Charge Index*. Every year since 1986, the *NACWA Index* has tracked changes in service charges in the U.S. compared to the rate of inflation as a measure of how much the nation's communities are being asked to pay for clean water. Service charges, or what the average single-family residence pays for wastewater services, are the best benchmark value for comparing rates among utilities nationwide. In addition to the enclosed hardcopy report, more detailed information on service charges and utility financing is available in NACWA's recently released 2008 *Financial Survey* (see related article).

The 2008 *NACWA Index* shows that the average cost of wastewater services for a single-family residence increased by approximately 5.3 percent in 2008, outpacing the rate of infla-



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NACWA's Critical Issues Action Initiative Delivers— Clean Water Agency Priorities Protected

NACWA's Board-endorsed and member-supported *Critical Issues Action Initiative (CIAI)* has made significant progress toward generating the data and providing the expertise and analysis needed to ensure that clean water agency interest are effectively represented in the areas of nutrients, climate change, pharmaceuticals, watershed management, as well as infrastructure sustainability and security. With two initiatives already complete and more underway, both the Association – and its members – are well-positioned and ready to aggressively engage in public policy debates. The *Clean Water Advocate* serves as the forum for monthly updates on this important initiative – highlighting key developments and benefits realized from the targeted advocacy agenda in the *Critical Issues Action Initiative*.

NOW AVAILABLE: *Getting Into the Game: How POTWs Can Take Advantage of Carbon Trading*

In an effort to provide both guidance and potential economic benefit to its members NACWA released a climate change primer in January 2009. The primer, *Getting Into the Game: How POTWs Can Take Advantage of Carbon Trading*, offers valuable information to agencies confronting complex decisions relating to climate change and helps municipal clean water utilities better understand the challenges and opportunities presented by emerging carbon markets. The primer is available for free download to NACWA members from the Association's website on the *Climate Change* page. Other parties interested in the publication may also purchase it by visiting the *Publications* page of NACWA's website at www.nacwa.org.

BENEFITS REALIZED: Greenhouse Gas Inventory

Funding through the Association's CIAI significantly enhanced NACWA's comments on EPA's *Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2007, Expert Review Draft*. Supported by data gathered and analyzed through the CIAI, NACWA suggested changes to the methodology used to estimate nitrous oxide and methane emissions from municipal wastewater treatment. NACWA's work on reviewing the *Inventory* has resulted

in modifications to EPA's emissions estimation methods, helping to lower the nitrous oxide emissions estimates by over 40 percent. The Inventory was also used as the basis for EPA's proposed Greenhouse Gas Report Rule, which specifically excludes wastewater treatment process from reporting their emissions. Work on the CIAI-funded portion of this project is now complete, although NACWA will continue to work with EPA on refining the emissions estimates.



COMING SOON: *Chemical Security Legislation: Economic, Environmental, and Public Safety Implications from a POTW Perspective*

Final revisions are being made on a white paper addressing the unique security, environmental, and public health concerns associated with including wastewater treatment plants under the Chemical Facility Anti-Terrorism Standards (CFATS). The white paper, *Chemical Security Legislation: Economic, Environmental, and Public Safety Implications from a POTW Perspective*, provides the Association with a series of key advocacy arguments for use on its members' behalf during congressional discussions on reauthorization of the CFATS legislation, including the reasons why inherently safer technologies (IST) should not be required at clean water utilities and why utilities need funding for any new security requirements. NACWA members will also find the paper useful when discussing security issues with their own local and state policy makers. The white paper will be distributed to members in April.

COMING SOON: Legal & Technical Analysis of Nutrient Issues

Work to prepare a set of technical and legal arguments against the modification of the definition of secondary treatment to address

nutrient discharges at clean water agencies is nearly complete. The resulting report will provide NACWA and its members with information critical to preventing a wholesale rewriting of the treatment requirements and serve as the foundation for any legal action that may become necessary. Association members will also benefit from a critical analysis of the technical challenges and impacts associated with nutrient controls on the environment. A project team from NACWA's Water Quality Committee is guiding this effort and a final report is anticipated in April, 2009.

Peer Review – Pharmaceutical Peer Review Panel

NACWA is working with the Association of Metropolitan Water Agencies (AMWA) to convene a panel of subject-matter experts to develop a set of strategic recommendations on the issue of pharmaceuticals in water. The panel's recommendations will be used to inform and guide an appropriate national response to this issue that is rooted in the current state of the science. NACWA and AMWA have selected a facilitator and co-chairs for the panel and are now working to select the remaining experts. The first meeting of the panel will take place in April and the final report will be completed by the end of the summer.

Support of Product Stewardship Institute Dialogue on Pharmaceuticals

NACWA has entered discussions with the Product Stewardship Institute to best target the Association's contribution to the Institute's ongoing dialogue on unused pharmaceuticals and take back programs. The first two dialogue meetings have made tremendous progress in improving communication among the key federal agencies responsible for national drug policy and have identified the key obstacles to providing greater access to unused pharmaceutical take back programs nationwide. NACWA's contribution will be used to support the efforts of the Regulatory Workgroup, which is working now to identify and address the governmental barriers to better handling of unused pharmaceuticals, and the third dialogue meeting that will take place this summer in Washington, DC. ♦

Triennial NACWA Financial Survey Released

Since 1981, NACWA has conducted a triennial financial survey of its membership to provide clean water agencies, government officials, and the public, important insight into the financing and management of clean water utilities. For its latest release, the 2008 *Financial Survey* (Survey) includes a new published 24-page at-a-glance summary highlighting the key findings and conclusions from the Survey. Together the full downloadable Survey report and the new summary report provide a complete picture of how utility managers continue to balance providing an essential service with responsibly managing their community's resources.

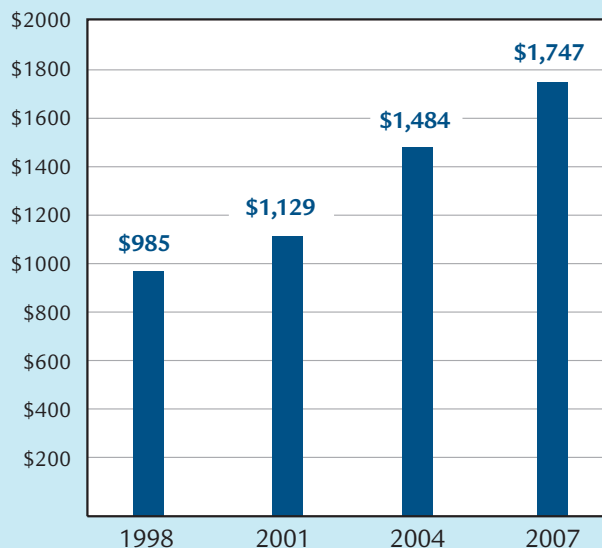
Sustained Increases in Costs, Debt, and Needs Reported

The 2008 Survey shows that clean water utilities are facing sustained increases in capital and operations and maintenance costs, long-term debt, and capital needs. While expenses will naturally increase due to inflationary pressures and population growth, the Survey data reveal that clean water utilities have experienced cost increases at levels much higher than would be expected due to these factors alone. Some of the additional cost increases are due to new regulatory requirements and efforts to increase service levels. Other increases, such as those in energy and chemical costs, may be explained by external factors, including global demand and volatile oil prices (see figure at right).

The 2008 Survey data show that debt financing has continued to increase as a proportion of total utility expenditures. In fact, debt service increased from 22 to 28 percent of total expenditures over the past six years. These rising debt service levels can impact a utility's bond rating and its ability to get favorable conditions when they borrow. The current economic downturn and the impact it has had on credit markets will further complicate the ability of clean water agencies to meet their long-term needs.

With higher costs comes the need for additional revenue. The 2008 Survey shows that rates and charges for residential and industrial customers have increased at more than double the rate of inflation from 2005 to 2007. Data from NACWA's *Service Charge Index Survey* (see related article on the release of the 2008 *Index*) indicate that the nationwide average single-family residential service charge will eclipse \$400 by 2011. As the nation's economy slows, it will be-

Operation and Maintenance Cost per Million Gallons Treated (1998-2007)



come more difficult for some to pay these increased charges without some forms of assistance.

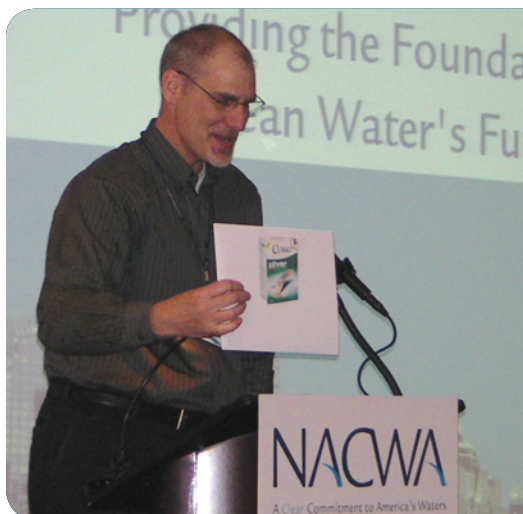
In the face of budgetary challenges, the 2008 *Financial Survey* shows that clean water utilities are continuing efforts to improve efficiency and sustainability through energy recovery initiatives, implementation of asset management programs, and implementation of effective utility management programs. Service levels also continue to steadily improve with increased provision of reclaimed water services and enhanced treatment.

Survey Data an Added Benefit of NACWA Membership

Free 60-day access to the downloadable 2008 *Financial Survey*, and a complimentary copy of the valuable at-a-glance summary report, are just one more benefit of membership in NACWA. NACWA's 2008 *Financial Survey*, along with the 24-page summary report, is also available for purchase by visiting the Publications page at www.nacwa.org.



« Howard Neukrug, Office of Watersheds director at the Philadelphia Water Department, testified on behalf of NACWA before the House Transportation and Infrastructure (T&I) Subcommittee on Water Resources and Environment about green infrastructure techniques and efforts by his city and others to control stormwater. He said municipalities face many regulatory obstacles which make it difficult to implement innovative, cost-effective, and green technologies and called on policymakers and regulators to adopt a more holistic approach to watershed management that focuses on the interplay between land use and water quality. "Green cities can address water resource and quality concerns while also tackling the sustainability goals of air quality, waste product reuse, urban heat island mitigation, carbon sequestration, energy conservation, environmental justice and quality of urban life," Neukrug told the Subcommittee.



« Ralph Erickson, Pretreatment Coordinator for the Madison Metropolitan Sewerage District, introduces the topic of consumer products containing antimicrobials for a panel presentation at the NACWA 2009 National Pretreatment and Pollution Workshop in Charlotte, NC. The panel, Target: Antimicrobial Pesticides Going 'Down the Drain,' focused on the environmental impacts of antimicrobials, potential ways to reduce the use of nanoscale silver and triclosan in consumer products, and the complex regulatory status of these antimicrobials, with uses regulated by both EPA and the Food and Drug Administration. Source control methods were featured at the Workshop, with other panel presentations on the control of emerging contaminants for wastewater reuse, the use of dental amalgam separators to reduce mercury discharges, and the issues involved with pretreatment programs handling stormwater discharges. EPA officials from headquarters and the regional offices, who met in Charlotte prior to the Workshop, also gave presentations on EPA's national pretreatment program and effluent limitations guidelines development. The slides from the presentations made at the Workshop are available on NACWA's website on the Conferences & Professional Development page.

NACWA Action Ensures Accurate Estimates of Greenhouse Gas Emissions

The U.S. Environmental Protection Agency (EPA) released a proposed rule March 10 to establish a massive new reporting regime for greenhouse gas (GHG) emissions from a wide range of industrial sectors. While the proposed rule excludes the wastewater treatment process at public clean water agencies from requirements to estimate GHG emissions, there will be implications for combustion units, including incinerators, operated by NACWA's members. NACWA has been actively engaged in the Agency's efforts to develop the rule because clean water agencies had been included in the inventory of emitters potentially subject to reporting. Using the Targeted Action Fund (TAF), and more recently funding from the *Critical Issues Action Initiative (CIAI)*, NACWA provided valuable data that resulted in refinements to the emissions inventory to ensure its estimates reflected the true contribution of greenhouse gases from the municipal wastewater sector.

Agencies Excluded – Questions Remain on Combustion Units

While the proposed rule specifically excludes public clean water agencies from the wastewater treatment category, it does require estimation and reporting from "stationary fuel combustion sources" that produce electricity or heat, or that reduce waste volume, by burning, among other things, fossil fuels, biogas, and sewage sludge. The key to whether these specific practices may be subject to reporting is the threshold of 25,000 metric tons of CO₂ equivalents annually. The rule provides a series of equations and assumptions that must be used to determine whether emissions need to be reported. This combustion category specifically references sewage sludge combustion, so it appears that sewage sludge incinerators would need to determine whether they meet the reporting threshold. Combustion units used for power generation (not emergency units) or heating will also need to evaluate whether they are subject to reporting, though emissions from the burning of biogas would not count to-



ward the threshold. Entities subject to reporting would begin collecting data on January 1, 2010 under the proposal. The first annual emissions report would be due on March 31, 2011, for emissions during 2010. Reports would be submitted annually.

NACWA continues to evaluate the applicability of the rule to determine its scope and impact on the clean water community and will be working with its Climate Change & Air Quality Committee and Biosolids Management Committee to provide members with more information. NACWA will also work to develop comments on the proposal during the 60-day comment period that will begin upon publication in the *Federal Register* and will participate in an upcoming public hearing on the rule. ●

NACWA Summer Conference to Prepare Utilities for New Regulatory Climate

The Great Lakes location of Milwaukee, Wisconsin, will provide an appropriate location for NACWA's 2009 Summer Conference and 39th Annual Meeting, *The New Regulatory Climate...Clean Water Agencies Prepare to Act*. The new Administration has already cited the Great Lakes as a priority for protection and restoration, and EPA Administrator Lisa Jackson said recently, "As the Great Lakes go, so goes national policy with respect to water." The national regulatory focus is beginning to see a shift, and clean water agencies must be prepared to move forward with new roles and responsibilities. NACWA's Summer Conference agenda will focus on the issues that frame the Association's Critical Issues Action Initiative (CIAI), such as nutrients, watershed management, and pharmaceuticals, where utilities must take new actions now assert their environmental leadership and protect the public interest by ensuring that limited resources are well-focused and effectively managed.

Save the Date – Plan Now to Attend

The Summer Conference will be held July 14-17, 2009, at the InterContinental Milwaukee. Along with a provocative agenda, NACWA agency National Environmental



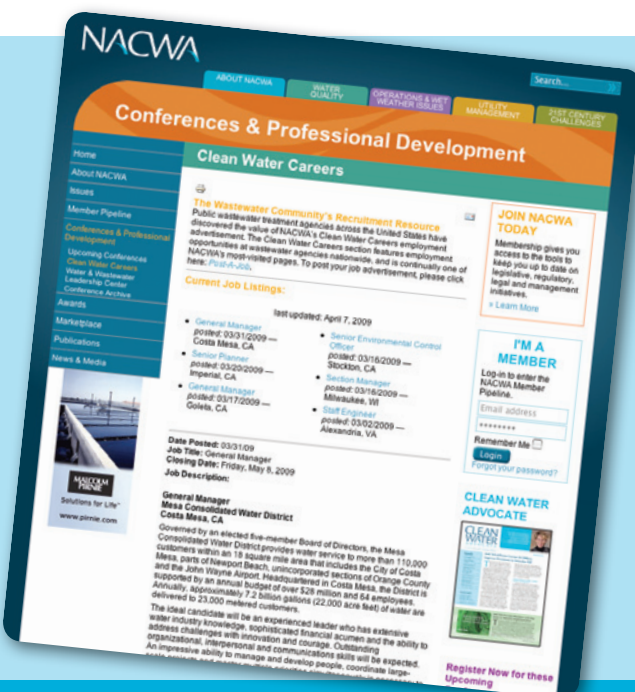
Achievement Awards will be presented and Association committees will meet. Other planned events include a reception at the recently opened Harley Davidson Museum and a facility tour provided by host member agency, the Milwaukee Metropolitan

Sewerage District. We invite you to plan now to attend this important meeting and visit the *Conferences & Professional Development* page of NACWA's website www.nacwa.org in the coming weeks for additional information about the conference. 6

NACWA's Clean Water Careers: Your On-line Recruitment Resource

Public wastewater treatment agencies across the United States have discovered the value of the National Association of Clean Water Agencies' *Clean Water Careers* employment resource. The *Find-A-Job*, *Post-A-Job* section features employment opportunities at wastewater agencies nationwide, and is continually one of NACWA's most-visited pages. Your agency can advertise employment openings for only \$250 per 30 days of posting with the certainty that your ad targets water and wastewater community professionals. Visit NACWA's *Conferences & Professional Development—Clean Water Careers* section (<http://www.nacwa.org/jobs/>) to place your advertisement!

For more information or to place your ad on our *Clean Water Careers* website, please call Robin Davis, NACWA's Director of Marketing and Print Management at 202/533-1802 or rdavis@nacwa.org to advertise today.



NACWA Provides Key Tools to Shed Light on, Track Stimulus Package Funds

NACWA continues to provide public agency members with key tools to ensure that stimulus package funds, especially the \$4 billion for the clean water state revolving loan fund (CWSRF), are used in a way that maximizes the benefit to the clean water community. From the beginning, NACWA had ensured the success of the effort by preparing a list of ready-to-go clean water infrastructure projects, totaling over \$17 billion.

Immediately upon passage of the *Economic Recovery and Reinvestment Act of 2009* (ARRA or stimulus package), NACWA provided its members, via *Legislative Alert*, a white paper titled *NACWA Preliminary Guidance to its Members on Stimulus Bill Implementation*. This white paper includes an overview of the ARRA's new administrative requirements; the array of potential areas where funding may be available; the U.S. Environmental Protection Agency's (EPA) draft guidance to states on implementing the new CWSRF provisions; potential challenges states and utilities are likely to face in



implementing the CWSRF stimulus package program; and recommendations to municipalities on how to maximize opportunities under the ARRA. The white paper was preceded by a February 19 web seminar, which attracted nearly 1,000 participants and featured presentations from EPA, the local utility sector and state SRF managers, focusing on ARRA implementation issues. This web seminar, *Access Granted... Getting the Most Out of Economic Stimulus Funding*, is publicly available for download on the *Conferences & Professional Development* page of NACWA's website at www.nacwa.org. NACWA is also planning follow-up discussions on stimulus

package implementation, building on the success of the web seminar.

Weigh In on Stimulus Experiences Via New Web Portal

NACWA is now offering a web portal that will help the Association and its members track the implementation of the stimulus package. The easy-to-use portal, *The Stimulus Stump... A Voice for Clean Water Utilities*, is offered as a link on NACWA's website (www.nacwa.org) seeks input from public clean water agencies regarding their experiences with seeking stimulus package funds. This effort, combined with a series of conference calls with member agencies, will help NACWA track what hurdles or difficulties, as well as successes, clean water agencies are having with their states, what types of projects are receiving funds, and whether these funds are in fact being disbursed by the state SRFs in the form of traditional loans or additional subsidization/grants. NACWA will provide additional information on this effort in the next *Clean Water Advocate*. 📌

NACWA Releases Service Charge Index

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tion as measured by the Consumer Price Index, which rose 3.9 percent (measured as an average of inflation for the period 2007-2008). Customers pay for sewer services in a variety of ways. Charges may be based on property values or gallons of water used, or they may simply be a flat rate. Because of this variability, the *NACWA Index* has historically compared what the average single-family residence pays annually as a more consistent measure for tracking the cost of services over the years. The 2008 *Index* shows that the average single family home's actual annual cost for wastewater services topped \$322, an increase of nearly \$18 over last year's average charge.

Long-term Upward Trend Continues, Economic Downturn Impacts Looming for 2009

More than three quarters of respondents to the Index survey have approved

or planned rate increases for 2009, and roughly 60 percent of respondents have approved or planned rate increases for each of the next five years. The *NACWA Index* is projecting a steady rise in the average service charge over the next five years, with charges approaching an average of \$430 by 2013 – nearly a 34 percent increase over 2008. The steady increase in service charges over the last decade, combined with the more detailed information in the 2008 *Financial Survey* showing improved levels of treatment and asset management nationwide, demonstrates that utilities are raising revenues and their levels of service to address growing costs and aging infrastructure needs.

It's too early to tell what impact today's current economic downturn will have on these projections of rising charges and rate increases. Approved increases will likely proceed, but planned increases for 2010 and

beyond may be reconsidered as communities evaluate the economic impacts on their citizens. NACWA's 2009 *NACWA Index* will likely provide the first glimpse of what the longer-term impacts of the current downturn may be. 📌

The average cost of wastewater services increased by approximately 5.3 percent in 2008, outpacing the rate of inflation.

Source: 2008 NACWA Index