

Funding Wastewater Treatment With American Recovery and Reinvestment Act Money – Are We “Operating in the Dark”?

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I. Problems – Circa 1972

- A. Direct discharges (point sources)
 - 1. Industrial
 - 2. POTWs
- B. Indirect discharges (non-point source)
 - 1. Agriculture
 - 2. Land development/disturbance
 - 3. Stormwater
- C. Contaminated groundwater (brownfields)
- D. Acid mine drainage (grayfields)

II. Solutions - Federal

A. 1972 – FWPCA

1. Permits - §402
2. Funding – Title II

B. 1987 – Water Quality Act of 1987

1. EPA received annual funding for revolving loan state funds
2. POTW wastewater, stormwater, brownfields and grayfields

C. Amounts varied with changes in President and Congressional members

III. Solutions – States in General

- A. Matching EPA annual funds
- B. General obligation and revenue bond offerings
- C. Referenda
- D. Loan repayments and interest earnings

IV. Solutions - Pennsylvania

- A. PA Infrastructure Investment Authority (Pennvest) funds New Construction & Major Renovation
 - 1. Composition of Board
 - 2. Governor's designee as chair
 - 3. Funding sources
- B. Expenses
 - 1. 2,800 projects (1,931 wastewater, including brownfields, grayfields, stormwater and on lot systems)
 - 2. \$5.8 billion
 - 3. \$300 million annual average

IV. Solutions – Pennsylvania (cont'd)

C. Operational

1. Agency interaction
2. Prioritization
 - a. Public health, safety and environmental compliance (DEP)
 - b. Job creation (DCED)
 - c. Financial condition and land use of applicant (Pennvest)

V. Solutions - 2009

- A. American Recovery and Reinvestment Act of 2009 (2/17/09)
 - 1. \$789 billion total nationally, of which \$4 billion was given to EPA
 - 2. Of the \$4 billion, \$178 million in ARRA funds went to Pennvest's clean water revolving fund, which were awarded as follows:
 - a. April 2009 – 25 grants and loans worth \$189 million (including \$93 million in ARRA funds)
 - b. July 2009 – 71 grants and loans worth \$162 million (including \$85 million in ARRA funds)

V. Solutions – 2009 (cont'd)

4. Criteria

- a. Shovel ready
- b. 20% green infrastructure; 50% grants
 - 1. carbon footprint reduction
 - 2. energy efficiency
 - 3. job creation
- c. Combined sewer overflows (“CSOs”)
- d. Other examples of green infrastructure

V. Solutions – 2009 (cont'd)

B. Augmented appropriations by Congress

1. Bush v. Obama
2. Future stimuli?

C. Augmented state appropriations - \$400 million bond authorized in PA in 2009

D. Problems in Allocation

1. “Shovel ready” deadline
2. “Accountability” (e.g., no. of jobs created)
3. Too quick a trigger (political pushback)
4. Lack of “green guidelines” and weight to be attached

VI. Outlook for the Future

A. Integrated Watershed Planning

1. Water quality

- a. Reuse and recycling
- b. Land application, green stormwater “treatment”

2. Water quantity

- a. Pharmaceuticals
- b. Nutrient loading
- c. Pesticides and herbicides

3. Science Advisory Board’s Office or Environmental Engineering 2009 Report

VI. Outlook for the Future (cont'd)

4. Major cities responses

- a. Philadelphia – the \$1.6 billion 20 year plan
- b. Other cities: e.g., DC spending \$2.2 billion to build 3 stormwater tunnels

B. Estimated Costs (published as of 2004)

- 1. Nationally - \$202.5 billion
- 2. Pennsylvania - \$7.2 billion over the next 20 years
- 3. Needs have grown over last 5 years (e.g., PA's unpublished estimation is \$11.9 billion)