

NACWA's 2009 Winter Conference
**Controlling Chaos: Managing
Capital Costs in an Uncertain Economic
Environment**

February 3-6, 2009
Westin Buckhead Atlanta
Atlanta, Georgia

(current to January 28, 2009)

- ♦ - Board of Directors Committee
* - Denotes confirmed speakers

Tuesday, February 3

Morning

8:00 – 4:00	Registration
8:30 – 9:30	Strategic Planning Committee ♦
9:00 – 10:00	Spouse Lounge
11:00 – 12:00	Finance Committee ♦
10:45 – 12:00	Security & Emergency Preparedness Committee

Afternoon

1:15 – 2:30	Water Quality Committee
2:45 – 4:00	Facility & Collection Systems Committee
4:15 – 5:15	Biosolids Management Committee
4:00 – 5:00	Membership Committee ♦

Evening

6:00 – 7:00

Welcoming Reception/Meet & Greet

Wednesday, February 4

Morning

7:30 – 8:45

Regulatory Policy Committee

8:00 – 4:00

Registration

9:00 – 10:00

Spouse Lounge

9:00 – 11:45

GENERAL SESSION I —
Opening Remarks

Marian Orfeo*

NACWA President

Director of Planning & Coordination

Massachusetts Water Resources Authority

Boston, MA

Welcoming Remarks and Keynote Address

The Honorable Shirley Franklin

Mayor

City of Atlanta, GA

Robert Hunter

Commissioner

City of Atlanta, Department of Watershed Management

Atlanta, GA

Washington Update - Economic Stimulus

Ken Kirk*

Executive Director

National Association of Clean Water Agencies

Washington, DC

10:00– 10:15

BREAK

Featured Address

Living in the Ecosphere

The economy is part of our social environment and our physical environment. A sustainable environment depends heavily on a vibrant global economy.

Economist and author Craig Thomas will examine the current recession, who it is

affecting the most, how it may all end, and how the economy's cycles can be understood in the context of one's own life.

Craig Thomas*
Economist & Author
Director of Research
Citi Property Investors
New York, NY

Industry Leader Keynote

Insights on an Uncertain Economic Environment

Throughout the conference NACWA is pleased to present the perspectives of key leaders for the engineering consulting arena. The view from leadership positions in firms that operate both domestically and internationally – coupled with the extensive experience and invaluable perspectives of these industry leaders – is sure to inspire new insights for utilities operating in the current uncertain economic environment.

Richard Fox*
Chief Executive Officer & Chairman of the Board
Camp Dresser & McKee, Inc.
Cambridge, MA

Closing Remarks/Announcements

Marian Orfeo*
NACWA President

Afternoon

12:00 – 1:45

Board of Directors Meeting

2:00 – 3:30

GENERAL SESSION I (*continued*)

Opening Remarks

Marian Orfeo*
NACWA President

Industry Leader Keynote

Insights on an Uncertain Economic Environment

Robert Bailey*

President, Water Business Group

CH2M HILL

Winter Park, FL

Panel Discussion

Municipal Financing Hit Hard as Economy Tanks

The most immediate impact for municipalities nationwide following the economic meltdown in late 2008 was a tightening of the credit market. With many communities poised to borrow tremendous sums to undertake massive capital projects, the new dynamics have led many to restructure their borrowing strategies. Bonds, variable rate debt, commercial paper – all forms of municipal financing were impacted in some way. All of the news is not bad news, however, if you know how to work within the system. Panelists, including a key official from Standard & Poor's, one of the nation's major bond rating agencies, will discuss the fallout, how in some cases the rules of the game have changed, and provide insight for utilities on how to put their best foot forward as they evaluate their borrowing strategy.

Moderator

Timothy Houghton*

NACWA Board Member

Executive Assistant

City & County of Honolulu Department of Environmental Services

Kapolei, HI

Panelists

Theodore Chapman*

Director, U.S. Public Finance Group

Standard & Poor's

Dallas, TX

Eric Rothstein*

Principal

Galardi Rothstein Group

Chicago, IL

Closing Remarks/Announcements

Marian Orfeo*

NACWA President

3:45 – 4:45	Clean Water Funding Workgroup
3:45 – 5:00	Air Quality & Climate Change Committee
Evening	
6:00 – 7:30	Excellence in Management Awards Ceremony and Reception

Thursday, February 5

Morning

7:30 – 8:45 Legislative Policy Committee

8:00 – 4:00 Registration

9:00 – 10:00 Spouse Lounge

9:00 – 12:00 GENERAL SESSION II

Opening Remarks

Marian Orfeo*

NACWA President

Industry Leader Keynote

Insights on an Uncertain Economic Environment

Gary Deis*

Chief Executive Officer

Carollo Engineers, P.C.

Phoenix, AZ

Featured Speakers

Is There a Silver Lining to the Financial Crisis?

Despite the recent financial crisis, and rapidly rising capital needs posing challenges for clean water agencies, there may be some good news. While the current bond market is a rough place to be at the moment, as investors start spending again the municipal sector will be more than just a safe haven for retirement savings. With returns outpacing many of the other investment options lately it may be just the place to be. Other factors like falling oil prices may mean more bargains construction materials cost. A municipal finance expert will discuss some of the impacts NACWA's members have already seen and where there may be additional opportunities in the coming months.

John Friar*

Executive Professor Entrepreneurship

Northeastern University

Boston, MA

Full-Cost Pricing – Realities and Myths

Some critics active in the debate over how to finance water and wastewater infrastructure claim that “full-cost pricing” would go a long way to meeting the growing infrastructure needs. In short, the assertion is that utilities simply don’t charge enough for water and wastewater services to meet capital needs. Are utilities replacing their capital plants fast enough? The answer is far from simple, since there are as many investment strategies as there are utilities, with replacement flows dependent on the mix of capital assets, their age, and their performance. Ken Rubin, Managing Partner with PA Consulting Group, will discuss how full-cost pricing, though a critical part of the overall solution, is not a simple panacea.

Kenneth Rubin*

Managing Partner
PA Consulting Group
Arlington, VA

10:30 – 10:45

BREAK

Joint Remarks

Exploring the Water Design-Build Option

Many municipalities have addressed their clean water capital facility needs through the use of design-build project delivery. For some, the use of a single contractor for both the design and construction components of a major capital project can provide tremendous benefits. Representatives from the Water Design-Build Council will provide insight into how this model can help alleviate some of the increasing pressures on dwindling capital budgets.

Mark Alpert*

Senior Vice President
CH2M HILL
Denver, CO

Peter Tunncliffe*

Senior Vice President
CDM
Cambridge, MA

Closing Keynote

Making the Case for More Capital Spending

Establishing a capital plan and communicating that plan to the boards and commissions who must approve it are two very different things. Ensuring there is a good understanding of the total need, how your plan compares to others, and what this will mean for rate payers are all critical messages. Jeff Hughes, Director of the University of North Carolina Environmental Finance Center and faculty

member of the Water & Wastewater Leadership Center, will discuss effective and creative ways to present capital budgets to decision-makers.

Jeff Hughes*

Director, UNC Environmental Finance Center
Instructor, Water and Wastewater Leadership Center
University of North Carolina, Chapel Hill
Chapel Hill, NC

Closing Remarks/Announcements

Marian Orfeo*

NACWA President

12:00 – 1:30

Awards Committee Meeting♦

1:30 – 3:30

GENERAL SESSION II (*continued*)

Opening Remarks

Marian Orfeo*

NACWA President

Featured Speaker

Capital Intensity on the Rise

Less than six months ago the industry was focused on rising construction costs, increasing demand for materials, and shortages in skilled construction workers. Today new issues related to the health of the broader economy are adding to the mix and changing the rules of the game. With capital costs already comprising more than half of the typical clean water agency's budget, these upward trends present the clean water community with a growing challenge. This alarming examination of capital intensity will set the stage for a look at how utilities can help control the chaos.

Myron Olstein*

Consultant
Amawalk Consulting
Falls Church, VA

Featured Speaker & Case Studies

Saving Money and Reducing Risk in Design and Construction

Despite rising capital costs and dwindling funding, project owners may have an opportunity to save millions of dollars in capital costs through responsible risk allocation and effective management of design and construction contracts. Cost effective risk management requires project owners to confront economic and technical realities and reflect them in their contract risk allocation. Neal J. Sweeney of Kilpatrick Stockton LLP in Atlanta, Georgia will highlight how utilities can reap immediate benefits through better pricing from more qualified firms. Utility representative panelists will then discuss how their agencies have

used new and creative approaches to the bidding process, contracting, and capital program implementation to trim costs while achieving the same clean water goals.

Neal Sweeney*
Partner
Kilpatrick Stockton LLP
Atlanta, GA

Case Study Presentations
District of Columbia

Leonard Benson*
Acting Chief Engineer & Deputy General Manager
DC Water and Sewer Authority
Washington, DC

City of Atlanta
George Barnes*
NACWA Board Member
Deputy Commissioner
City of Atlanta Department of Watershed Management
Atlanta, GA

Closing Remarks/Announcements

Marian Orfeo*
NACWA President

3:45 – 4:45 Utility Management Committee

Evening

6:00 – 7:30 Reception - Fernbank Museum of Natural History

Friday, February 6

Morning

7:30 – 8:45 Legal Affairs Committee

8:00 – 10:00 Registration

9:00 – 11:00 GENERAL SESSION III —
Opening Remarks

Marian Orfeo*
NACWA President

Case Study Presentation

Metro Wastewater Reclamation District – Denver

With an anticipated \$1.7 billion in capital spending through 2028 to fund major upgrades to its facilities, Metro will need larger rate increases and bond funding to help pay for its capital program. The District is making changes to the way it forecasts capital project needs and costs, and how it implements construction management, to ensure maximum value for each dollar spent. District Manager, Cathy Gerali will discuss the District's financing approach and capital planning program – past, present, and future – as they continue to adapt to rapidly changing regulatory requirements and construction costs that are posing unprecedented challenges.

Catherine Gerali*

District Manager

Metro Wastewater Reclamation District

Denver, CO

Featured Speaker & Case Study

Financial Planning & Investment Concepts in Utility Decision-Making

Utilities are increasing borrowing concepts from the financial planning and investment worlds as they outline the goals of their long-range capital plans and determine the appropriate balance of the quality of their capital investments, rates to customers, and benefit to the municipality in pursuit of these goals. With a range of investment portfolio options in hand, all meeting regulatory and fiduciary responsibilities, utilities can better manage the balancing act necessary to plan for the long-term. Harold Gorman, a former utility leader now with Morgan Keegan & Company, Inc. will join with representatives from the municipal and consulting community to highlight how these approaches are working for utilities today.

Harold Gorman*

Morgan Keegan & Company, Inc

New Orleans, LA

Case Study Presentation

Anchorage Water & Wastewater Utility

Dan Speicher*

Senior Management Consultant

CH2M HILL

Seattle, WA

Closing Remarks/Adjourn

Marian Orfeo*

NACWA President