

Congress of the United States
Washington, DC 20515

September 27, 2010

The Honorable James Oberstar
Chairman

House Transportation and Infrastructure Committee
2165 Rayburn House Office Building
Washington, D.C. 20150

The Honorable John Mica
Ranking Member

House Transportation and Infrastructure Committee
2163 Rayburn House Office Building
Washington, D.C. 20150

Dear Chairman Oberstar and Ranking Member Mica:

We write to request your assistance in working to ensure that the U.S. Environmental Protection Agency (EPA) review and update its 1997 guidance document *Combined Sewer Overflows – Guidance for Financial Capability Assessment and Schedule Development* so that issues of affordability can be better incorporated in EPA's enforcement and regulatory practices. This issue is becoming increasingly more urgent to our constituents and municipal governments during this time of economic uncertainty.

As you are aware, wet weather discharges including combined sewer overflows (CSOs) continue to be a top enforcement priority for the EPA. Seeking to decrease the occurrence of CSO events, EPA has increased the number of enforcement actions it is pursuing against communities with combined sewer systems. In pursuing these enforcement actions, EPA often requires communities to undertake projects to correct these events often seeking rate increases that amount to 2% of the ratepayer's Median Household Income (MHI).

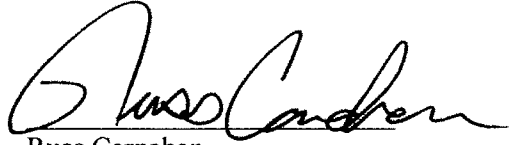
EPA's practice of relying on MHI as the primary indicator of financial ability to carry out these costly projects does not accurately reflect a community's ability to undertake these investments nor does it necessarily correspond to an equally determinable water quality improvement. Many important factors such as socioeconomic status of residents, current and anticipated unemployment rates, and ratio of residents on a fixed income and future population/demographic shifts are often not given sufficient consideration when making affordability determinations. In addition, community-wide considerations such as a community's bond rating, bond status and access to capital is also not taken into account.

Given the ongoing recession and its effects on municipal budgets in our districts and throughout the nation, EPA must recognize and be responsive to communities and wastewater utilities' fiduciary responsibilities to their ratepayers. Water quality improvements must be made in a responsible manner that does not threaten the financial stability of our communities and their residents.

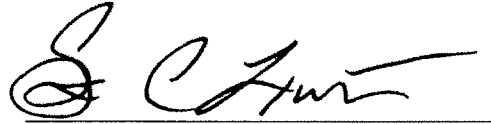
Pursuit of these projects without taking additional factors into consideration can quickly produce an untenable fiscal situation for a community and its residents. For example, the City of St. Louis has extensive water infrastructure needs given the age of the City's infrastructure and EPA's implementation of more rigorous water quality criteria for the Mississippi River. To comply, the Metropolitan Sewerage District of St. Louis (MSD) was required to undertake \$1.9 billion in sewer system improvements to limit CSO events. This investment comes on top of \$4 billion in sewer improvements that have already been put in place. At the same time these significant investments are being required, St. Louis residents continue to experience the lingering symptoms of the economic downturn. The City's unemployment rate is hovering at 9.9% with a staggering 23.8% of individuals living below the poverty line. In spite of these facts, MSD has had to increase rates by 60% in recent years and a 64% hike has been proposed to finance these additional investments over the coming years. This will result in the quadrupling of residential sewer bill in the near future, placing the City's most financially vulnerable citizens at even greater risk with no promise of a significant increase in water quality in the Mississippi River due to other pollutant

sources that remain unaddressed. This is but one example that reflects similar situations in municipalities across the country. Again, we respectfully request that you direct EPA to review and update its 1997 guidance document, *Combined Sewer Overflows – Guidance for Financial Capability Assessment and Schedule Development*. Using stakeholder input we are confident the EPA, through a more holistic affordability approach, can maximize environmental improvement and help guarantee that communities are investing public dollars as wisely as possible to meet the important objectives of the Clean Water Act.

Sincerely:



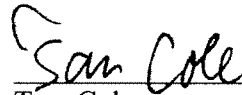
Russ Carnahan
Member of Congress



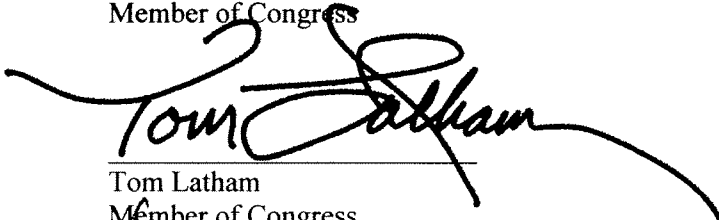
Steven LaTourette
Member of Congress



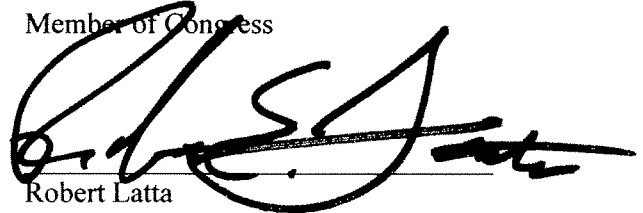
Ben Chandler
Member of Congress



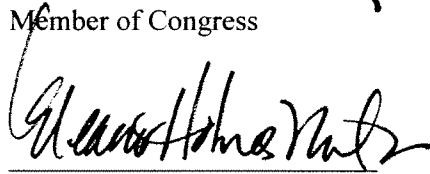
Tom Cole
Member of Congress



Tom Latham
Member of Congress



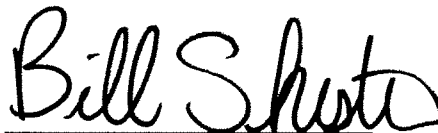
Robert Latta
Member of Congress



Eleanor Holmes Norton
Member of Congress



Tim Ryan
Member of Congress



Bill Shuster
Member of Congress