

THE MESSAGE IS **CLEAR...**



MoneyMatters™

Smarter Investment to Advance Clean Water

The current economic conditions are spurring an era of smarter investment. This is especially true for municipalities focused on maximizing water quality gains for their communities despite the often competing and shifting regulatory and enforcement priorities of the Clean Water Act.

The need for a sound approach to prioritizing clean and safe water investment is more palpable and compelling to local, state and national policymakers than at any time in several decades. The door is open wider than at any point in the past to solutions that would ensure municipalities have the flexibility they need to invest precious ratepayer and community dollars into effective projects and programs that protect public health and safety.

All water utilities work within budgets that are funded by user fees or tax assessments. Like the customers they serve, public utilities have to prioritize resources to assure that the most important things are addressed first. Almost all expenditures are judged by the value provided, just like the everyday budgets of the households and businesses they serve. Municipalities invest more money in clean and safe water than any other budget item with the exception of education — nearly \$80 billion per year. This number is only expected to rise — along with increased accountability for results.

One of the primary drivers for increased public utility expenditures is environmental regulation. U.S. utilities will be required to spend hundreds of billions of dollars in the coming decades addressing wet weather concerns, nutrient issues, biosolids management, and water quality standards — notwithstanding reinvesting in their existing systems and infrastructure. Many other challenges loom on the immediate horizon from emerging contaminants to climate change. And, of course, there will be other costly requirements that have not yet been identified or contemplated.

Municipalities throughout the country continue to invest in their systems but face a regulatory landscape where everything is a priority and economics are an afterthought. If local public utilities cannot partner with states and the federal government to determine how best to squeeze maximum water quality benefit out of every dollar, then the next generation of water quality improvements will continue to elude us. We must not let this happen!

(See reverse for the Money Matters — The Solution Is Within Our Reach)

THE SOLUTION IS **WITHIN OUR REACH...**



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Smarter Investment to Advance Clean Water

Money Matters is about providing clean water to our communities at the best value. It's about investing available resources to maintain existing infrastructure and solve priority water quality problems first. To do these things, local, state, and federal leaders must work in partnership to:

» **Pursue a watershed-based approach to solve water quality challenges**

The Clean Water Act of 1972 must be updated to include controls on all sources of water pollution and to consider the overall health of the watershed on a chemical, biological and physical basis. This will allow top priority problems to be addressed first and for each dollar to be targeted to projects that will maximize benefit. Forty years after the passage of the Clean Water Act nearly 40% of our assessed waters remain impaired – only a new approach can address this remaining challenge.

» **Recommit to new technology and pioneering innovation**

Innovative and green technologies that are often more cost-efficient must be accommodated as municipalities address water quality compliance. Municipalities and states must be encouraged, not deterred, from implementing innovative strategies, techniques, and technologies and to carefully monitor and assess their effectiveness.

» **Entrust local experts and leaders to use limited dollars to maximize community benefit**

Rigid federal and state regulatory structures must be reviewed holistically to allow local clean water experts the flexibility to manage Clean Water Act requirements in a manner that protects public health and safety and can adapt to shifting problems and priorities. This will lead to decisions that bring greater immediate and long-term water quality and economic improvements to our communities.

» **Develop a rational, integrated approach to assessing community affordability**

The U.S. Environmental Protection Agency's (EPA) affordability approach affects every household in every community. As an immediate step, EPA should conduct a complete and thorough update of its affordability criteria under the Clean Water Act, with significant stakeholder input. It has not done so since 1997 when the regulatory, enforcement and economic landscape was vastly different from today.

We must move forward to ensure smarter investment to advance clean water because...Money Matters.



Money Matters is an initiative of the National Association of Clean Water Agencies (NACWA). NACWA members are committed to pursuing responsible national policies that advance clean water and create a healthy balance between investment and environmental benefit.

Visit us on the web at www.nacwa.org/moneymatters or contact us at info@nacwa.org