Hicks-Ray Associates

March 15, 2010

TO: WESTCAS Members

FROM: Fred B. Hicks and Tom Ray

SUBJECT: Latest New York Times Article from Charles Duhigg

We have attached the latest in a series of articles in the New York Times written by Charles Duhigg.

Today's article focuses on water infrastructure in Washington DC and the difficulty of maintaining a system some of which was built before the Civil War. The statistics are all too familiar including sewer breaks an average of once a day and raw sewage spilling into the Potomac and Anacostia Rivers.

The proposed solution in Washington is to hike rates 23% this year and a total of 40% over the next six years. This would mean that the bill of the average customer would increase from the current $60 to $100. The increased revenue is estimated to reduce from 300 years to 100 years the time necessary to adequately rehab the DC system. But even this proposal has been met with intense hostility from the public and from local elected officials.

The Federal government likes to point out that it has put $10 billion into the funding for local water agencies in just the past year through the regular appropriations process and the Stimulus. But this figure pales before the many hundreds of billions that are needed in the near future to rehab existing systems, much less pay for expansions and upgrades.

This is yet another reminder that the Federal appropriations/Stimulus process cannot begin to support the nation's water and wastewater infrastructure needs. WESTCAS must continue to be an advocate for water related appropriations for agencies such as USEPA, the Bureau of Reclamation, and the Corps of Engineers. But this is a reminder that much of the future will depend upon the Federal sector developing and implementing imaginary new funding arrangements such as infrastructure banks, private activity bonds, and other options.

Fred Hicks - 703.866.4290
P.O. Box 2115
Springfield, VA 22152-0115
fred@hicks-ray.com

Tom Ray - 254.855.0880
P.O. Box 955
Waco, TX 76703-0955
tom@hicks-ray.com