

# Hicks-Ray Associates



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November 23, 2009

TO: WESTCAS Members

FROM: Fred B. Hicks and Tom Ray

SUBJECT: DC Updates

We wish everybody associated with WESTCAS a wonderful Thanksgiving holiday. Although it's hard to believe, when the Congress returns to session next week, there are only three legislative weeks left in 2009. That is unless House and Senate leaders decide to hold a session on Christmas week. This usually doesn't happen, particularly since the 111<sup>th</sup> Congress still has a year to run as of December 31<sup>st</sup>. So the best bet for the final day of the Congressional session this year is December 18<sup>th</sup>.

One of the chief topics at the Legislative Committee meeting in Tucson was a discussion for how WESTCAS can be helpful and supportive of the Arid-West Watersheds Wastewater Grant Project concept developed by Pima County. If you are not familiar with this concept, we have attached a 5 page summary prepared by Pima County.

In the three weeks since the WESTCAS fall conference, we have been in ongoing contact with the folks at Pima County in order to discuss how to secure the active support of other Western water organizations. We specifically targeted the National Water Resources Association and its Federal Affairs Committee. The Association of California Water Agencies, and the Texas Water Conservation Association.

The NWRA annual conference was held last week in San Antonio. At the request of Larry Libeu, the Arid West Watersheds Wastewater Grant Program idea was put on the agenda of the Federal Affairs Committee. Before this meeting, we also held extensive discussions with David Reynolds, Director of Federal Affairs for the Association of California Water Agencies. Tom Ray also introduced this concept to TWCA through his Chairmanship of the TWCA Federal Affairs Committee.

A pre-meeting of all these organizations was held last week in San Antonio prior to discussion by NWRA followed by a further in depth discussion of the concept during the NWRA Federal Affairs Committee. Our sense is that there is general recognition that the regular appropriations cycle falls far short of the needs of wastewater infrastructure. There is also recognition that wastewater operations in the arid west face special challenges that can best be met by a dedicated funding program.

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There remains the issue of how to fund this concept. One possibility which has been suggested is to approach Congressman Earl Blumenauer [D:OR] to see if he might be interested in amending his HR 3202 which creates a new funding source for water infrastructure by implementing “polluter pays” taxes on products such as paper and pharmaceuticals which must be dealt with in the treatment cycle and also by a tax on corporate profits of more than \$4 million a year.

In addition to contacting Mr. Blumenauer, there are also a number of new ideas to adequately fund infrastructure including legislation that would create a national infrastructure bank. Although this proposed bank would still far fall short of the need to invest in infrastructure, it would provide a significant new source of funding that it outside and in addition to the regular appropriations cycle.

We believe that the Arid West Watersheds Wastewater Grant Program is an excellent concept and we thank and congratulate our WESTCAS members at Pima County for developing the concept. Because Mr. Blumenauer’s HR 3202 is not currently moving in Congress and because its “polluter pays” provisions would be controversial with industry groups who would have to pay the charge, we suggest that WESTCAS not confine itself to a single alternative for funding the Arid West Watersheds Wastewater Grant Program but that we remain alert to a number of possible avenues of approach to the funding issue.

With the need for infrastructure investment becoming more obvious each day, there are some innovative ideas for how to secure the necessary funding.

Our next report to you will be on one of these concepts.