

Mounting Requirements Present Challenges and Opportunities

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Overview

- Regulatory and other challenges on the rise
- Communities moving closer to affordability limits
- Federal funding sources are limited

But...

- Utilities are still looking to the future
- Increased flexibility is being allowed for prioritization and scheduling of water investments



Regulatory Challenges

Nutrients

- Avoid simple translation of narrative into numeric criteria
- Ensure funding for POTW-farm nutrient management partnerships
- Ensure nutrients not included in definition of secondary treatment
 - NRDC nutrient petition was successfully defeated
- Ensure equitable participation by all nutrient pollutant sources
 - Point vs. nonpoint



Stormwater

- Top priority is ensuring a flexible stormwater rule
 - As of June 17, EPA has breached the current settlement agreement
 - Negotiations on a new agreement will take place over the next 90 days
- Support for green infrastructure, innovative approaches
- Acknowledgement of unique challenges in arid west



Operational Challenges

- Flushable Wipes and Other Non-Dispersible Products
 - Improved Product Labeling
 - Consumer Education
 - Manufacturer and Retailer Cooperation
- Fats, Oils, and Greases (FOG)
 - Old Problem Needs New Strategies
- Pretreatment
 - Dental Amalgam Separators – Will there be a federal rule?



Emerging Contaminants

- EPA has collected enough information to regulate at least one of these under the CWA – has stopped short of issuing any criteria so far
- Cost of CWA regulation could be in the billions
- NACWA is:
 - Aggressively focused on the need for pollution prevention, NOT CWA regulation
 - Pursuing more rigorous testing before products are approved for use



Climate and Resiliency

- Hurricane Sandy Legislation
 - \$600 million in funding for NY/NJ
 - Template for a national water resiliency program
- *Water Infrastructure Resiliency and Sustainability Act*, Rep. Lois Capps
 - Funding for water/wastewater utility resiliency
- Mayors engaged
 - *Resilient Communities for America Campaign* (National League of Cities and others):
 - 50 Mayors signed on (June 2013)
 - Bloomberg NYC Resiliency Plan
- NACWA/AMWA considering update to 2009 climate report – analysis of adaptation costs



Financial Capability and Affordability

- Pursuing changes to EPA's outdated methodology in its 1997 guidance
- The *Clean Water Affordability Act*, Senator Sherrod Brown
- USCM/WEF/AWWA financial capability paper: *Assessing the Affordability of Federal Water Mandates*
- NEW NACWA financial capability white paper
 - Outlines new approach to financial capability that looks beyond median household income
 - Encourages utilities to push back on EPA enforcement officials who insist they complete calculations in 1997 guidance

The Evolving Landscape for Financial Capability Assessment

*Clean Water Act Negotiations
and the Opportunities of
Integrated Planning*

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May 2013

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Dwindling Funding/Financing Options

- Defend the good
 - SRF
 - Tax-Exempt Muni Bonds
- Incremental Progress
 - Trust Fund
 - WIFIA in WRDA
 - Rep. Bishop's Bill
 - Private Activity Bonds
- Upcoming White House Council on Environmental Quality (CEQ) Forum:
Financing the Water Infrastructure of the Future



Opportunities

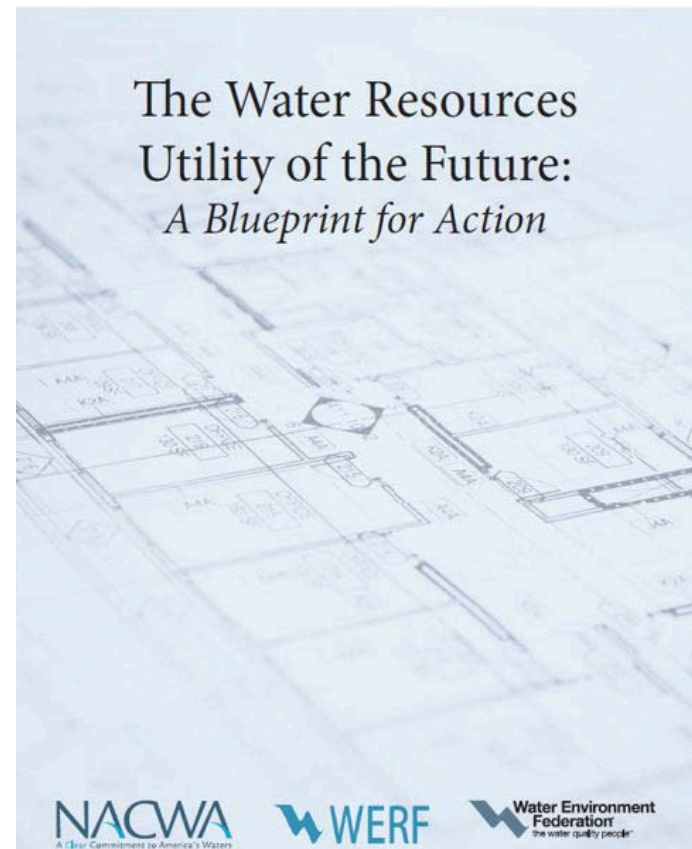
Integrated Planning

- EPA Integrated Planning Framework
 - regulatory prioritization
 - adaptive management
 - based on assessment of financial capability
- Implementation
 - Regional workshops
 - Funding for pilots and states
 - Legislative options



Clean Water Vision for the 21st Century: Water Resources Utility of the Future

- Blueprint for Action
 - NACWA/WERF/WEF Effort
 - Released in January 2013
 - Steering Committee: Nine members, three from each sponsoring organization
 - Task Force: 48 members from across the industry
- Regain focus on investments that yield sustainable water quality gains
 - Resource Recovery
 - Energy Conservation and Production
 - Water Reuse and Reclamation
 - Green Infrastructure



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UOTF a New Paradigm

Past	Future
Handlers of wastewater	Managers of sustainable resources
Seeking permit compliance	Watershed-scale environmental leaders seeking least-cost, highest return solutions
Engineers designing treatment plants	Regional planners of weather-resilient, green communities
Isolated public service units	Integrated members of economically thriving local communities

NACWA's Call for Federal Action:

Ten Priority Actions for Congress and the Federal Government

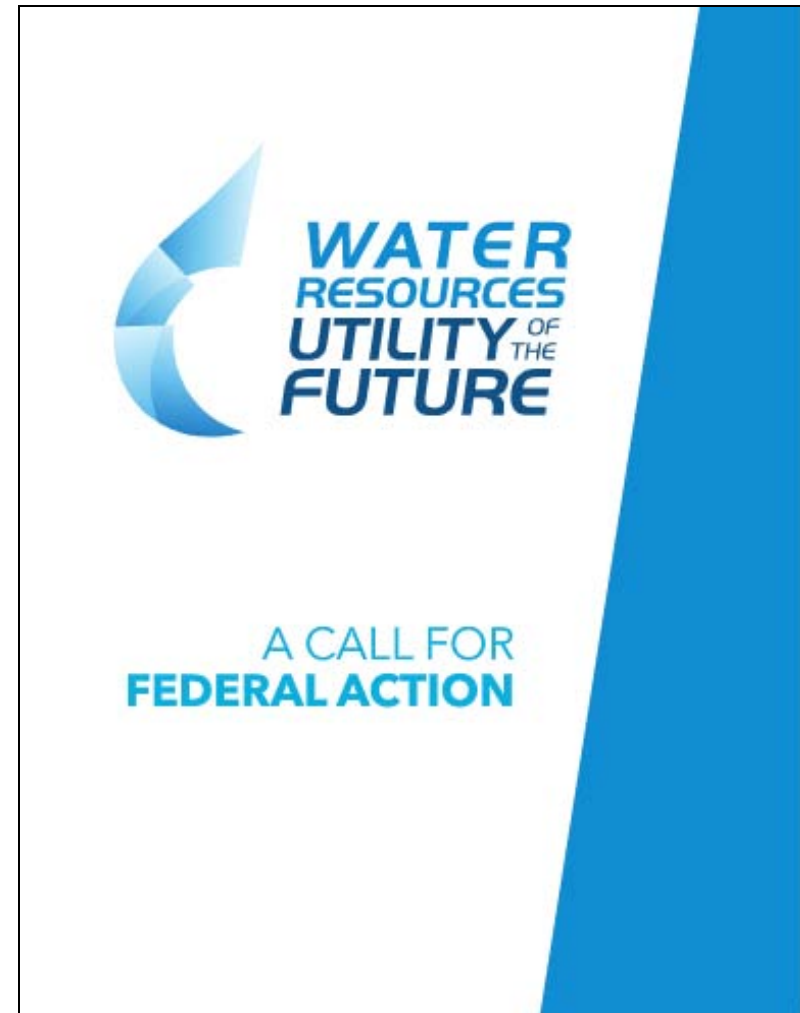
1. Support a Congressional Clean Water Technology and Innovation Caucus that can bring a focus to UOTF priority issues.
2. Refocus existing federal grant programs to support UOTF initiatives.
3. Create a program for early stage technology and innovation investment for the water sector similar to programs that exist in the energy sector.



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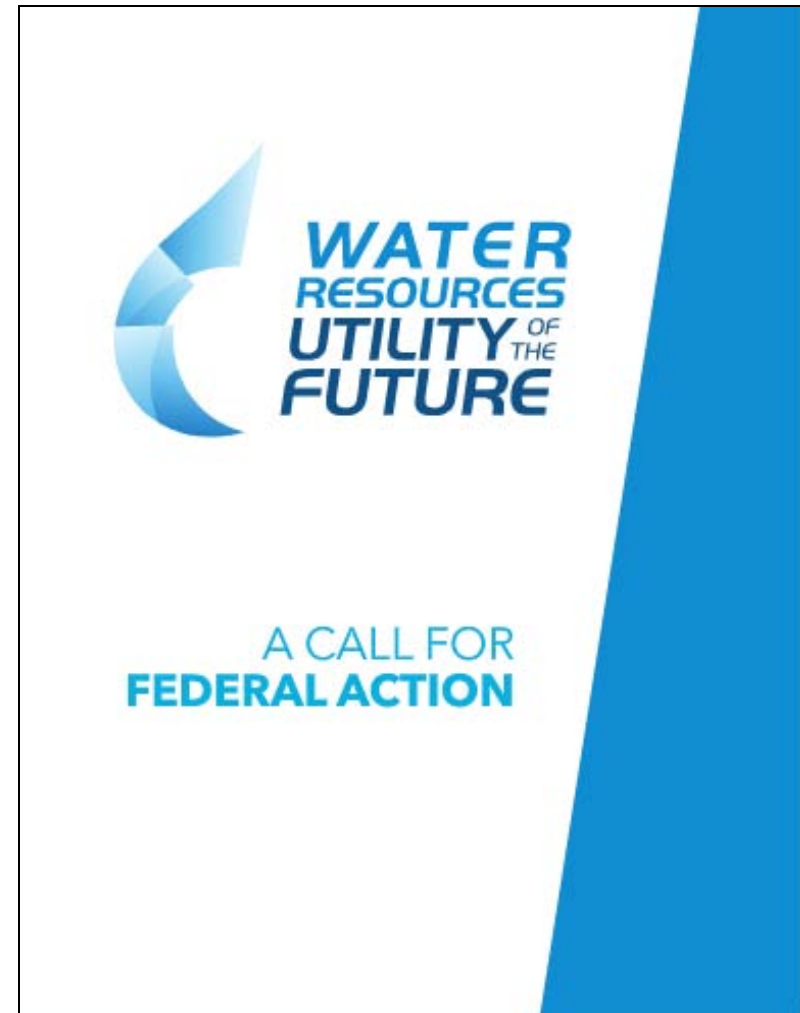
4. Develop, clarify, and expand tax credit and incentive programs that will encourage clean water agencies and their private sector partners to engage in UOTF-related activities, especially in energy conservation and production, water reuse, resource recovery, and green infrastructure.
5. Support statutory changes to the Clean Water Act and Safe Drinking Water Act that bolster the important role recycled water can play in public health and safety



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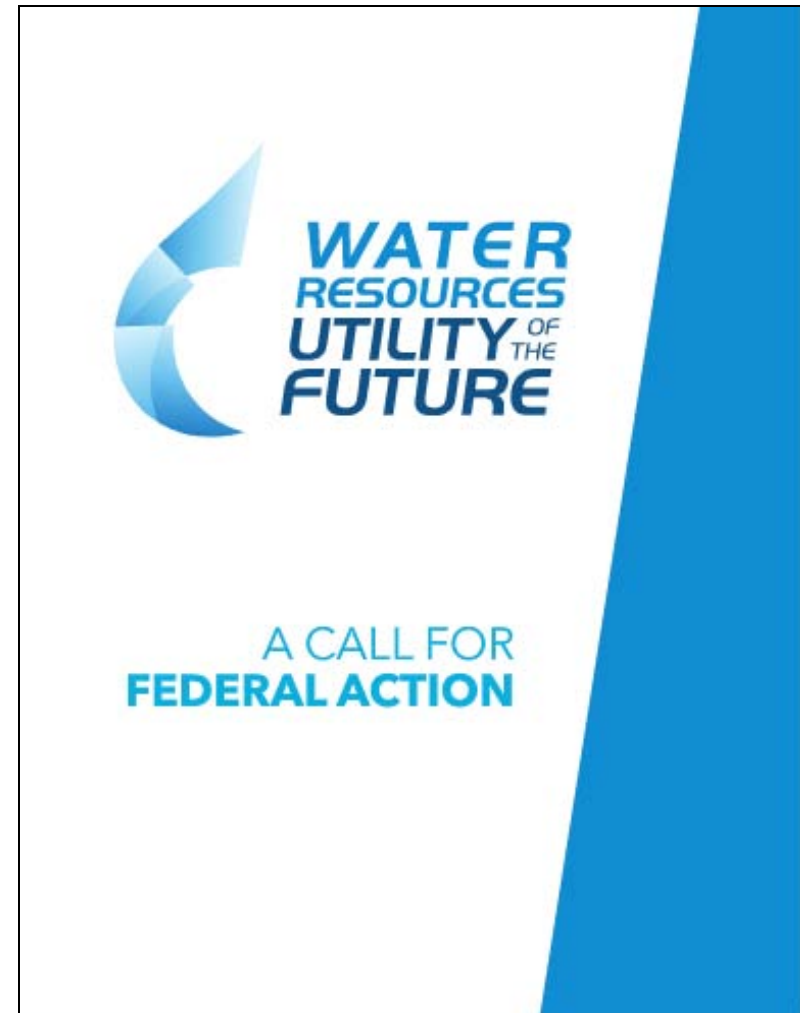
6. Support an Executive Order on water reuse/recycling that coordinates federal reuse policies and programs, and stimulates innovation.
7. Develop an intergovernmental partnership to address water sector adaptation and resiliency needs in the face of changing weather patterns.
8. Create and support market-based approaches to efficiently and more equitably address watershed-scale water quality challenges.



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9. Ensure that the implementation of the U.S. Environmental Protection Agency's Integrated Planning & Permitting Framework fully accounts for UOTF-type activities.
10. Consider and explore a new 21st Century Watershed Act that can drive the water sector toward the emerging UOTF model.



Questions?