

- Water, wastewater is a national public good – all Americans benefit from clean water
- Federal grant funding needed to move national clean water program forward
- Federal Water Pollution Control Act (1972) established national commitment and goals
- ▶ Federal grants in 1972 CWA, then SRF loans in subsequent amendments to CWA





Effluent supports riparian habitat in the Santa Cruz River













## **Local Government Funding**

- Currently, 97% of construction costs are locally funded, including SRF paybacks
- Local wastewater user fees are increasing 6% above inflation (NACWA Financial Management

Survey)

Local governments are required to fund more stringent regulatory mandates

Construction of the Corona de Tucson WRF – Pima County, Arizona









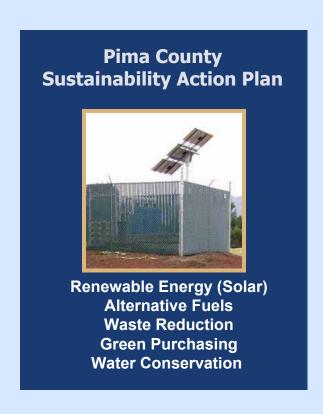






## **Local Government Funding**

- Local governments are pursuing sustainability
  - Asset management
  - Strategic and capital planning
  - Effective Utility Management Report – groups representing wastewater/water groups and EPA developed critical attributes for effective utility management















**Supporting National Policy** 

- Clean water is a national priority
- Estimate of national needs approaches \$550 billion
- New facilities needed for future regulations
- Population growth will likely threaten water quality gains without further improvements (EPA Report, 2000)
- National Trust Fund supported by:
  - Benefits of clean water
  - Impacts on downstream communities
  - National economic benefits
- Matching grants are incentive to raise local fees to move national commitment forward













**Supports National Economic Policy** 

- Promotes jobs/national economic growth
- Deficit neutral
- Promotes infrastructure networking, efficiencies
- Dedicated revenue is better investment tool because of assurance of funding
- Dedicated funding better supports national infrastructure objectives



Plant Interconnect - Pima County, Arizona













**Dedicated Revenue for a National Goal** 

- Everyone benefits from clean water
- Revenue from the national economy, not local economies
- Criteria:
  - Long-term, sustainable, reliable
  - Fair and equitable
  - Low-rate, broad-based fees
  - Not hidden, low impact
- Examples
  - Excise taxes on flushable products, water-based beverages
  - Increment on federal corporate income tax













**Status** 

- Chairman Oberstar announced intention to introduce Trust Fund bill in December 2007
- GAO report (June 2009) identified revenue options and issues
- H.R. 3202 introduced July 2009
  - Wastewater and drinking water
  - Bipartisan co-sponsors
- Broad support at House Transportation and Infrastructure Committee hearings in July 2009
- House co-sponsors sought













### **Water Protection and Reinvestment Act H.R. 3202**

- ▶ Introduced by Congressman Blumenauer and fourteen co-sponsors bipartisan
- Trust Fund established with \$10 billion in new dedicated revenue for both wastewater and drinking water construction
- Provides loans and grants administered by State Revolving Fund (SRF) programs
- Dedicated revenue from GAO analytical report
  - Excise taxes on water disposal products and water based beverages
  - "Corporate environmental income tax" (concept previously used in Superfund Program)













### **Water Protection and Reinvestment Act H.R. 3202**

- Dedicated revenue:
  - Allows SRF funding to be removed from General Fund
  - Allows Trust Fund to assume funding of state and other programs including:
    - CWA state program management grants (§106)
    - CWA nonpoint source management grants (§319)
    - ➤ SDWA training (§1442)
    - SDWA technical assistance to small systems (§1442(e))
    - ► H.R. 3202 drug take-back program (§410)
    - Research, development and full-scale demonstration projects













### **Water Protection and Reinvestment Act**

#### **H.R. 3202 Should Be Strengthened**

To meet the national gap for both wastewater and drinking water

Total Trust Fund at \$22 billion annually including:

\$20 billion for local wastewater and drinking water

construction

 Stronger research, development and full-scale demonstration projects

Other CWA programs such as §106 and §319















### **Water Protection and Reinvestment Act**

#### **H.R. 3202 Should Be Strengthened**

- Broaden the revenue base to include a wider range of products subject to low-rate excise taxes
- Separate grant and revolving accounts to assure that SRF loans revolve to maximum extent possible to make new loans
- Updated state allotment formula
- Addition of Arid West Watersheds Wastewater Grant Program



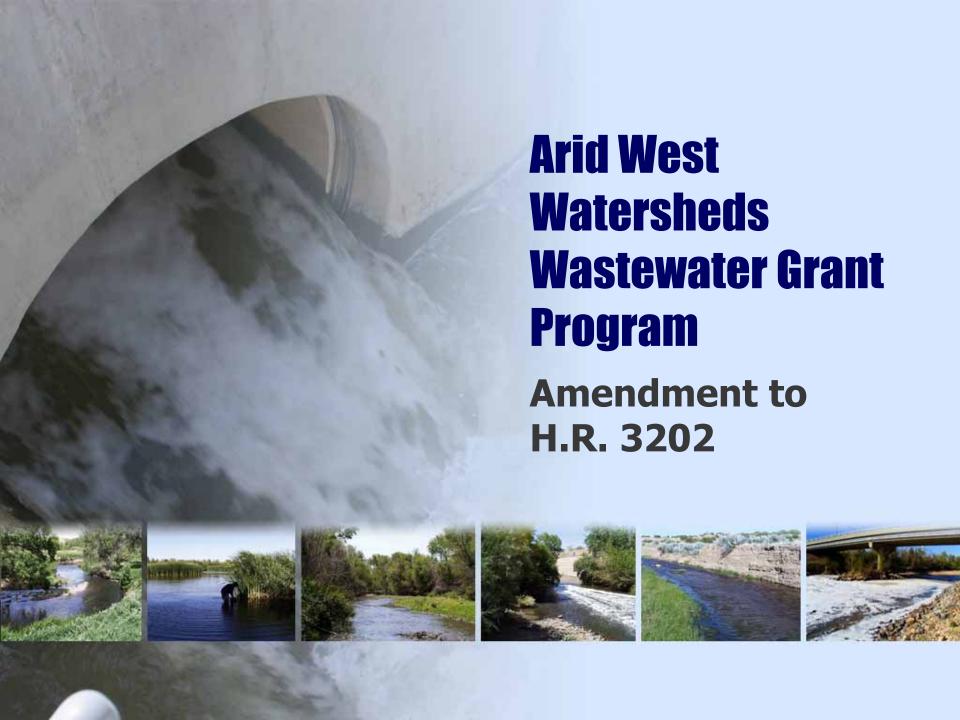












- Arid watersheds are impacted by unique water quality issues that differ from those common to wet weather regions of the United States
  - Extended drought
  - Ephemeral steams
  - Extensive use of reclaimed water, stormwater harvesting, and large canal conveyance systems















State water quality standards and federal requirements often subject local wastewater discharges in arid watersheds to water quality requirements more stringent

than for wet weather regions

- Dissolved oxygen
- Nutrients
- Whole effluent toxicity
- Requirements associated with ecosystem restoration















- Water quality has long been a national commitment and priority for communities, states and the federal government
- More assistance to arid watersheds is necessitated by the increased treatment requirements and costs to achieve stringent water quality standards in arid environments















- Provides grants for treatment construction in arid watersheds
  - Parallels combined sewer overflow/sanitary sewer overflow (CSO/SSO) grant program created in 2000 CWA Wet Weather Water Quality Act Amendment
- Responds to more stringent CWA treatment requirements in arid watersheds
- Mitigates or adapts to climate change impact in arid watersheds













- Sources of funding
  - Trust Fund dedicated revenue
  - General Fund, authorized for 5 years
- Cost-sharing
  - 55% matching grants
  - Non-federal share in any amount: public, private funds, in-kind services, loans from CWA SRFs













- Section 1: Authorize grants from the Trust Fund for construction of wastewater conveyance and treatment/reclamation facilities in arid watersheds to meet stringent requirements similar to those for wet weather combined sewer overflow facilities
- Section 2: Make 5% of the Trust Fund available annually to the Arid Watersheds Wastewater Grant Program
- Section 3: Authorize the appropriation of funds from the General Fund for grants established under the new Section 411













# National Clean Water Trust Fund Suggested Actions

- Support H.R. 3202 and urge changes to strengthen trust fund, recognizing \$20 billion national gap for wastewater and drinking water construction
  - Seek addition of Arid Watersheds Wastewater Grant Program through House members
  - Pursue additional co-sponsors now
  - Request Chairman Oberstar to hold additional hearings and proceed to consideration of a strengthened bill
- Seek introduction of Trust Fund bill with Arid Watersheds Wastewater Grant Program in Senate











