

NACWA/WESTCAS Collaborative Workshop Topic Summaries

These summaries serve as an overview of each of the topics to be discussed during the Workshop. These topics will leverage a dialogue and shed light on some strategic priorities for a national advocacy agenda for arid and semi-arid state issues.

Topic 1: Regulatory Improvement, Clean Water Act Reform, and Related Opportunities

President Donald Trump recently issued two Executive Orders directing federal departments and agencies to review existing regulations and propose rules (and guidance) for elimination or modification with a focus on how to alleviate burdens that impact the regulated community. The Obama Administration's Clean Water Rule or Waters of the United States definition has been a notable target among environmental regulations.

The 115th Congress has also made rolling back existing regulations to reduce burdens a top priority. Coupled with this potential reduction in, or streamlining of, federal regulations, the Trump Administration has proposed dramatic reductions in the funding of EPA enforcement programs. Water agency managers must consider the high probability that reform efforts and reduced enforcement could trigger reinvigorated state and citizen enforcement actions.

Beyond the regulatory sphere, the escalating demands placed on municipal water agencies are driving a need for utilities to operate as efficiently and effectively as possible to maximize benefits and opportunities with their limited funding. NACWA believes Clean Water Act reforms are needed to allow for the necessary flexibility and affordability and to better enable local approaches that many municipal utilities in arid and semi-arid states and throughout the country require.

Questions to consider:

1. Is broad regulatory reform necessary to achieve the objectives of the Clean Water Act or to better address the unique arid and semi-arid state water issues? Can current issues be fixed through improved implementation of existing Clean Water Act provisions (e.g., site specific criteria, use attainability analysis, variances, etc.)?
2. If reform is necessary, what would be your top recommendations relating to arid and semi-arid state water issues that should be revised?
3. Are there specific provisions of the Clean Water Act that need to be modified or clarified from your point of view to help you manage your agency more effectively?

Topic 2: Affordability, Funding, and Financing

The nation's water infrastructure is aging. How to pay for the needed investment and the resulting increasing cost of water and wastewater services is a paramount question facing many utilities across the country.

The federal government's commitment to water infrastructure spending continues to level off while states and local governments strive to increase their spending to meet capital needs. Municipal water utility managers must develop novel approaches to help close this increasing infrastructure financing gap without passing unsustainable rates on to ratepayers.

A variety of funding options exist such as the Clean Water State Revolving Fund (CWSRF) and the Water Infrastructure Finance and Innovation Act (WIFIA). Both allow utilities to leverage federal financial support to finance water infrastructure improvement projects. However, these financial packages fall short of the vast investments needed.

President Trump has vowed to rebuild America's infrastructure. Once a bill is introduced, NACWA will work to ensure the highest funding level for water infrastructure. However, this potential funding opportunity could be compromised by federal tax reform efforts that restrict or eliminate the use of tax-exempt municipal bonds. NACWA is aggressively defending any attempt to roll back or deny tax-exempt municipal bonds as these are a primary and proven financing tool to help water utilities secure financing for infrastructure investment.

Questions to consider:

1. Water rates are rising across the arid and semi-arid states, in part driven by conservation which continues to reduce water usage—how do these trends impact affordability for your agency? What other affordability issues are you facing and how can they be addressed?
2. In what ways can or should municipal water agencies engage with private entities or other partnerships to finance or operate projects? Are there other partnerships beyond PPPs that need to be considered?
3. What type of funding and financing tools are used most by your utility or are there new ones that need to be put in place?

Topic 3: Climate and Resiliency Policy

Shifting climate patterns are creating new programmatic, technical, and infrastructure-related challenges for water agencies. Extreme drought conditions, decreased water content in snowpack, sea level rise, flood events, and salt water intrusion are ongoing examples of the challenges associated with the changing climate.

Utility managers must be prepared to adopt resiliency solutions to meet climate related challenges to protect public health and the environment, while balancing competing demands like population growth and increased environmental regulation while ensuring sustainable economic development.

Water agencies need to actively engage in developing flexible, creative, and effective proactive climate solutions to address the persistent and growing climatological threats. Exploring solutions that enhance infrastructure resiliency by, for example, designing and installing green infrastructure and using innovative technology can help reduce the costs of compliance while simultaneously protecting against future climatological events. In addition, desalination and water recycling technologies can help meet the twin goals of promoting a safe and reliable water supply.

Questions to consider:

1. What are the top challenges in arid and semi-arid states in seeking solutions to climate and resiliency issues?

2. What should the federal role be in helping your utility and community mitigate climate impacts to become more resilient?

Topic 4: The Water Quantity/Quality Nexus

Water agency managers are encountering new challenges to ensuring safe and reliable water supplies in arid and semi-arid states because of competing demands and increasing mandates that include evolving extreme climatic events, growing populations, and protecting ecosystems.

The water quality/quantity nexus is not a new phenomenon. The increasingly complex interaction between quality and quantity suggests that a new clean water framework is needed to address the 21st century water management issues. States may in fact have a more significant role delivering sustainable and safe water resources.

Any new framework should consider the relationship between land use decisionmakers and water resource managers. Local land use decisions impact both surface water and groundwater quality and quantity. In addition, water agency managers must deal with increased salinity, expanding brackish waters, dwindling inland freshwater and groundwater resources, and changing surface landscapes. Communication, innovation, and emerging technologies will play a critical role in how utility and water resource managers provide high quality water for growing municipal, industrial, agricultural, and ecosystem needs.

Utilities are increasingly considering and adopting new solutions to meet the growing societal demands for affordable and accessible clean water. However, water management systems that consider increased variability in water quality and quantity, as well as local land use decisions, are needed to comprehensively address current and future water needs.

Questions to consider:

1. What are the top challenges and opportunities to ensuring a safe and reliable water supply in arid and semi-arid states given the interplay between water quality and quantity? Does your utility encounter challenges with environmental regulations or statutes such as the Endangered Species Act, Clean Air Act, or National Environmental Policy Act?
2. What kind of role, if any, should the federal government serve in developing solutions to the conflicts that arise at the water quality/quantity nexus—with a focus on reuse on desalination? Should the regulatory process be modernized to address changing water availability (e.g., permit reform, advanced monitoring, Integrated Planning)?

Topic 5: Utility of the Future and Technology

Municipal water utilities are multi-purpose organizations serving the public health needs of the local community, protecting the environment, and implementing sustainable energy solutions. This paradigm reflects the underlying concept of the Utility of the Future (UOTF) model, where today's water agencies work to design and implement advanced processes and technologies that target energy production, water recycling, green infrastructure, and partnerships to achieve maximum benefits to the environment, local and regional economies and public health while reducing pressures on rates and increasing a diverse portfolio of revenue sources.

The UOTF concept is equally pertinent to utilities located in arid and semi-arid states, especially as it relates to water supply and reuse. The uncertainty of a safe and reliable water supply can restrain a community's ability to grow its economy and meet its obligations to protect human health and the environment without increasing the burden on ratepayers.

Many utilities in the arid and semi-arid states have adopted innovative concepts due to growing demands on energy, water resource supplies, and climatological concerns. NACWA is working to support utilities across the country that are looking to move beyond the traditional Clean Water Act and embrace regulatory and statutory changes that encourage the adoption of resource recovery methods, green infrastructure use, and expanding the use of technology.

Questions to consider:

1. As arid and semi-arid utility leaders, what emerging technologies or processes, resource recovery approaches, or innovative funding opportunities do you see as solutions both for your utility and on a national scale?