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
  o NRDC nutrient petition was successfully defeated
• Ensure equitable participation by all nutrient pollutant sources
  o Point vs. nonpoint
Stormwater

• Top priority is ensuring a flexible stormwater rule
  o As of June 17, EPA has breeched the current settlement agreement
  o 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

NACWA
A Clear Commitment to America’s Waters
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- Pursuing changes to EPA’s outdated methodology in its 1997 guidance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
Dwindling Funding/Financing Options

• Defend the good
  – SRF
  – Tax-Exempt Muni Bonds

• Incremental Progress
  – Trust Fund
  – WIFIA in WRDA
  – 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

• 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
# UOTF a New Paradigm

<table>
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<th>Past</th>
<th>Future</th>
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<tr>
<td>Handlers of wastewater</td>
<td>Managers of sustainable resources</td>
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<td>Seeking permit compliance</td>
<td>Watershed-scale environmental leaders seeking least-cost, highest return solutions</td>
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<td>Engineers designing treatment plants</td>
<td>Regional planners of weather-resilient, green communities</td>
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<td>Isolated public service units</td>
<td>Integrated members of economically thriving local communities</td>
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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.
NACWA’s Call for Federal Action:
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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?