

# National Clean Water Trust Fund

**Western Coalition of Arid States  
Fall Conference**

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# National Clean Water Trust Fund

- ▶ **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**

## Pima County Sustainability Action Plan



**Renewable Energy (Solar)**  
**Alternative Fuels**  
**Waste Reduction**  
**Green Purchasing**  
**Water Conservation**



# National Clean Water Trust Fund

## 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**



# National Clean Water Trust Fund

## 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



# National Clean Water Trust Fund

**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**



# National Clean Water Trust Fund

## 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 West Watersheds Wastewater Grant Program**

**Amendment to  
H.R. 3202**



# 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 streams**
  - ▶ **Extensive use of reclaimed water, stormwater harvesting, and large canal conveyance systems**



# Arid West Watersheds Wastewater Grant Program

- ▶ **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**



# Arid West Watersheds Wastewater Grant Program

- ▶ **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**





# Arid West Watersheds Wastewater Grant Program

- ▶ **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**



# Arid West Watersheds Wastewater Grant Program

- ▶ **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**



# Arid West Watersheds Wastewater Grant Program

- ▶ **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**

