



November 22, 2010

State/Regional Engagement & Outreach

NACWA's *Money Matters* campaign has developed two key outreach documents that it is asking clean water agencies to distribute broadly: a descriptive [two-page flyer](#) and the \$100 bill flyer. The [\\$100 bill flyer](#) can serve as either a handout or be appropriately re-sized to function as a utility bill insert. NACWA would be happy to provide you with additional copies of either flyer to share with your elected or appointed leadership.

NACWA is also urging you to save the date for a *March 1-2 Money Matters Summit & Fly-In* in Washington, D.C. , where the Nation's public agencies can make the case for a much-needed discussion on regulatory priority-setting and affordability issues with their Members of Congress, EPA leaders, and key stakeholder groups (*additional information follows*).

As communities face the costs of upgrading aging infrastructure as well as an array of existing and upcoming regulations — combined sewer overflows (CSOs), sanitary sewer overflows (SSOs) and peak excess flow blending, stormwater, nutrient reduction, whole effluent toxicity (WET), sewage sludge incineration (SSI), emerging contaminants, mercury, etc. — there is little clarity in terms of how to prioritize these competing requirements from the standpoint of maximizing water quality for the ratepayers' increasing investment. The *Money Matters* campaign seeks to ensure that municipalities have the maximum flexibility needed to prioritize CWA regulatory compliance initiatives and investments — and the ability to do so in a manner that is affordable ratepayers.

As the descriptive [two-page flyer](#) sets out, the *Money Matters* campaign is seeking to ensure smarter investment through four overarching initiatives: 1) Pursuing a watershed-based approach to solve water quality challenges; 2) Recommitting to new technology and pioneering innovation; 3) Entrusting local experts and leaders to use limited dollars to maximize community benefit; and, 4) Developing a rational, integrated approach to assessing community affordability.

All of the activity and the advocacy initiatives detailed in this *Alert* have been made possible through generous voluntary contributions from NACWA's membership and *Exchange* recipients, with nearly 50 member organizations contributing to date. We greatly appreciate their critical support for this multi-year campaign — a cornerstone of NACWA's overall suite of advocacy initiatives and the recent Congressional elections only add momentum to this effort. These are aggressive objectives and it will take all member agencies working together to achieve them. If your agency is interested in getting more involved in the campaign's advocacy efforts — or in making a voluntary contribution — please do not hesitate to contact Adam Krantz at akrantz@nacwa.org or 202/833-4651.

Work with USCM Yields Vital Legal Report on CSO Affordability Concerns

One of the recent developments resulting from resources provided by NACWA's *Money Matters* campaign is a critical combined sewer overflow (CSO) affordability report generated through a productive partnership with the U.S. Conference of Mayors (USCM). USCM's 33-page report, [Local Government Recommendations to Increase CSO/SSO Flexibility in Achieving Clean Water Goals](#), was released publicly this week and makes a persuasive

legal case that EPA's 1994 CSO Control Policy and the 1997 CSO Financial Capability Guidance were meant to produce a much more flexible approach on affordability that, unfortunately, has not generally materialized in the context of enforcement actions and negotiated settlements. As the report points out,

"The root problem is that for many cities the cost of long-term control plans to comply with the CWA [Clean Water Act] is at the limit of affordability, but the calculation of affordability is insensitive to many other demands on local government resources. A growing information base shared by cities indicates that the costs are unnecessarily high because the EPA and DOJ [Department of Justice] are forcing prescriptive control plans. The CSO and SSO consent negotiation process is problematic because . . . :

- It rarely allows for consideration of cost-effective solutions, opting instead for forcing cities to spend to the limit of affordability and adopt federally prescribed control design plans; and,
- It fails to allow careful consideration of carbon footprint reduction and long-term control plan trade-offs between gray and green infrastructure."

In line with this report, which includes the input of many NACWA members, the USCM sent a [Nov. 4 letter](#) to Cynthia Giles, EPA's Assistant Administrator for the Office of Enforcement & Compliance Assurance (OECA), and John Cruden, Acting Assistant Attorney General for DOJ's Environment & Natural Resources Division, requesting a meeting next month in conjunction with USCM's December 8-9 *Mayors Water Summit* in Washington, DC. Clearly, having the Mayors weigh in on this important aspect of the *Money Matters* campaign is critical to its overall success. NACWA will continue to update your state/regional organization on developments as they occur.

Legislative Efforts on Affordability, Watersheds Advance

NACWA's legislative advocacy under the *Money Matters* umbrella has also made great strides recently. The Association and its members were instrumental in securing a bipartisan [letter](#) from Representative Russ Carnahan (D-Mo.) and Steven LaTourette (R-Ohio) to House Transportation & Infrastructure Committee (T&I) Chair James Oberstar (D-Minn.) and Ranking Member John Mica (R-Fla.) urging them to ensure that EPA update its 1997 guidance "*Combined Sewer Overflows-Guidance for Financial Capability and Schedule Development*" and take a more integrated approach to affordability. The letter was also signed by Representatives Tim Ryan (D-Ohio), Eleanor Holmes Norton (D-D.C.), Tom Cole (R-Okla.), Ben Chandler (D-Ky.), Tom Latham (R-Iowa), Bill Shuster (R-Pa.) and Bob Latta (R-Ohio), all of whom have extensive water quality needs in their districts. Building on this effort, NACWA is working with the leadership of the House T&I Committee and the Senate Environment & Public Works (EPW) Committee to have them send bipartisan letters to EPA urging the Agency to update its 1997 affordability guidance through a thorough stakeholder outreach process.

In yet another positive development for NACWA's affordability efforts – and its broader *Money Matters* campaign – Congressman Latta recently introduced legislation (H.R. 6353) that would require EPA to place a larger focus on affordability concerns for municipalities and utilities. The legislation seeks to require a State Revolving Fund (SRF) set-aside for small communities with affordability challenges, would require all states to develop affordability criteria, and would require EPA to update its 1997 guidance document "*Combined Sewer Overflows-Guidance for Financial Capability Assessment and Schedule Development*".

In line with the *Money Matters* goal of seeking legislation that would create a viable watershed approach that equitably distributes cost among all contributors to impairment, the Association has successfully secured the support of several key groups for its [Statement of Watershed Principles](#) document. The Water Environment Federation (WEF), the Association of State & Interstate Water Pollution Control Administrators (ASIWPCA), the Natural Resources Defense Council (NRDC), and the Environmental Law and Policy Center have all signed onto the document, which will form the basis for additional signatories and an anticipated hearing on watershed approaches early in the 112th Congress.

NACWA will be building on this legislative momentum going into the 112th Congress to ensure the early introduction of both affordability legislation in the Senate and the House and the introduction of watershed

legislation in both bodies as well.

NACWA to Coordinate Legislative Activity at State Level on Affordability

NACWA is also seeking to coordinate an effort among state organizations representing clean water agencies to introduce and pass affordability legislation in state houses across the country. Exemplifying this effort is Kentucky Bill 504 which requires the state to consider community affordability issues broadly in any new regulatory activity under the CWA that adds costs to a municipality. NACWA is pursuing this effort through its *Clean Water Exchange* network of state and regional organizations and through work with national stakeholder groups like the National Conference of State Legislatures (NCSL), ASIWPCA, the National Governors Association (NGA) and others. This effort will also receive attention at the *March 1-2 Money Matters Summit & Fly-In* in Washington, DC.

NACWA Brings *Money Matters* Campaign to Highest Levels of EPA

NACWA has utilized its *Money Matters* flyers in meetings with key leaders at EPA to make the case that the Agency should not wait until Congress demands action on regulatory priority-setting and affordability reform. Instead, the Association urges the Agency to get out in front of this issue and take a leadership role in providing municipalities with new, updated approaches that reflect lessons learned from the ongoing impacts from the economic downturn. In a recent meeting, EPA Deputy Administrator Bob Perciasepe demonstrated a distinct interest in the [bipartisan Congressional letter](#) aimed at spurring EPA to action on the affordability front. NACWA also met last month with Assistant Administrator for Water Pete Silva and other key Office of Water staff as part of a broader municipal water sector meeting and provided all attendees with information and an update on the *Money Matters* campaign.

NACWA has also learned that a specific EPA staffer has been tasked with working on a review of, and potential clarifications to, the 1997 CSO financial capability guidance document and is currently determining the scope of this review. This effort builds on NACWA's multi-year initiative through its Affordability Workgroup and will continue to be carried forward via the [Money Matters Task Force](#) under the leadership of George Hawkins, General Manager of DC Water.

Save the Date for NACWA's *March 1-2 Money Matters Summit & Fly-In* in Washington, DC

With a new Congress entering office, the first months of 2011 will provide a unique opportunity to help convey the clean water community's top national priorities. NACWA is seizing this opportunity by hosting a Summit & Fly-In on March 1-2 focused on its *Money Matters* agenda. The meeting will feature municipal case studies and information exchanges on the very real affordability concerns NACWA member agencies are experiencing – as well as face-to-face discussions with top national policymakers from EPA, Congress and key stakeholder organizations. It will also provide a window of time for all participants to meet with their Congressional delegations, and a session in the morning on the second day to discuss the reactions of the Members of Congress to the *Money Matters* message. This focused day-and-a-half opportunity will conclude prior to noon on March 2.

There is no registration fee associated with the *March 1-2 Summit & Fly-In* thanks to the generous voluntary contributions being made by NACWA members and *Exchange* recipients to the *Money Matters* campaign. Please save the date now and plan to join us in DC on March 1-2! Additional registration and agenda information will be made available soon.

Please feel free to contact Thea Graybill, Government Affairs Assistant with any questions or concerns at tgraybill@nacwa.org.

