

NEWEA Position Paper

Sustainable Funding for Improving Our Nation's Water Infrastructure

*Ratified April 1, 2009/Updated March 9, 2010/Updated November 18, 2010
by the New England Water Environment Association*



NEWEA commends the efforts of the United States Congress to act quickly and decisively on plans to address the infrastructure needs of our nation and revive our economy by including necessary funding for critical and sustainable water and wastewater infrastructure improvement projects in The American Recovery and Reinvestment Act of 2009. We are pleased that the legislation provided \$4 billion for wastewater and \$2 billion for drinking water infrastructure projects through the Clean Water and Drinking Water State Revolving Loan Funds, but we urge you to continue to provide this support into the future. The enormous need for water and wastewater infrastructure improvements cannot be met through a one-time infusion of funding, however substantial. The time has come for a long-term solution to a long-standing problem.

The issues facing our nation's water quality are in some respects more insidious than ever before. To be certain, great strides in reducing pollution levels have occurred since the inception in 1972 of the Clean Water Act (CWA) through the joint efforts of our federal, state and local governments, citizen support, and the hard work of the wastewater industry. However, there is still much to do. More than 40 percent of our nation's rivers, lakes, streams, and bays are still impaired. We are still in the process of meeting the lofty goals of the Clean Water Act, and recent studies by the U.S. Environmental Protection Agency, the Congressional Budget Office, the Government Accounting Office, and the Water Infrastructure Network all estimate a water infrastructure funding gap exceeding \$300 billion over the next 20 years.

How will this gap be met? In 1987, the Clean Water State Revolving Fund (CWSRF) replaced the grant program that began with the Clean Water Act, and since then, the CWSRF has been the primary federal mechanism to provide funding assistance to local and state programs. Originally authorized only through 1994, the CWSRF has been renewed annually by Congress since it has been successful in its mission, and has become the cornerstone of the financing equation



of user fees, local investment, and state assistance. But in recent years, the CWSRF has been experiencing deep funding cuts. With the downward shift in federal support, over 93 percent of the nation's nearly \$29 billion in annual costs for capital investment and operation of the nation's water infrastructure is being shouldered by local governments and ratepayers. In the midst of an economic decline, financially strapped municipalities nationwide need to repair, replace,

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and rehabilitate aging collection systems, pump stations, and treatment plants, and they need to build new infrastructure—all in an effort to comply with increasingly complex regulations designed to protect public health and

safeguard the environment. In addition, almost 25% of the nation's population is serviced by decentralized wastewater treatment systems (also known as septic systems) which are also in need of repair and replacement. These systems can be longterm, green solutions to wastewater treatment, but like a centralized treatment facility, they need operation and maintenance.

This combination of aging treatment and distribution facilities with municipalities' lack of financial resources make sufficient federal funding a necessity. A consistent and reliable infusion of capital into sustainable projects that provide jobs and economic growth while protecting public health and

environmental quality is needed not only now, but into the future. NEWEA urges Congress to restore funding for the Clean Water State Revolving Loan Funds (SRF) adequate to the defined need. This support, which is in the best interest of the nation, is crucial to protecting the public and environmental health of New England, and it will provide a vital foundation to our local economies.

Furthermore, NEWEA supports the establishment of a sustainable, long-term, deficit-neutral national clean water trust fund dedicated to addressing water quality issues, preserving the nation's water assets, and protecting the investments in clean water made since the enactment of the CWA. The concept of a trust fund for clean water, similar to the successful trust funds for our nation's highways and airports, is gaining support in both Congress and professional and trade associations, such as the National Association of Clean Water Agencies. The reason for such growing support is clear: a trust fund would be the ideal mechanism through which to consistently invest in our nation's wastewater infrastructure. Such investment not only protects public health and the environment but each \$1 billion invested in such projects generates more than 47,000 jobs. Such job creation makes sense now, and will continue to make sense in a progressively competitive global economy.

Therefore, in conclusion, NEWEA:

- Supports funding the SRF program adequate to the defined need until an alternative funding mechanism is established.
- Supports the trust fund concept to provide substantial long-term funding for water and wastewater infrastructure projects.



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