

National Priorities for Wastewater and Stormwater Utilities

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The Three Clean Water Act Keys



MONEY



TIME



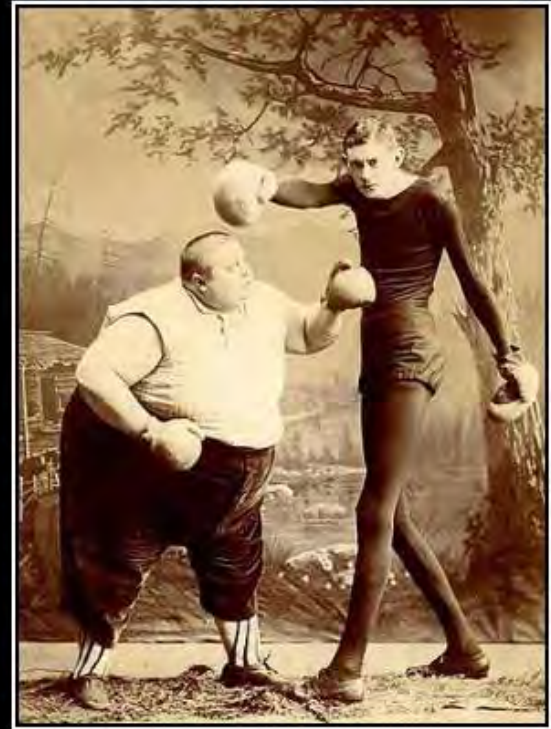
FLEXIBILITY



Money – The Past

- Construction Grants
- SRF
- Tax-Exempt Muni Bonds

TRUE FEDERAL-STATE-
LOCAL
PARTNERSHIP



THE GOOD OLD DAYS

Not as good as previously thought

VERY DEMOTIVATIONAL.com

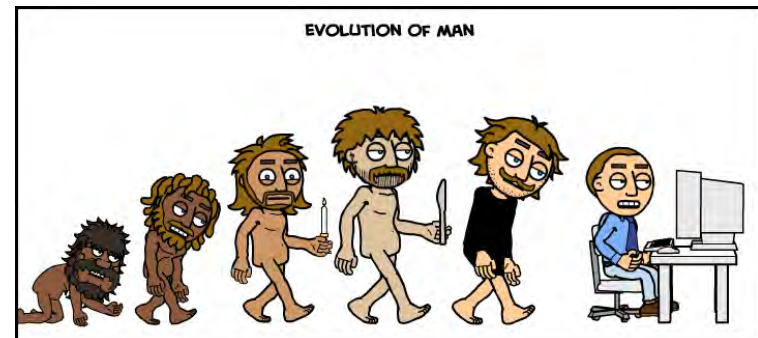
Money – The Present

- Federal Funding Declines
- Muni Role and Debt Expands
 - ~ \$36 B in muni bonds in 2012 of a total of ~\$50 B in spending
- Overall Funding Gap Grows
- Current Federal Options
 - WIFIA/Infrastructure Banks
 - PABs/PPPs/Privatization
 - Voluntary Trust Fund
 - Muni Bond Tax Exemption at Risk

Like Fatherhood in the U.S.,
Federal Funding Has Devolved!

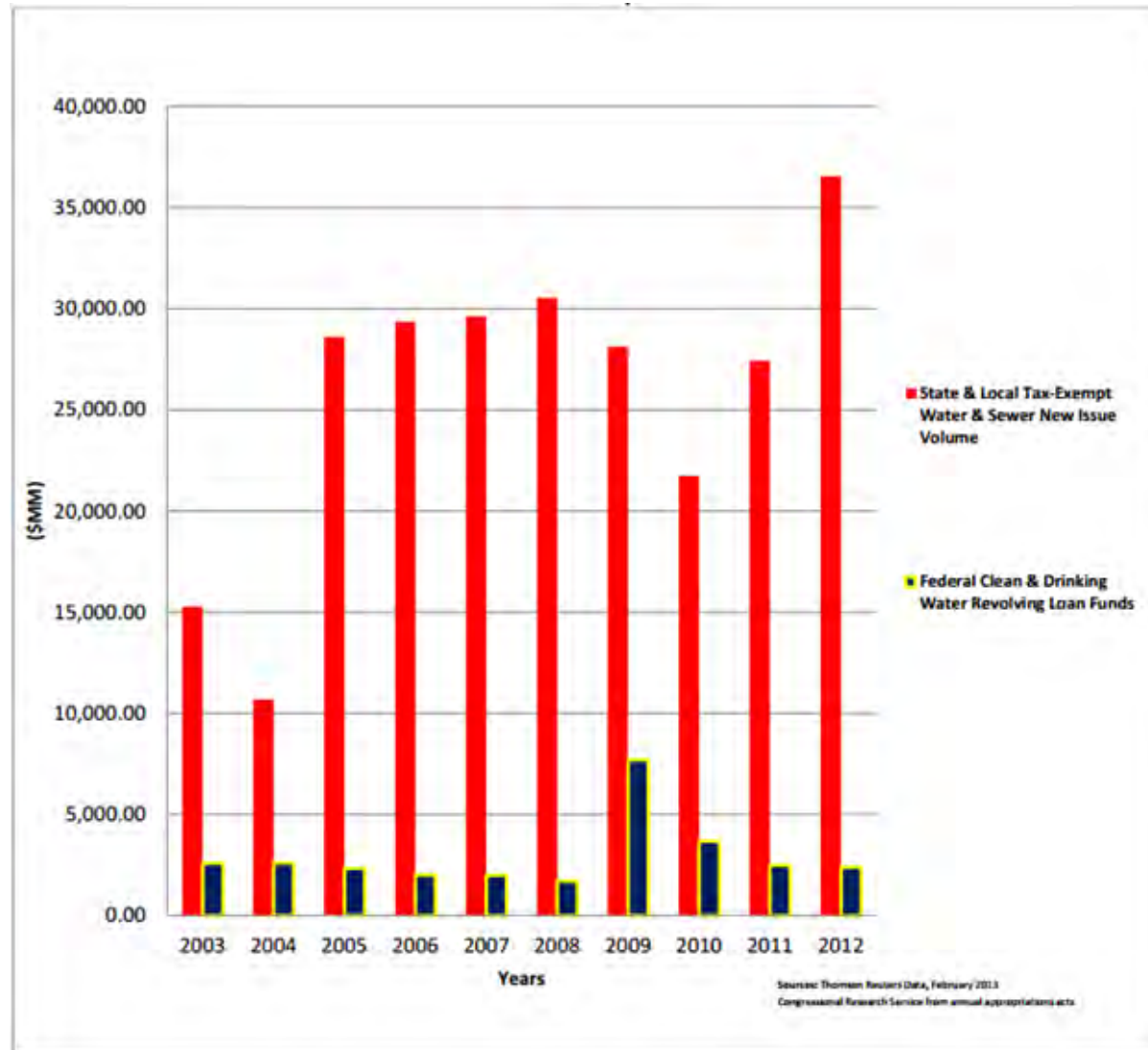


Meanwhile, Muni Funding Evolves



SRF Appropriations vs. State & Local Tax-Exempt Debt Issuance

- NACWA/AMWA Municipal Bond Report -



Growing Short & Long Term Debt

- NACWA/AMWA Municipal Bond Report -

Table 1: 2012 Water & Sewer Tax-Exempt Debt Issuance by State

2012 Water & Sewer Tax-Exempt Debt Issuance by State*

State	Par Amount \$ in millions	State	Par Amount \$ in millions
CALIFORNIA	7,108.2	ALABAMA	384.2
TEXAS	5,854.9	MARYLAND	382.1
NEW YORK	3,839.1	HAWAII	350.8
PUERTO RICO	2,095.7	OKLAHOMA	347.7
FLORIDA	1,630.9	ARKANSAS	313.7
WASHINGTON	1,187.2	KENTUCKY	291.3
MICHIGAN	1,170.1	NORTH CAROLINA	284.9
COLORADO	1,112.2	WISCONSIN	276.1
ILLINOIS	905.5	NEBRASKA	255.1
INDIANA	867.8	OREGON	212.3
MASSACHUSETTS	856.9	IOWA	180.5
PENNSYLVANIA	832.1	KANSAS	151.1
NEW JERSEY	825.0	NEW HAMPSHIRE	150.6
VIRGINIA	812.8	CONNECTICUT	150.4
MINNESOTA	719.6	NORTH DAKOTA	144.2
MISSOURI	654.8	MISSISSIPPI	142.7
GEORGIA	603.9	SOUTH DAKOTA	140.6
ARIZONA	580.8	WEST VIRGINIA	135.1
NEVADA	556.9	IDAHO	127.8
TENNESSEE	537.7	RHODE ISLAND	117.8
SOUTH CAROLINA	519.8	LOUISIANA	62.9
D. OF COLUMBIA	440.6	MAINE	41.2
OHIO	439.7	NEW MEXICO	14.3
UTAH	387.6	MONTANA	5.8
		INDUSTRY TOTAL	39,203.1

*long & short term debt

Source: Thomson Reuters

Utilities at the Breaking Point

- Wet Weather Enforcement
- Stormwater Rule
- Nutrient Control
- Emerging Contaminants



Money – The Future

- Clean Water Will Cost a Lot but Who Will Pay?
 - Value of Water Coalition = educate the public, prepare the ratepayer
 - Water Infrastructure Network (WIN) = advocate for federal funding = the taxpayer
 - Increasing Role for Private Capital

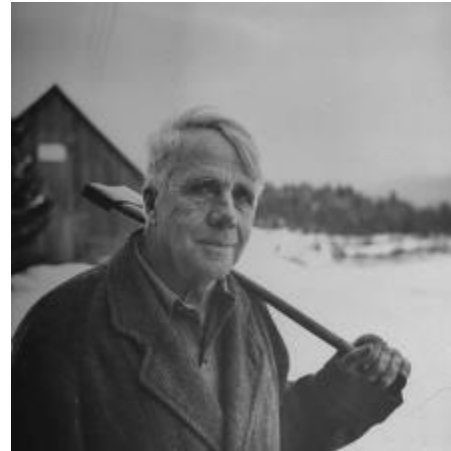


Time and Flexibility

- Battle Is as Old as the Clean Water Act -

- NACWA at the flexibility forefront for decades:
 - Get the construction grant money out quickly
 - Ensure 503 sludge regulations were flexible
 - Privatization push led to > efficiency
 - CSO policy not a “zero tolerance” standard
 - Same concept on SSOs/blending/wet weather
 - Section 208 watershed planning, legislation in the 90s, and now integrated planning
- Lots accomplished but still a long way to go!

THE POET ROBERT
FROST SAID IT BEST



*The woods are lovely, dark, and deep,
But I have promises to keep,
And miles to go before I sleep,
And miles to go before I sleep •*

Time and Flexibility - Present

- Key Muni Groups Join Forces
- Results in:
 - EPA's Integrated Planning Framework
 - Regulatory Prioritization
 - Adaptive Management
 - New Technologies, Approaches
 - EPA Work to Clarify 1997 Affordability Guidance
 - Additional Time and Flexibility in the Consent Decree Context
- Water Resources Utility of the Future

Is EPA finally seeing the light at the end of the tunnel?



The light at the end of the tunnel
may be an oncoming train

Are these steps as far as the Agency will go? Is the light at the end of the tunnel just an oncoming regulatory and enforcement freight train?

Time & Flexibility -New Pressures

- Time and Flexibility Are Vital Now Because of:
 - Climate Change and Resiliency
 - Growing Role of Nonpoint Sources
 - Population and Industrial Expansion
 - Aging Infrastructure Needs
- Also, Utility Leaders Now Have Decades of Experience and Have Earned this Flexibility



Putting it All Together

- The Money Matters Campaign -

- *Money Matters . . . Smarter Investment to Advance Clean Water™* Campaign (2011)
- Congress and EPA Must Choose Between Two Sides of the Same Coin:

Funding

or

Time/Flexibility



Recap

- Flexibility – Need to change the paradigm
- Time – Need to give utilities a generation to comply, not a 5 year permit term
- Money – More from all sources: Public and Private

Our clean water world in a nutshell



Poised for Success

- Level of sophistication from wastewater utility leaders is at an all time high!
- NACWA is leading the charge on the Utility of the Future with leaders like Tom Sigmund
- NACWA is leading the push for key changes to the Clean Water Act with leaders like George Hawkins
- And with state and regional partners like Oregon ACWA the sky's the limit!



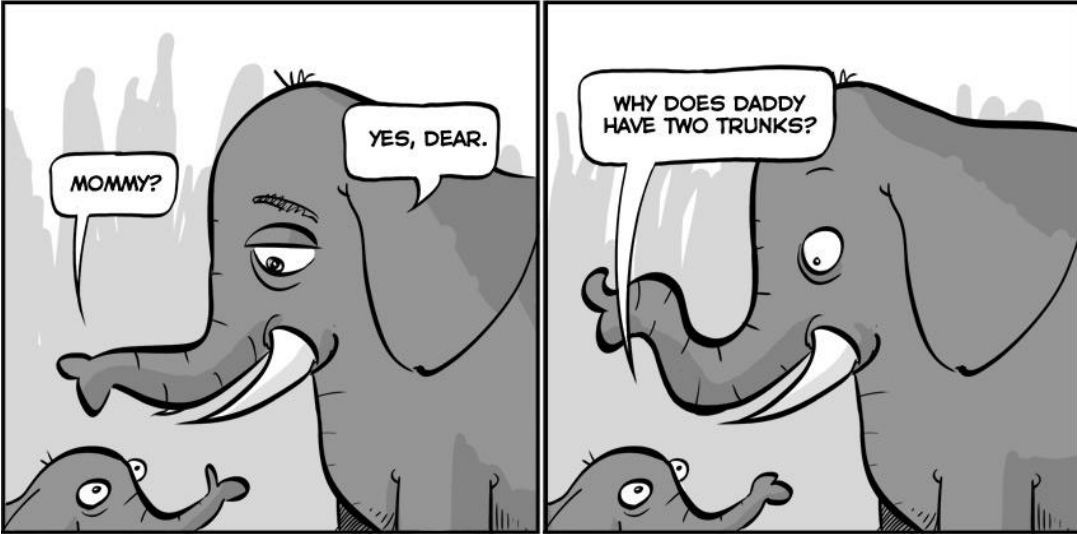
WELCOME
TO ORACWA
WHERE WE WORK
TOGETHER
FOR THE GOOD OF
OREGON'S
WATER QUALITY

Questions

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Feel free to ask hard but only appropriate questions

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