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AMWA CONFERENCE PROVIDES FORUM FOR NATIONAL POLICY MAKERS

EPA Administrator Stephen Johnson, keynote speaker at AMWA's 2007 Water Policy Conference in Washington, D.C. last week, told the audience of water system executives that he appreciated their commitment to working as partners to address water issues. Johnson described a number of current EPA initiatives, including its efforts to help America shift to "a green culture" with a sustainable environment. He thanked the industry for its work in the area of security, particularly the growth of mutual aid networks, and he encouraged them to become utility partners in the WaterSense program.

Robert Stephan, Assistant Secretary for Infrastructure Protection with the Department of Homeland Security, expressed appreciation for AMWA's efforts to advance the federal government's partnership model. Stephan specifically noted the significant contributions of the association and its members toward the development of the water Sector-Specific Plan, the ongoing success of the WaterISAC, and AMWA's efforts to advance metric development to measure the water sector's security progress.

Bureau of Reclamation Commissioner Robert Johnson used the Bureau's $984 million FY 2008 budget proposal as the framework for a discussion of ongoing and planned water activities. The largest portion of the budget will go to infrastructure and O&M for the Bureau's 486 dams, followed by expenditures for environmental compliance. There are funds for development of new water supplies through four projects, although its is no longer the bulk of the Bureau's budget, Johnson said.

EPA Assistant Administrator for Water Benjamin Grumbles addressed the agency's Sustainable Infrastructure Initiative, particularly its call for removing the unified volume cap on private activity bonds, which EPA refers to as "water enterprise bonds" and sees as a supplement to the Drinking Water State Revolving Fund (SRF). On the topic of climate change, Grumbles said EPA has identified five key areas of climate change connected with water activities: atmospheric temperature; rainfall, snowfall levels and distribution; storm intensity; coastal and ocean characteristics, such as temperature and chemistry; and sea level rise. EPA has developed three categories of response – mitigation, adaptation and research – to address these areas of concern, Grumbles said.

U.S. Department of Agriculture Under Secretary for Natural Resources and Environment Mark Edward Rey took Conference participants through the Conservation title of the Farm Bill soon to be considered for reauthorization on Capitol Hill. Positive impact on water quality comes from conservation programs designed to improve the quality of soil, water and air on working farms and ranches, as well as through incentives to keep lands in farms and ranches rather than selling them for more intensive uses (development). The Administration proposes $7.8 billion over 10 years for Conservation Title spending, a 30 percent increase over the 2002 Farm Bill, Rey said.

Rep. John Shimkus (R-III.) cautioned against the federal government saddling states and localities with unfunded mandates related to water quality. He cited proposed perchlorate
regulations as something that could have tremendous costs for utilities, especially if Congress were to legislate an arbitrary standard rather than using “real science” to determine the level that is safe for drinking water.

Sen. Johnny Isakson (R-Ga.) strongly endorsed Congressional action to reauthorize WRDA and the SRF programs, saying that both are “critically important to the quality of water.” However, he said that Congress must ensure that the WRDA bill complies with recently approved earmark reforms, which could slow its progress in the early stages. But because he and other members do not view critical water projects as unnecessary “pork,” Sen. Isakson said he is confident that a comprehensive, quality WRDA bill will be passed.

Rep. Bill Pascrell (D-N.J.), sponsor of H.R. 569, the Water Quality Investment Act (see article on page 2), called on Congress to appropriate funds to help states upgrade combined sewer overflows, which could benefit 772 municipalities serving 40 million people, mostly in the Northeast.

Rep. Hilda Solis (D-Calif.) said that the EPA proposal of $842 million for the Drinking Water SRF is about $40 million too low, and represents the lowest level of inflation-adjusted buying power in the program’s history.

Rep. Don Young (R-Alaska) spoke about the need to revise the Endangered Species Act to allow more dams to be built to combat water supply problems, but said he does not expect Congress to take action on this issue. He also said that utilities must embrace full-cost pricing as a way to maintain water systems and encourage conservation without relying on government funding.

George Kundanis, Deputy Chief of Staff to House Speaker Nancy Pelosi (D-Calif.), told the conference audience that the Democratic House majority must act in a bipartisan manner to move important legislation and cited last week’s water bills as examples of both parties working together to create good policy. He also said that he expects the House to move “as fast as humanly possible” to reauthorize WRDA this year.

Kevin Wattier, General Manager of Long Beach Water Department, and Michael Wallis, Director of Operations and Maintenance for East Bay Municipal Utility District, joined Senate and Bureau of Reclamation staff in a panel discussion of desalination. Speakers addressed the various environmental, regulatory and financial challenges to overcome before desalination will be a widespread source of drinking water. Meanwhile, there are a number of projects in various stages of execution around the country, and there seems to be strong support for desalination on Capitol Hill. Wattier noted that foreign countries like Japan are employing new technologies that U.S. water systems should be considering.

At a meeting of AMWA’s Regulatory Committee, EPA Office of Ground Water and Drinking Water Director Cynthia Dougherty provided updates about rules, laboratories and data collection. She noted that, as a result of an Inspector General report, EPA is looking at drinking water laboratory integrity, and she urged utilities to do the same.

David Visintainer, Commissioner of the St. Louis Water Division, reported that the AMWA Board has determined that if EPA decides to convene a Federal Advisory Committee Act group to discuss Total Coliform Rule (TCR) and distribution system (DS) issues, AMWA would participate as long as the group discusses revisions to the TCR but only a research plan to address some DS issues.

David Travers, Director of EPA’s Water Security Division, briefed the AMWA Security Committee, providing an overview and status update regarding the agency’s Water Security (WS) initiative, a pilot contaminant warning system. Travers asked the committee to provide comments on the WS initiative’s Consequence Management Plan Guidance document.

WPC presentations will be posted in the members only portion of AMWA’s website early this week.

Senators Propose Infrastructure Panel

A bipartisan group of U.S. Senators last week introduced a bill that would seek to address the deteriorating condition of the country’s infrastructure, including drinking water systems, dams and other public works. Introduced by Sens. Norm Coleman (R-Minn.), George Voinovich (R-Ohio), Tom
Carper (D-Del.) and Hillary Rodham Clinton (D-N.Y.), S. 775, the “National Infrastructure Improvement Act” would establish a National Commission on Infrastructure tasked with studying the nation’s infrastructure needs. By 2010, the commission would report to Congress on the long- and short-term infrastructure needs of the country and make recommendations on how to finance needed improvements.

The White House has announced its opposition to all three bills, arguing that lifting the annual state volume cap on private activity bonds and encouraging full-cost pricing would be more cost-effective ways to finance water infrastructure improvements. The Administration also explicitly threatened to veto H.R. 720 because of its Davis-Bacon provision, which the White House says would increase project costs and place administrative burdens on states.

HOUSE PASSES THREE BILLS DURING “WATER WEEK”

Updating and improving water infrastructure was the focus of the House of Representatives last week, as it ignored White House objections and overwhelmingly passed three measures to authorize funding for water infrastructure programs.

H.R. 720, the Water Quality Financing Act. This legislation would authorize $14 billion for the Clean Water SRF over the next four years, while making several changes to the program’s project eligibility requirements and funding criteria. The measure would also increase subsidies for low-income communities and mandate feasibility studies of other funding methods, such as a Clean Water Trust Fund.

The bill passed the House on Friday after a contentious debate over its Davis-Bacon Act wage rules, which would require all contractors working on CWSRF projects be paid at least the local prevailing wage as determined by the Department of Labor. Its inclusion is controversial in part because Davis-Bacon has not applied to CWSRF projects since 1995.

H.R. 569, the Water Quality Investment Act. This bill would authorize up to $1.71 billion in federal grants through 2012 to help states upgrade combined sewer overflows. The original proposal would have allowed up to $3 billion in funding, but amendments adopted in committee and on the House floor significantly reduced the final authorization.

H.R. 700, the Healthy Communities Water Supply Act. H.R. 700 would authorize up to $125 million for alternative water resource projects promoting reuse, reclamation and conservation. The House passed the bill after adopting an amendment that could make it easier for small rural water systems to receive the grants.

CONGRESS CONTINUES CRITICISM OF FY08 BUDGET PLAN

House and Senate members from both parties criticized the Administration’s FY08 budget requests for water programs last week, indicating that Congress may significantly boost their funding levels when the appropriations process begins.

At a hearing held by the Senate Environment and Public Works Committee, Ranking Republican James Inhofe (R-Okla.) complained that the EPA had engaged in “budgetary tricks” to cut the Clean Water SRF, which would be reduced by $400 million under the FY08 proposal.

Meanwhile, House Water and Power Subcommittee Chairwoman Grace Napolitano (D-Calif.) criticized the Bureau of Reclamation’s request of $10.1 million for the Title XVI water reuse and desalination program. She said that the request amounts to “open warfare on the … popular and sensible program,” which received $26 million from Congress in 2006.

PRESENTATIONS AVAILABLE FROM JANUARY TCR/DS TECHNICAL WORKSHOP

EPA has made available the presentations from its January stakeholder workshop on the Total Coliform Rule and distribution system issues (www.epa.gov/ogwdw/disinfection/tcr/regulation_revisions.html). AMWA’s position about participation in a potential FACA group related to these issues was developed in part as a result of the information presented at this workshop. Additional information about the workshop is available in AMWA’s February Regulatory Report (www.amwa.net/cs/members_only/regulatory_report).