A CHANNEL FOR INNOVATION AND LEADERSHIP

2019 ANNUAL REPORT
MISSION

AMWA's primary objective is to be the unified and definitive voice for the nation’s largest publicly owned drinking water systems on regulatory, legislative, and security issues. To this end, the association works with Congress and federal agencies to ensure safe and cost-effective federal drinking water laws and regulations and to develop federal-local partnerships to protect water systems and consumers against acts of terrorism.

AMWA is also committed to the collection and exchange of management, scientific, and technical information to support competitive utility operations, effective utility leadership, safe and secure water supplies, and effective public communication on drinking water quality.
Dear Colleagues,

The Association of Metropolitan Water Agencies offers many benefits, but in 2019 one stood out among the rest – the association’s role as an official channel of communication between the water utility leaders who are its members and the many audiences who would benefit from our expertise and who need to hear our ideas on a wide range of water issues and policies.

On Capitol Hill, AMWA worked aggressively to provide Congress with important insights on proposed approaches to regulate per-and polyfluoroalkyl substances (PFAS) that could negatively impact water utilities and established regulatory policy. At year’s end, thanks to a full-court press by AMWA members and staff, the most concerning provisions were omitted from enacted legislation. AMWA also shared with Congress its input on the most useful methods for extending and expanding federal water infrastructure assistance programs, which will be on the table for 2020.

AMWA’s Regulatory Committee was extraordinarily active this year, addressing the Environmental Protection Agency’s proposals for the Lead and Copper Rule Revisions and perchlorate, providing extensive comments and authoritative recommendations. We also engaged EPA on Significant New Use Rules for numerous toxic substances and collaborated with other water sector groups on lead service line replacement and source water protection.

Nowhere was member interest more evident than in AMWA’s 2019 sustainability programs, which delved into issues such as water reuse, climate equity, resilience, and the impacts of climate risk on bond ratings and insurance. Water management initiatives also reflected strong member participation – from release of the latest INSIGHT financial survey results to recognition of exceptional utility management in the annual awards program. AMWA and its members made important contributions to EPA’s HUB Utility Task Force and Water Workforce Initiative, as well as the industry’s Value of Water Campaign.

As AMWA supported utility security preparedness throughout the year, members also stepped forward to provide advice from the front line to federal agencies such as EPA, Department of Homeland Security, and FEMA. WaterISAC provided vital cybersecurity resources and joined AMWA to offer valuable guidance on compliance with the new America’s Water Infrastructure Act.

The word channel originates from the Latin word “canalis,” which aptly means “waterpipe.” With strong participation from all members, AMWA will continue to be a respected channel for our industry to legislators, regulators, and others who make decisions impacting water – and ultimately our communities and customers.

Sincerely,

Steve Schneider
2019 AMWA President
Water policy issues remained in Congress’ sights throughout 2019, as lawmakers grappled with how to respond to emerging contaminants and how to deliver robust water infrastructure investments. AMWA was proud to play a leading role in helping shape these consequential water policy debates on Capitol Hill.

Most notably, growing concerns about the presence of a class of persistent nonstick chemicals known as per- and polyfluoroalkyl substances, or PFAS, in drinking water and the environment dominated how lawmakers approached water policy issues in 2019.

House and Senate members offered a bevy of bills to respond to PFAS, including proposals that would have established a new expedited process for regulating the chemicals under the Safe Drinking Water Act (SDWA) or designated all PFAS as hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA).

While AMWA shared concerns about PFAS in drinking water, the association cautioned against turning away from SDWA’s consistent, transparent, and science-based regulatory process when considering new drinking water regulations for the contaminants. AMWA also played a leading role in responding to proposals to designate all PFAS as hazardous substances, warning that such a move could leave local water systems vulnerable to cleanup liability even when they legally dispose of water treatment byproducts containing PFAS. AMWA supplemented these arguments with past examples of water systems incurring CERCLA liability and with a proposal to narrowly exempt water systems from future CERCLA liability related to PFAS. Ultimately, the final PFAS legislation enacted by Congress at the end of the year omitted each of these most concerning provisions.

The course of 2019 also saw Congressional consideration of extending and expanding federal water infrastructure assistance programs. In May, AMWA submitted testimony to a House committee outlining the association’s preferred methods for doing so. The association’s suggestions included reauthorizing the Drinking Water State Revolving Fund and the Water Infrastructure Finance and Innovation Act programs, as well as ramping up assistance to two relatively new programs aimed at replacing lead pipes and increasing local water system resilience to climate change and extreme weather. Discussions on each of these proposals are expected to carry forward into 2020.

In the coming year, AMWA will continue to channel the experience and expertise of its members into water policy leadership on Capitol Hill.
AMWA played a leading role in shaping the year’s most consequential water policy debates on Capitol Hill.
AMWA’s engagement is helping to shape the trajectory of regulatory innovation.
GUIDING REGULATORY TRANSFORMATION ON THE NATIONAL STAGE

EPA spent the past year rolling out numerous regulatory proposals that have been on the agency’s agenda for years. Proposals on perchlorate, Waters of the U.S. (WOTUS), and the Lead and Copper Rule Revisions were all published in the Federal Register after years-long waits. In response, AMWA engaged its Regulatory Committee extensively in order to provide EPA with the most relevant, constructive comments and to ensure that public drinking water utilities’ concerns were heard on the national stage.

Much of the committee’s energy was devoted to EPA’s perchlorate proposal, recommending that AMWA advocate for withdrawing the agency’s 2011 determination to regulate the chemical. The association referenced the low occurrence of perchlorate throughout drinking water systems and determined that this particular proposal did not present a meaningful opportunity for health risk reduction as is laid out in the Safe Drinking Water Act.

However, AMWA also supported EPA’s ability to re-list perchlorate in the future if new science and data becomes available.

In October, AMWA became a signatory to a Memorandum of Understanding between six government agencies and nine private sector groups, titled Reducing Lead Levels in Drinking Water in Schools and Child Care Facilities, agreeing to encourage schools and child care facilities to take action on lead. Along these lines, AMWA convened a subgroup of 19 member utilities to work on comments in response to the late-2019 release of EPA’s proposal for Lead and Copper Rule Revisions. Engaging members in this manner allowed AMWA to develop some of the association’s most extensive comments on one of the more significant drinking water regulatory actions of the past decade. This subgroup, together with the full Regulatory Committee, will continue to develop these comments in 2020.
Engaging members on EPA’s proposed Lead and Copper Rule Revisions allowed AMWA to develop some of the association’s most extensive comments on one of the more significant drinking water regulatory actions of the past decade.
In total, AMWA submitted 13 comment letters to EPA in 2019, including comments related to WOTUS, EPA’s *Update to the Regulations on Water Quality Certification*, and the *Notice of Intent to Develop a Policy on the Determination of a Harmful Algal Bloom (HAB) and Hypoxia as an Event of National Significance in Freshwater Systems*, among others.

Seven of these letters were related to a 2018 initiative that AMWA expanded in the past year – engaging EPA on Significant New Use Rules, or SNURs, under the Toxic Substances Control Act. AMWA used these opportunities to urge EPA to consider the ramifications of possible new contaminants reaching surface waters that may be used as drinking water sources.

AMWA’s letters emphasized that it is easier, more effective, and more equitable to control pollutants at the source, where they are highly concentrated, than it is to remove them at the consumer’s expense after they have entered a water body or supply source. Several letters stressed PFAS as examples of why the agency should be cautious in approving new chemicals for use in commerce.

AMWA has maintained its involvement with the Lead Service Line Replacement Collaborative, which will continue to serve as a resource as the association completes its comments for the proposed Lead and Copper Rule Revisions. AMWA also maintains active membership in the Source Water Collaborative, engaging other member organizations to advocate for and protect source water.

Looking forward to 2020, extensive work will be required as EPA proposes additional regulatory actions and finalizes those introduced in the past year. AMWA remains committed to working with its membership to engage EPA and other federal agencies every step of the way.

Photography: East Bay Municipal Utility District
Member interests were the primary driver for AMWA’s sustainability work in 2019, as reflected in initiatives like its September webinar for all members introducing the concept of climate equity and providing information and tools to equip water utilities to address the issue.

In addition, the AMWA Sustainability Committee’s interest in climate risk and insurance, as well as the effect of extreme events and climate change on bond ratings, resulted in a new product. The association developed a white paper describing bond rating agencies’ and insurance companies’ growing concern with climate change and its effects on utilities, as well as what utility managers should know as they consider how to incorporate this information into their enterprise risk management plans.

AMWA partnered with the National Association of Clean Water Agencies (NACWA) on a four-part series of webinars highlighting operational resilience. The first two webinars were held during the last quarter of 2019. The webinars considered case studies in resilience planning and data-driven innovation and also took a deeper dive into how utilities can respond to rating agencies’ interest in climate resilience.

The association also collaborated with NACWA, WaterISAC, and the Water Research Foundation to plan for a Water Utility Resilience Forum for water and wastewater utilities in December 2020. The program in Miami will focus on case study examples, breakout sessions, and panel discussions on how water and wastewater utilities can work toward utility resiliency and sustainability from planning and operations to cyber and financial considerations.

On the policy side, AMWA engaged with EPA and other water sector partners throughout the year in response to the National Water Reuse Action Plan. AMWA submitted member-directed comments in response to a draft framework and draft plan released by EPA and also submitted comments jointly with its partners. AMWA’s comments urged the federal government to lead by example in piloting new reuse projects. The association recommended that EPA commit to fund research that informs public health risk frameworks for reuse and asserted its eagerness and commitment to play an active role in the national water reuse conversation in 2020 and beyond.
AMWA asserted its eagerness and commitment to play an active role in the national conversation about water reuse.
AMWA and its members collaborated extensively with EPA and other water associations in support of utility management initiatives.
SHARING INSIGHTS ON WATER MANAGEMENT

No one knows more about water utility management than AMWA’s members, so the association called on their expertise throughout 2019 to provide authoritative input to management programs operating and under development on the national level.

2019 began with release of the results of the sixth biennial INSIGHT utility financial information survey, and more than 100 members provided comprehensive data that underpins this uniquely relevant database for water utility benchmarking, trend identification, and financial reporting.

AMWA honored 19 member utilities with its top utility management awards in 2019. Winners of the Sustainable Water Utility Management Award were Aurora Water, Beaufort-Jasper Water & Sewer Authority, Birmingham Water Works Board, City of Boca Raton Utility Services Department, Chesterfield County Department of Public Utilities, Columbus Water Works, Fort Wayne City Utilities, Newport News Waterworks, Phoenix Water, Raleigh Water, San Antonio Water System, Spartanburg Water, Suffolk County Water Authority, WSSC Water, and WaterOne.

Winners of the Platinum Award for Utility Excellence were Coachella Valley Water District and City of Fort Worth Water Utility, while the Gold Award for Exceptional Utility Performance was presented to DuPage Water Commission and Orange County Water District.

AMWA and its members collaborated extensively with EPA and other water associations in support of utility management during the year:

• The HUB Utility Task Force’s pilot program work to characterize successful approaches of high-capacity water utilities to engage in peer exchange with the goal of promoting and expanding such exchange in the water sector;

• Pursuing activities to address water workforce needs and opportunities identified at the 2018 National Water Sector Convening on Workforce Development, including case studies and webinars on successful utility programs;

• Contributing to development of the draft Water Workforce Initiative, which builds on EPA’s efforts to promote water careers through initiatives with other government agencies as well as water sector partners;

• The Water Research Foundation’s project to examine legal, political, institutional, and financial barriers to formation of mutually beneficial partnerships between water systems; and

• The Value of Water Campaign’s national economic survey, Infrastructure Week, and the Imagine a Day without Water advocacy initiative.

AMWA continued its commitment to the Water and Wastewater Leadership Center, a training initiative that provides continuing executive education to water managers. The association also conducted nine Member-to-Member Inquiry surveys, which provided members access to the insights and experiences of colleagues on a variety of specific water management challenges.
ADVANCES IN WATER SECURITY PREPAREDNESS

In 2019, AMWA continued its support of members' efforts to be secure and resilient. This involved both keeping members informed of threats and resources and working to influence federal homeland security programs. Also, AMWA maintained its management of the Water Information Sharing and Analysis Center (WaterISAC), the primary information source for the water sector on physical and cyber security threats to critical infrastructure and mitigation information to address those threats.

Among the threats AMWA highlighted in 2019 was ransomware, a growing danger that impacted many cities and local agencies. AMWA urged members to stay aware of ransomware and to take measures to reduce the effects of a ransomware attack. The association also reminded members of the interest by nation states, particularly Russia, in infiltrating industrial control systems of utilities, including in the water sector.

Last year, WaterISAC published 15 Cybersecurity Fundamentals of Water and Wastewater Utilities – a guide on key best practices, which was distributed to AMWA members.

AMWA and WaterISAC shared information with their respective memberships on compliance with America’s Water Infrastructure Act (AWIA). AWIA requires water utilities to conduct risk assessments and prepare emergency response plans every five years. AMWA’s Security Committee hosted webinars on AWIA’s
requirements and on conducting cyber risk assessments. WaterISAC hosted a total of seven webinars on the subject with speakers from EPA and experts from consulting firms.

Engagement with its federal partners on security and emergency response programs was pursued through the Water Sector Coordinating Council (WSCC), a body of water and wastewater utility managers that advises federal agencies, such as EPA, Department of Homeland Security, and the Federal Emergency Management Administration (FEMA). Among other activities, the WSCC urged FEMA to create an emergency support function for the water sector and provided recommendations to EPA on its water supply decontamination guidance.

AMWA also collaborated with the Electric Infrastructure Security Council to promote the council’s 2019 Earth Ex exercise among members of the water sector. In this international exercise involving notional wide-spread power outages, 37 groups from the sector participated.
AMWA’s interactions with EPA on the National Water Reuse Action Plan were informed by the local experiences, approaches, and opinions of members regarding potable and non-potable reuse.
Often, the local work of AMWA’s metropolitan utilities from around the country serves as a model that other members can follow in their own communities. For example, in 2019 the Sustainability Committee served as a channel for AMWA members to share their best practices, highlighted by a Houston Water presentation that described how the city has responded to past extreme weather events and planned for future events, as well as how it develops long-term plans to ensure utility sustainability.

AMWA’s comments to EPA on its proposed National Water Reuse Action Plan were guided by the recognition that members in many states are already leading the charge in terms of the development of reuse guidelines and projects. The association’s interactions with EPA were informed by the local experiences, approaches, and opinions of members regarding potable and non-potable reuse. AMWA encouraged EPA to consider whether actions in a future national plan would fill a critical need that was not already being addressed on a local or national level. AMWA also urged EPA to recognize and affirm where progress had already been made in considering potable and nonpotable reuse in local water resources portfolio discussions.

AMWA members Louisville Water, Great Lakes Water Authority, and DC Water were key contributors to the EPA-initiated HUB Utility Task Force and its pilot program, launched last spring to test a framework for promoting more peer-to-peer activity in the water sector. AMWA supports the task force, which has a goal of leveraging the efforts of utilities currently active in local and regional peer-to-peer relationships by providing information and knowledge management for such activity through a network of high-capacity water utilities engaged in peer exchange with other utilities that could benefit from this reciprocity.
The top executives who represent AMWA member utilities are an impressive cadre of industry leaders who form the core of the association’s unparalleled human resources. And since partnering to advance excellence is an AMWA hallmark, these members took advantage of the many opportunities the association offered in 2019 to strengthen the water sector through volunteer contributions and collaborations.

AMWA committee chairs in 2019 included:

- Legislative Committee – Jeff Szabo, Suffolk County Water Authority
- Regulatory Committee – Ron Lovan, Northern Kentucky Water District
- Utility Management Committee – John Spatz, DuPage Water Commission
- Security Committee – Dean Dickey, Prince William County Service Authority, and Kevin Gertig, Fort Collins Utilities
- Sustainability Committee – Jim Lochhead, Denver Water, and Rosemary Menard, Santa Cruz Water Department
- Policy Resolutions Committee – Cathy Bailey, Greater Cincinnati Water Works
- International Committee – John Sullivan, Boston Water and Sewer Commission

AMWA representatives to the Water Research Foundation Board of Trustees were Ron Lovan of Northern Kentucky Water District and Shane Chapman of Metropolitan Water District of Southern California. Other members on the board included Randy Conner of Chicago Department of Water Management, John Entsminger of Las Vegas Valley Water District, Kathryn Sorensen of Phoenix Water, Rob Teegarden of Orlando Utilities Commission, Yvonne Forrest of Houston Water, and John Sullivan of Boston Water and Sewer Commission (emeritus).

Charles Stevens of Kansas City Water represented AMWA on the AWWA Water Utility Council.

John Sullivan of Boston Water and Sewer Commission chaired the WaterISAC Board of Managers, which also included AMWA members Sue Schneider of Spartanburg Water, Kevin Gertig of Fort Collins Utilities, and Rob Teegarden of Orlando Utilities Commission. John Sullivan and Dean Dickey of Prince William County Service Authority were AMWA representatives on the Water Sector Coordinating Council.

The winner of AMWA’s 2019 President’s Award, Charles M. Murray, AMWA past president and former general manager of Fairfax Water, and Donald R. Boyd Award winner Thomas C. Henry, mayor of Fort Wayne, Indiana, were recognized for their outstanding contributions to the water sector.
AMWA members form an impressive cadre of industry leaders who took advantage of the association’s many volunteer opportunities in 2019 to strengthen the water sector.
**Carrie Lewis** of Portland Water District served as chair of EPA’s National Drinking Water Advisory Council. **David Lipsky** of New York City Department of Environmental Protection, **Jeff Swertfeger** of Cincinnati Water Works, and **Stephen Estes-Smargiassi** of Massachusetts Water Resources Authority were representatives to the Lead Service Line Replacement Collaborative. **Andrea Song** of Denver Water represented the association on the Partnership for Safe Water Steering Committee.

Members of the HUB Utilities Task Force were **Tim Kraus** of Louisville Water Company and **Sue McCormick** of Great Lakes Water Authority.

The agenda of AMWA’s 2019 Executive Management Conference was highlighted by members willing to share their insights and experiences on challenging water issues:

- **Setting the Tone: Using New Employee Meetings to Build Organizational Unity** – **Jeff Clarke**, Alderwood Water & Wastewater District;

- **Workforce Excellence: Overview of Succession Planning** – **Diane Pitman**, Metropolitan Water District of Southern California;

- **What’s in Your Water – and How to Communicate It** – **Brian Steglin**, City of Ann Arbor Water Utility;

- **Innovation Models of Practice: Pipeline Rebuild** – **Laura Johnson**, **David Katzev**, and **Timothy Harris**, East Bay Municipal Utility District;

- **Buried No Longer – Managing Our Water Mains** – **Joseph Duncan**, Champlain Water District;


- **From Here to HUB: The GLWA Journey** – **Sue McCormick**, Great Lakes Water Authority;

- **Conscious Capitalism: Doing Good While Doing Business as a Utility** – **Larry Bingaman**, South Central Connecticut Regional Water Authority;

- **Accessible, Affordable and Equitable Water Service: WSSC’s Story** – **Crystal Knight-Lee** and **Karyn Riley**, WSSC Water; and

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