



## Focusing National Infrastructure Interest on Sewer Systems

ACWA Summer Conference  
Bend, OR  
July 25, 2009

Michele M. Pla  
Consultant

*BACWA - Leading the way to protect our Bay*

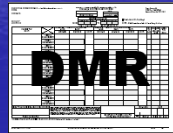
## As Public Utilities...

Protect the Public Health and the Water Environment



## As Public Utilities

Comply with the federal, state and regional laws and requirements that permit operations and discharges



## As Public Utilities...

Meet fiduciary responsibility – wise and cost effective use of public monies



## As Public Utility Managers

You have to fit all of these pieces together



How Can the Current Interest in Infrastructure Help You Do Your Job?

## Gap for Clean Water Funding

- NACWA Released Gap Analysis
  - April 1999
  - Showed that aging infrastructure and new requirements would require infusion of money
  - Gap was about \$336 Billion
- NACWA followed up with WIN and other national efforts



## More than a Decade of Management Approaches

- Competitiveness and Benchmarking
  - How can You be Lean and Still Meet Responsibilities?
- Asset Management
  - Which Infrastructure Problem First?
- Affordability Analyses
  - How Many Years Do We Get to Fully Comply?

## Priorities for Your Resources?



## Watershed Approach

- NACWA first Proposed Legislation in 1993 -94
- 21<sup>st</sup> Century Watershed Act

*"our water resources must be protected on a watershed basis that considers and controls all sources of pollution"*

*"sources and activities contributing to pollution of our waters and degradation of the health of a watershed must be identified, prioritized and addressed accordingly"*

## Not Mutually Exclusive – Can Be Difficult to Reconcile

- We Need More Money
- We are not the Problem



## Last Fall We All Scrambled to Identify Ready-To-Go Project Needs

- EPA stated \$388 Billion in Backlog
- NACWA identified \$17 Billion in R-T-G Projects
  - CA \$ 4.3 Billion
  - Bay Area \$624 million
  - OR ? - Got \$45 million



## Economic Crisis Results in Stim Funding and Large SRF Appropriations

- \$4 Billion in CW SFR
- Large \$\$\$ Proposals for SRF Funding in 2010 and beyond



Everyone is talking about Money  
But No One Has Enough



## Take Advantage of National Infrastructure Focus

- Bay Area Spending on O&M >\$1 Billion/year

Planned and Budgeted	In Millions Over Next Five Years
Wastewater	\$1,930.5
Collection Systems	\$1,052.26

## Affordability and Financial Capability

### *Financial Capability and Affordability in Wet Weather Negotiations*

#### *– Economic Capability*

- Local economic situation
- Other environmental investments
- Investment structured to not cause distress to already distressed communities

## Financial Capability and Affordability Defined by NACWA

- *Financial capability is the relationship between a community's economic condition and the investments needed to make water quality-related improvements. A community's ability to pay for these needed improvements is determined by its existing and potential economic situation. Based on an assessment of a community's economic situation, the scope of any improvements and the timeframe for making the improvements is determined.*
- *Affordability for individual utility ratepayers relates to whether customers can pay their utility bills without undue hardship or unreasonable sacrifice in their life style or in their essential spending patterns.*

## Sewer System Management Plans, Water Recycling and TMDL Implementation Now Demanded

- Climate Change Mitigation and Adaptation is Here
- Diversion and Treatment of Stormwater
- Nutrients is on the way



## Opportunity to Refocus Local/Regional WQ Regulators

- Never be enough money – what are the priorities?
- Leverage Watershed
- Leverage Affordability
- Rely on water quality data
- Rely on reputation as Can-Do utilities

## Define the Regional Capital Costs to Educate the Regulators

- CIPs
  - Treatment
  - Collection
  - Recycling
  - Biosolids
  - other
- O/M (including debt)
- New Master Plans
- New requirements



## Apply Principals for Affordability Analysis

- Do this regionally – not for each independent agency
- This is economic advocacy rather than scientific or regulatory
- White Paper
- Different approach to watershed



## Develop Roundtable Discussion of Priorities



Make This a Regional and Watershed Issue

## Apply All the Tools At Your Disposal

- Leverage and Improve upon the existing needs and cost information that was developed last winter
- Rely on the concepts and principals from now accepted management approaches
- Apply regionally and make this part of the discussion with regulatory agencies
- Work for the watershed

Hey – there is all this Stim \$ Out There.... Time to Fix the Sewers... and While You're At It....

## The Clean Water America Alliance Is Working for an Integrated National Water Policy

- Policy Silos are barriers
- Water is finite;
- Sustainability is critical for humans and ecosystems



## Wide Open Q/A

- Blending in SF Bay Area
- Dioxin, Nutrients, Mercury, PCBs
- Stormwater Diversion to POTWs
- Notification of Sewer Spills and Enforcement