



## **Support for Clean Water Appropriations**

Testimony of Matthew J. Millea

Deputy County Executive for Physical Services, Onondaga County, NY  
representing the Water Environment Federation

Interior and Environment Subcommittee, Committee on Appropriations

U.S. House of Representatives

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Good morning, Chairman Simpson and Subcommittee Members. My name is Matt Millea, and I am Deputy County Executive for Physical Services in Onondaga County, New York. I also serve as Vice Chair of the Water Environment Federation (WEF) Government Affairs Committee. On behalf of WEF, thank you for the opportunity to testify before the Subcommittee on the need for water infrastructure and water monitoring funding.

As Deputy County Executive, I oversee the operations of nine county departments and assist County Executive Joanie Mahoney in the development and implementation of the annual county budget and a broad range of policy issues. County Executive Mahoney has also charged me with managing the County's "Save the Rain" effort, a multi-million dollar public works program that is utilizing both conventional and green infrastructure approaches to mitigate combined sewer overflows into Onondaga Lake and its tributaries. Prior to joining the Mahoney administration, I served as the Executive Vice President and Acting President of the New York State Environmental Facilities Corporation, which operates the largest Clean Water State Revolving Fund Program in the nation. In 2009, I oversaw the successful deployment of over \$500 million in federal stimulus funding from both the Clean Water and Drinking Water SRF programs and launched New York State's Green Innovation Grant Program, which is now in its fourth round of funding.

Onondaga County is in Central New York and has approximately 450,000 residents. The County operates six waste water treatment facilities, hundreds of pump stations and more than 700 miles of interceptor sewers and force mains that serve approximately 125,000 unique users within the County's Consolidated Sanitary district. As a local government official and past official in a state infrastructure financing authority, I have a good understanding of both the challenges and opportunities we face with regard to increased water infrastructure investment. My testimony today is on behalf of the Water Environment Federation.

### **Water Infrastructure Challenges**

WEF's passion is to preserve and enhance the water environment to support clean and safe water, both in the United States and globally.<sup>1</sup> Local governments have made tremendous investments to

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<sup>1</sup> Founded in 1928, the Water Environment Federation (WEF) is a not-for-profit technical and educational organization of 36,000 individual members and 75 affiliated Member Associations representing water quality professionals around the world. WEF members, Member Associations and staff proudly work to achieve our mission to provide bold

improve water quality and achieve Clean Water Act (CWA) compliance over the last 40 years with remarkable success. They have worked tirelessly to provide an essential public service that is critical to safeguarding public health and maintaining our quality of life.

The facts are clear that the nation's water infrastructure faces tremendous challenges ahead. The U.S. Environmental Protection Agency [EPA] released on March 26 the results of the first comprehensive survey looking at the health of thousands of stream and river miles across the country, finding that more than half – 55 percent – are in poor condition for aquatic life<sup>2</sup>. The American Society of Civil Engineers recently gave a collective “D” grade to our Nation's water and wastewater infrastructure<sup>3</sup>.

WEF and 16 other non-profit and industry organizations formed the *Water for Jobs* coalition last year to compile data about water infrastructure needs and educate policy leaders and the public about the benefits more water infrastructure investment will bring to our nation. As a result of this effort, the 2012 Republican Party<sup>4</sup> and Democratic Party<sup>5</sup> National Platforms included water infrastructure investment language and referenced the positive impact on job creation, economic growth, and health. The *Water for Jobs* partnership is hosting the *National Water Infrastructure Summit* this morning [April 16, 2013] at the Ronald Reagan Building. The event is bringing together 150 top leaders and experts to share their perspectives about the need for reliable, resilient water infrastructure systems and their impact on job creation and a strong financial future. The event is being live streamed on the internet and will be available on the *Water for Jobs* website ([www.waterforjobs.org](http://www.waterforjobs.org)) afterwards, and I invite members of the Subcommittee and staff to view the dialogue at a later date.

As the Chairman and almost every member of the Subcommittee noted in their comments during the Subcommittee's March 13, 2013 hearing, our country has very real water infrastructure needs. It is estimated that 16% of treated drinking water, or 7 billion gallons daily, is lost to failing pipes. Approximately 860 billion gallons of raw or partially treated wastewater enters our waterways annually due to overflows<sup>6</sup>. The U.S. Environmental Protection Agency's 2008 Clean Watershed Needs Survey and 2009 Drinking Water Needs Survey has identified a total water infrastructure capital investment need of \$632.9 billion over the next 20 years; at current funding levels, there will be a capital funding gap of at least \$224 billion nationwide unless investment increases. These figures are for capital costs and do not include costs for operating and maintaining water systems, which place an additional strain on local communities and their citizens.

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leadership, champion innovation, connect water professionals, and leverage knowledge to support clean and safe water worldwide.

<sup>2</sup> US EPA, National Rivers and Streams Assessment, 2008-2009, A Collaborative Survey. Office of Wetlands, Oceans and Watersheds, US EPA, Washington, DC (March 2013, EPA 841-F-13-004).

[http://water.epa.gov/type/rsl/monitoring/riverssurvey/upload/NRSA200809\\_FactSheet\\_Report\\_508Compliant\\_130314.pdf](http://water.epa.gov/type/rsl/monitoring/riverssurvey/upload/NRSA200809_FactSheet_Report_508Compliant_130314.pdf)

<sup>3</sup> ASCE 2013 Report Card for America's Infrastructure. American Society of Civil Engineers, Reston, VA (March 2013). <http://www.infrastructurereportcard.org/>

<sup>4</sup> GOP, *We Believe in America*, pp. 1 and 5

<sup>5</sup> DNC, *Moving America Forward*, pp. 40-41

<sup>6</sup> American Rivers, *What's In Your Water: The State of Public Notification in 11 U.S. States* (2007) [http://act.americanrivers.org/site/DocServer/arswg.all.8\\_16\\_07\\_opt.pdf?docID=6521](http://act.americanrivers.org/site/DocServer/arswg.all.8_16_07_opt.pdf?docID=6521)

Unless new investments are made by 2020, unreliable and insufficient water infrastructure will cost the average American household \$900 a year in higher water rates and lower wages; American businesses can expect an additional \$147 billion in increased costs and the economy will lose 700,000 jobs.<sup>7</sup> The U.S. Department of Commerce's Bureau of Economic Analysis found that each job created in the local water and wastewater industry creates 3.68 jobs in the national economy, illustrating the far-reaching consequences of investing in water and wastewater infrastructure. The report noted that each public dollar spent yields \$2.62 dollars in economic output in other industries. The U.S. Conference of Mayors further noted that for \$1 of public investment, private long-term Gross Domestic Product (GDP) output is increased by \$6.35. A 2011 report by Green for All found that an investment of \$188.4 billion spread equally over the next five years would generate \$265.6 billion in new economic activity and create close to 1.9 million jobs.<sup>8</sup>

As someone who manages a large municipal budget, and who in my former role, had the task of prioritizing funding state-wide for infrastructure projects, I can sympathize with the budgetary challenges that the Subcommittee faces. The good news for the Subcommittee is that there is exceptional support by the American public for funding for water infrastructure. Xylem, Inc. completed the *Value of Water* survey in 2012 which found that 85 percent of voters and 83 percent of businesses agree that federal, state or local governments should invest money in upgrading water pipes and systems. The survey also found that 97 percent of American rate water as “extremely important,” on par with electricity and heating as their most important utility.

### **State Revolving Loan Funds**

WEF has been a long-time supporter of federal funding for water infrastructure<sup>9</sup>. Each year the Federation has submitted letters of support to the Subcommittee for increased funding for the Clean Water State Revolving Fund (CWSRF), Drinking Water SRF (DWSRF), Clean Water Act Sect. 106 Operation Grants program, and the Public Water Work System Supervision Program.

Since the CWSRF's creation in 1987 and the DWSRF's creation in 1996, they have been proven to be highly successful at improving water quality and providing communities with funding for critical local infrastructure projects at very low cost. As Congress begins to consider other funding mechanisms, some of which WEF supports, to address the nation's needs, we should not undermine the success of the SRF programs. The clean water and drinking water SRFs are now and will continue to be a highly effective and affordable tool for communities to fund projects that protect the public, the environment and help grow the economy. WEF has long held the position that the SRF programs should be the primary federal funding source available to communities.

As the administrators of the SRF funds, states are quite often challenged to distribute funding to the large number of applicants seeking assistance. Demand is far exceeding supply. For instance, in my home state of New York, the Department of Health estimates that approximately 95 percent

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<sup>7</sup> American Society of Civil Engineers (ASCE), *Failure to Act* (2011)

<sup>8</sup> Green for All, *Water Works: Rebuilding Infrastructure Creating Jobs Greening the Environment* (2011)

<sup>9</sup> See, for example, WEF Position Statement, *Financial Sustainability for Water Infrastructure*, adopted by WEF Board of Trustees on February 5, 2010 (Water Environment Federation, Alexandria, VA).

<http://www.wef.org/GovernmentAffairs/PolicyPositionStatement/WaterInfrastructure/>

of the projects submitted for inclusion in the Drinking Water SRF program remain unfunded due to a lack of available funds.<sup>10</sup> Any new funding mechanisms that Congress enacts, such as an infrastructure bank, trust fund, or lending authority, should not be funded as the expense of the SRF programs.

For the FY14 budget, WEF respectfully asks the Subcommittee to fund the CWSRF and DWSRF at the FY12 levels of \$1.466 billion and \$917.892 million, respectively. The amounts allocated in the FY13 Continuing Resolution were not an accurate reflection of the true value of the SRF programs, and, as the Chairman expressed during the Subcommittee's March 13 hearing, the cuts proposed by the Senate were unnecessarily deep. The need to control federal spending is understandable, but the SRF's are investments in public infrastructure that need to occur now. As was stated earlier in this testimony, investment in infrastructure saves jobs, creates new jobs and will help our nation rebound from our current economic downturn. Additionally, substantial SRF funding now will help states fund more projects now rather than waiting until an emergency repair is needed and costs are significantly higher.

### **Water Infrastructure Finance and Innovation Authority**

In an effort to ensure that the most communities are assisted and the regulatory goals of the Clean Water Act and Drinking Water Act are met, many states choose to distribute the SRF funds to smaller and medium sized projects, rather than spending all or most of their allocated SRF funding on one or two large projects. Unfortunately, that gives communities with larger projects little or no access to federal support to comply with CWA and SDWA mandates.

To address this issue, WEF supports the creation of a Water Infrastructure Finance and Innovation Authority (WIFIA), which would be modeled after the highly successful Transportation Infrastructure Finance and Innovation Authority (TIFIA). The new lending authority would support large, regional water and wastewater projects at a small long-term cost to the federal government. WIFIA must be designed to complement – not replace – the SRFs. A pilot version of WIFIA was recently passed by the Senate Environment and Public Work Committee in S. 601, Water Resources Development Act of 2013 (WRDA). Additionally, Transportation and Infrastructure Committee Water Resources Subcommittee Ranking Member Tim Bishop (D-NY) has included authority to create a WIFIA program in a draft comprehensive water infrastructure bill that he is planning to reintroduce in this Congress. WEF has endorsed the Senate WIFIA provision in WRDA and Rep. Bishop's bill, and I ask at this time that WEF's endorsement letters be included in the record.

### **National Water Quality Assessment Program**

WEF's members are largely engineers and scientists—the water quality experts. They and the organizations they work for need reliable data to fulfill their Clean Water Act responsibilities and assess progress in restoring water quality in their communities and identify emerging problems. The National Water Quality Assessment Program (NAWQA) at the U.S. Geological Survey is an important source of scientific information to guide governmental and private actions

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<sup>10</sup> [http://www.health.ny.gov/environmental/water/drinking/infrastructure\\_needs.htm](http://www.health.ny.gov/environmental/water/drinking/infrastructure_needs.htm)

to protect the Nation's water resources. Twenty-two years ago Congress established NAWQA to provide long-term, nationally consistent data and information on water-quality conditions and ecosystem health nationwide, to measure changes over time, and to determine how natural features and human actions affect water quality. NAWQA is the only federal program with this mission, and it has the proven capability to accomplish it. NAWQA's findings have and continue to be used by national, regional, State, and local governments and the private sector to develop more effective, science-based policies and actions to protect and restore water quality even as population and threats to water quality grow and change. Its findings target actions that can achieve the greatest water quality benefits and can determine whether the billions of dollars invested in pollution control are actually having the anticipated results.

For example, NAWQA assessments of nitrogen and phosphorous loadings from the Mississippi River Basin to the Gulf of Mexico are providing increasingly detailed information about the location of the specific sources of nutrients that contribute to hypoxia in the Gulf. This information allows the Environmental Protection Agency and States to develop and target nutrient pollution prevention plans. NAWQA monitoring nationwide uncovered the existence of Methyl Tertiary Butyl Ether (MTBE) in groundwater which alerted the public and policy makers to unintended consequences of the compound designed to enable gasoline to burn cleaner. Congress and states then acted to remove MTBE from fuel. NAWQA scientists in the Puget Sound area identified the sources of nutrients to the Sound, enabling the state to target its pollution control efforts to alleviate low dissolved oxygen levels throughout the Sound.

Unfortunately, the regular reductions in NAWQA's annual budget is threatening the program's ability to collect enough data to monitor the Nation's streams and groundwater, much less to conduct the assessments necessary to turn data into information that decision makers and managers can use. The National Research Council strongly recommended that NAWQA restore and enhance its monitoring networks as the top priority for the program. At least 313 sites, each actively monitored each year, have been proposed to enable assessments of critical short-term changes as well as long term trends in nutrients, pesticides, sediment, and other contaminants. This data is also essential to assess runoff to local streams and to more distant receiving waters, such as in the Great Lakes, Gulf of Mexico, Chesapeake Bay, and San Francisco Bay.

As the Subcommittee prepares the FY14 USGS budget, WEF respectfully requests that the NAWQA program be funded at the program's FY10 level of \$66.5 million. As they have done in previous years, the Administration [Department of Interior] will likely propose to reprogram about \$5 million of NAWQA's budget to support the WaterSMART Program. So, essentially a FY14 appropriation would be \$61.5 million, which would permit the program to continue to monitor only 100 stream sites. Nonetheless, the NAWQA program provides such critical data about the health of the nation's aquatic systems that it is vitally important that the program continues to receive the highest level of funding possible and nothing less than \$66.5 million in FY14.

Thank you for the opportunity to testify. I would be happy to answer any questions you may have.