

March 2, 2007

Policy Forum Registration Underway – Special Leadership Events Planned

A complete agenda and online registration is now available at www.nacwa.org for the May 6-9 *National Clean Water Policy Forum* in Washington, DC. Several sessions and events will be of particular interest to Board members, including the Sunday, May 6 joint meeting of our Strategic Planning and Finance Committees at which the preliminary FY 2008 budgets will be discussed; a special evening event for Board Members and Standing Committee leaders, also on Sunday, May 6; and, a Monday, May 7 *Clean Water Utility Executives Forum* at which utility executives from across the country will engage in a facilitated dialogue examining the past, the present and the future of the clean water community specifically – and the water sector as a whole. This inaugural *Clean Water Executives Summit* promises to be an event of considerable relevance to the Association's strategic vision and one that NACWA Board Members should not miss.

The complete agenda for the *National Clean Water Policy Forum* is available at www.nacwa.org and flyer will be in the mail soon. The reservation deadline for the forum hotel, the Renaissance Washington, is April 13. We encourage you to make your reservations today by calling the Renaissance Washington at 202-898-9000. We are pleased to once again be convening this meeting in partnership with the Water Environment Federation (WEF).

NACWA to Voice Public Utility Perspective at Key EPA Infrastructure Conference

The U.S. Environmental Protection Agency (EPA) is gearing up for its *Paying for Sustainable Water Infrastructure: Innovations for the 21st Century* conference, March 20-23, 2007 in Atlanta, Georgia. The conference's primary focus is to explore market-based approaches – such as private activity bonds and public-private partnerships (PPPs) – as the cornerstones of overcoming the growing water infrastructure funding gap that EPA itself has estimated is between \$300-500 billion over the next twenty years. NACWA is a sponsor of the conference – a move the Association made in order to ensure it has a seat at the table in discussions about the conference agenda and information regarding conference attendance. To date, there are approximately 500 attendees, with the majority of these being federal employees and private sector representatives.

Champion Heightens Focus on Climate Change, Watershed Strategy

In recognition of the increasing local and national focus on climate change and its potential effects on clean water agencies, NACWA President Dick Champion has acted to rename the Association's Air Quality Committee as the Air Quality & Climate Change Committee. The Committee has already initiated work on climate change issues with its review of wastewater emissions estimates in EPA's *Inventory of Greenhouse Gas Emissions and Sinks: 1990-2005*. Early communication with EPA's climate policy office gave NACWA an opportunity to comment on the expert review draft of the *Inventory*. Utilizing Government Affairs Rapid Response Funds and additional support from the Targeted Action Fund approved by the Board in January, NACWA's review has found that EPA overestimated the methane and nitrous oxide emissions from wastewater treatment due to application of conservative factors and methodology. The Air Quality & Climate Change Committee now plans to collect existing emissions measurement data to demonstrate that emissions levels are not as high as the EPA estimates. In related activity, the National Office distributed a Climate Change Survey on February 22, to better assess whether and how NACWA members are planning for potential climate change impacts. The National Office plans to use the survey results to better tailor their advocacy efforts in this area.

Champion has also acted recently to form a Strategic Watershed Task Force to guide the Association's efforts in integrating more holistic, watershed-based approaches into various elements of its advocacy agenda. Building on the discussions from the December 2006 Action Planning Session in Kansas City, the Task Force, as

envisioned, will be comprised of a small group of NACWA representatives, including a number of Board members, and be charged with advancing the concepts identified in Kansas City in a more coordinated fashion. The Task Force will take on both regulatory and legislative issues and would be responsible for coordinating with NACWA's consultant on these issues, LaJuana Wilcher. The National Office is developing a proposed list of members for the Task Force for President Champion's consideration and more details will be available soon.

Steady Progress Being Made on Several Utility Management Efforts

NACWA is actively engaged in three major collaborative efforts on utility management that will be wrapping up over the next several months. The effort to conduct a feasibility study on the development of a national institute for utility management, to serve as the central hub for the utility management offerings of the partnering organizations, is now in full swing. Representatives from NACWA, the Water Environment Federation (WEF), and the Water Environment Research Foundation (WERF), will participate in a facilitated workshop with the project consultant on March 26th in Arlington, Virginia. The workshop will ensure that the project consultant has a clear picture from each project partner as to what the proposed institute might look like. This effort should conclude by July 2007.

National office staff is also participating in an effort with WEF to explore current training offerings for mid-level managers. Inspired by the successful *Water & Wastewater Leadership Center* for utility executives, this effort will evaluate the need for a targeted program or curriculum for mid-level managers. A kick-off meeting for the project is scheduled for the middle of March, with project completion scheduled for June 2007.

Additionally, NACWA, along with WEF, the Association of Metropolitan Water Agencies, and the other organizations including EPA that signed a Statement of Intent in May 2006, to encourage and promote effective utility management, are now preparing to receive the recommendations from the Steering Committee of utility executives formed by the collaborating organizations. The Steering Committee has worked over the past year to refine a list of attributes of effectively managed utilities and develop a list of resources and example measures that would be helpful to utilities interested in improving their management practices. The collaborating organizations are currently planning an event during the *National Clean Water Policy Forum* in May to formally receive the report from the Steering Committee and renew their commitment to work together to encourage effective utility management. The National Office will be distributing to the Board a final version of the Steering Committee's recommendations and a proposed Statement of Support for its consideration in April. It is envisioned that the Executive Directors of the collaborating organizations would sign the Statement embracing the Steering Committee's recommendations and laying out a plan for continued cooperation.

Effort to Create New Legal Issues Security Publication Underway

Work has begun on a new publication to address current and evolving legal issues surrounding the protection of water infrastructure. The new publication will be based on NACWA's successful 2002 *Legal Issues in a Time of Crisis* checklist, but is being updated to account for recent legal developments and expanded to include the broader water infrastructure and public works community. It will serve as both a practical manual and guidebook for security-related legal issues. NACWA is partnering in this project with the Association of Metropolitan Water Agencies (AMWA) and the American Public Works Association (APWA). The Water Environment Federation (WEF) has also been invited to participate, and will be presenting the project to their Board in late April for approval. NACWA Legal Affiliate LeBoeuf, Lamb, Greene and Lamb LLP will prepare the new publication, and a first draft is expected by mid-April. National Office staff will be asking a number of NACWA members to participate in a small working group to review drafts of the publication, and a final product is anticipated this Summer.

Board Review of Updated Strategic Plan Requested

In the coming weeks, NACWA Board members will be requested to review and provide comment on the preliminary draft of the Association's revised *Strategic Plan*. The Board review will provide important input to the Strategic Planning Workgroup prior to their upcoming meeting in Denver April 16-17. The Workgroup met for a full day during NACWA's Winter Conference in St. Petersburg to review and consider initial updates to the Association's *Strategic Plan*, adopted by the Board in September of 2004. The process for review of the *Plan* has been timed to parallel the FY 2008 budget development process to ensure that strategic priorities are reflected in the budget for the upcoming fiscal year.

FY 2006 Audit Finalized – FY 2008 Budget Development Underway

Next week members of the Board of Directors will be forwarded copies of the NACWA's final *Audited Financial Statements*, including the Management Letter from Clifton Gunderson, our accounting firm, and the Association's response. A copy of a letter to the Association's Audit Review Committee will complete the package that each Board Member will receive.

With the FY 2006 audit concluded, we are actively engaged in developing preliminary proposed General Fund and Targeted Action Fund budgets for FY 2008 for the Board's consideration in May. As was the case last year, our budget process will include 5-year projections based on the Association's ongoing implementation of its *Strategic Plan*.

Dues Come In – Interest in Membership Strong

NACWA annual dues are coming in strong. To date we have received approximately 87% of our total dues revenue. With several of our members on a calendar year budgeting cycle and "second reminder" invoices mailed in mid February, we are anticipating a surge in the remaining payments in the coming month. Staff has been diligent in maintaining proper contact information for those who have yet to pay and will continue to follow the adopted protocol as it pursues payment of FY2007 dues.

Interest in NACWA membership continues to be strong. So far this fiscal year, NACWA's membership has grown by nine – four Public Agency Members; four Corporate Affiliates; and one Legal Affiliate. These new members represent \$57,240 in annual dues income and \$50,018 in prorated FY07 dues income. The Association's membership now includes 368 agencies and organizations across the nation – 283 Public Agency Members, 11 Public Affiliates, 54 Corporate Affiliates and 20 Legal Affiliates. We invite you to continue to forward any potential members leads to Kelly Brocato at kbrocato@nacwa.org.