

NACWA Targeted Action Fund FY 2006 Budget Justification

Below is a description of and justification for each item proposed for funding in the Fiscal Year (FY) 2006 Targeted Action Fund (TAF) budget as of April 15, 2005.

Litigation

General Legal Support

The proposed TAF funds of \$40,000 will be used throughout FY 2006 to consult outside counsel on various regulatory and legal issues, and for general litigation and strategic input and support. The \$40,000 FY 2005 budget is funding NACWA's Environmental Law Institute (ELI) involvement, legal advice on board governance and member issues, the Milwaukee *amicus curiae* brief in the U.S. Supreme Court, the daily load appeal, and the effluent guidelines litigation. The full \$40,000 is expected to be used in FY 2005. In FY 2004, NACWA also utilized nearly 100 percent of the \$40,000 budget on ELI, legal analysis of combined sewer overflow issues, tax legal advice for the Water Infrastructure Network and the National Biosolids Partnership, an *amicus* brief in the California Supreme Court, legal fees in the effluent guidelines case, and appendix production costs in the WET litigation.

Ongoing Initiatives/Coalition Work

Biosolids Partnership

NACWA is requesting \$30,000 (WEF reimburses NACWA \$15,000) to retain the services of Mr. John Montgomery to assist NACWA and WEF in their efforts to secure an annual appropriation of \$1 million to further support the NBP environmental management system (EMS) program for biosolids.

The NBP program is the first of its kind and the only one available to wastewater agencies striving for excellence in the management of their biosolids. Since the program was created from 'scratch', the first three years were devoted to the creation of the EMS documents, recruitment of demonstration agencies, creation of the technical support program and workshops, the formation of the Steering Committee and Appeals Board, and the development of the third-party audit.

As the demonstration program evolved over the first four years, the NBP made adjustments to the documents, the workshops and the technical support parts of the program. Now in its sixth year, the NBP EMS program for biosolids has 75 participating member agencies, six certified agencies, and 15 more agencies that expect to become certified this year.

The \$1 million appropriation for fiscal year 2006 is needed to continue to move participating agencies through the four workshops, provide technical support, prepare agencies for the third party audit, recruit new agencies (with a focus on small and medium-sized agencies), and to provide resources to communicate the value of the NBP EMS program for biosolids to potential EMS candidates.

Advocacy Support

Fiscal year 2006 TAF funds in the amount of \$72,000 are being requested for general advocacy support. These funds help ensure that NACWA's message is carried successfully to Capitol Hill and to EPA. The funding for Fiscal Year 2005 was used to retain the services of the Accord Group. The funding has aided NACWA's efforts to get briefings and hearings on various key issues, including a March 16 briefing on blending, an April 13 hearing on blending, and a tentatively scheduled May 19 hearing on funding options. These funds also help ensure the broadest possible access to key Members of Congress and high-level EPA officials.

Water Infrastructure Network

NACWA is requesting \$25,000 to contribute to WIN's FY 2006 budget. WIN is the most recognized wastewater/water infrastructure organization on Capitol Hill. Hill staff, the press and media, stakeholder organizations, and educational institutions routinely call on WIN when they have questions regarding the funding of the nation's water and wastewater infrastructure. The membership of WIN works to support both short-term funding (EPA's state revolving fund programs) and long-term funding initiatives (the creation of a trust fund to finance wastewater/water infrastructure). As Administrator of the WIN coalition, NACWA plays an important role in building a wide-ranging stakeholder organization to ensure the future of the nation's wastewater and water agencies.

The \$25,000 for FY 2006 will supplement WIN's budget and will be used to retain a legislative advocate, maintain the WIN website, and fund communications efforts.

2005 NACWA Financial Survey

Since 1981, NACWA has published the *Financial Survey* every three years. The survey has consistently proven itself to be a valuable resource for NACWA member agencies as they evaluate financing options and consider rate adjustments. A portion of the \$50,000 approved in FY 2005 has already been used to fund development of the 2005 survey form, which was distributed to NACWA member agencies in early April 2005. Following data collection via the survey form, funds will be used to create the 2005 survey report, which will present a comparative analysis of 2004 - 2005 data with historical industry trends. The report will serve as a benchmarking tool for clean water agencies wishing to compare their operations with other agencies of similar size and services. The requested amount for FY 2006 of \$11,000 will cover the printing and design costs for this critical resource.

CleanWater Central

The *CleanWater Central* database serves as a central hub for future data collection activities, such as the NACWA *Financial Survey* and NACWA *Index*, and as a repository for information vital to the wastewater treatment community. NACWA and WERF launched the database during the NACWA 2003 Summer Conference in Boston and are now working to implement a marketing strategy to increase the number of users on the system. The proposed funding of \$15,000 for FY 2006 will cover half of the contract expenses (NACWA and WERF equally share the cost) to maintain the database. Maintenance includes daily and weekly information backups, a rigorous quality assurance program to verify all newly entered information, and other database maintenance activities. The \$15,000 also enables NACWA to use the *CleanWater Central* contractor to conduct small surveys of its members at no extra cost and covers the annual Internet hosting fee for the website.

Participation in the Federal Water Quality Coalition

For the past several years, NACWA has maintained an associate membership in the Federal Water Quality Coalition (FWQC). The FWQC is a broad coalition of stakeholders, including industry and municipalities, focused on water quality issues such as water quality criteria, mercury issues, permitting, and total maximum daily loads. The proposed FY 2006 funding of \$15,000 would cover NACWA's discounted annual dues in the coalition and give NACWA access to critical leveraging opportunities and information. The FWQC provides valuable assessments of a broad range of water quality issues and how they may affect municipalities, giving NACWA staff a valuable resource for ascertaining when to weigh in on behalf of the membership. This leveraging of resources has enabled NACWA to cover a much broader array of water quality issues.

Service Charge Index

Since 1992, the Association has published the NACWA *Index* annually to track average single-family residential service charge increases as measured against the rate of inflation. Because there is a wide range of rate structures used by utilities (e.g., one or a combination of flat rates, fixed or tiered volume rates, tax rates, etc.), the average annual single-family residential sewer service charge (inclusive of collection and treatment) provides a consistent benchmark to measure changes in the price of service among public utilities nationwide. The ongoing request for FY 2006 is \$2,000. These funds are allocated each year towards survey form creation and data analysis.

Water for People

Water for People is an organization dedicated to ensuring that all people have access to safe drinking water, adequate sanitation and basic health services. Their objective is to raise the awareness of the importance of the critical need for these basic services in impoverished parts of the world and to ensure that people are safe from water-related illnesses. NACWA has been asked by Water for People to make a one-time contribution in FY 2006 of \$5,000.

Peak Performance Awards

NACWA's *Peak Performance Awards Program* recognizes member agency facilities for excellence in wastewater treatment as measured by their compliance with their National Pollutant Discharge Elimination System (NPDES) permit requirements. This program has honored growing numbers of NACWA member agency facilities since its inception in 1987. The ongoing request for FY 2006 is \$6,000 to fund this successful program.

Government Affairs Rapid Response Fund

The FY 2006 request of \$30,000 will be used to undertake time-sensitive priority projects. In FY 2005, examples of such projects include the *Rose-Katonak Report Review* on wastewater blending, which was requested for immediate turn-around by a key Member of Congress supportive of blending. Other projects include design and printing of NACWA's *CSO-SSO Action Plan Summary* for delivery to all members of Congress, as well as support for a coalition effort to produce a timely report on the state-by-state economic effects of proposed cuts to the Clean Water State Revolving Loan Fund. This is the first year that the Rapid-Response Fund has been in use and it has already produced key documents that have been widely used by members and fellow stakeholders.