

## NACWA Targeted Action Fund FY 2008 Continuing Project Budget Analysis

Below is a description of and justification for each item proposed for continuing funding in the Fiscal Year (FY) 2008 Targeted Action Fund (TAF) budget as of April 18, 2007.

### Litigation

#### *General Legal Support*

The proposed TAF funds of \$50,000 will be used throughout FY 2008 to consult outside counsel on various regulatory and legal issues, and for general litigation and strategic input and support. The activities funded through the *General Legal Support* line item in FY 2007 include: further support of the "daily load" TMDL case; substantive completion and design of the recently released *Consent Decree Handbook Supplement*; assistance with NACWA's significant noncompliance comments; strategic advice on legal issues associated with wet weather standards; NACWA's initial pleadings in the BEACH Act case; and to sustain NACWA's participation in a coalition to oppose the proposed EPA National Pollutant Discharge Elimination System (NPDES) permit fee rule. Funds were also used to sponsor the National Environmental Moot Court competition held at Pace Law School February 22-24, 2007.

### Ongoing Initiatives/Coalition Work

#### *National Biosolids Partnership (NBP)*

NACWA is requesting \$30,000 (WEF reimburses NACWA \$15,000) to retain the services of 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. As it prepares to celebrate its tenth anniversary, the NBP EMS program for biosolids has approximately 100 participating member agencies and 11 certified agencies.

While national budgetary forces have prevented the NBP from receiving an appropriation for FY 2007, work on the program continues with carryover funding from previous years. NACWA understands that the FY 2008 appropriation will be critical to ensure the NBP can continue to move participating agencies through the programs workshops, provide technical support, prepare agencies for the third party audit, recruit new agencies (with a focus on small and medium-sized agencies), and provide resources to communicate the value of the NBP EMS program for biosolids to potential EMS candidates.

#### *Advocacy Support*

Fiscal year 2007 TAF funds in the amount of \$72,000 are used 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 2007 is being used to retain the services of The Accord Group. The funding has aided NACWA's efforts to help ensure the broadest possible access to key Members of Congress on issues of importance to the wastewater utility community. Continued funding at the \$72,000 level for FY 2008 will be critical for continuing these ongoing efforts.

#### *Water Infrastructure Network*

NACWA serves as Chair of the Water Infrastructure Network (WIN). WIN is recognized on Capitol Hill and by the trade media as an influential voice on wastewater/water infrastructure funding issues. Hill staff, the press and media, stakeholder organizations, the investment community, mayors and governors offices 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 and Chair 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 2007 is being used to supplement contributions from other WIN member organizations to retain the services of The Accord Group, maintain the WIN website, and fund communications and outreach efforts. The proposed amount of \$25,000 for FY 2008 will ensure continuation of these ongoing efforts.

#### *2008 NACWA Financial Survey*

Published every three years, the *Financial Survey* has consistently proven itself to be a valuable resource for NACWA member agencies as they evaluate financing options and consider rate adjustments. A working group of Utility Management Committee members will begin work on the 2008 Survey form in the next few months with the goal of distributing the Survey to the members in March of 2008. A total of \$50,000 is being requested for this effort in FY 2008. An additional request of \$5,000 from the FY 2007 budget will be made in July of 2007, in order to cover contractor costs associated with pre-planning for the Survey. The total contractor costs of \$55,000 will cover Survey development and all data collection and analysis.

#### *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 continue to expand the amount of information in the system and the number of regular users. The proposed funding of \$12,200 for FY 2008 will cover half of the contract expenses (NACWA and WERF equally share the cost) to maintain the database as well as the Internet hosting fees for the database and website. Maintenance includes daily and weekly information backups, a rigorous quality assurance program to verify all newly entered information, and other database maintenance activities. The \$12,200 will also enable NACWA to use the *CleanWater Central* contractor to conduct small surveys of its members at no extra cost.

#### *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 2007 funding of \$15,000 would cover NACWA's discounted annual

dues in the coalition and give the Association 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. Total funding requested for this effort in FY 2008 is \$2,500. 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 appointed a member representative to serve on the Board of Water for People and has committed to make a contribution in FY 2008 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 2008 is \$10,000 to fund the analysis of data and the identification of honorees for this successful program.

#### *Government Affairs Rapid Response Fund*

The FY 2008 request of \$40,000 will be used to undertake time-sensitive priority projects to maximize the success of NACWA's key advocacy efforts. The requested amount is an increase over FY 2007 funded total of \$35,000. The Fund has enabled the Government Affairs staff to respond to critical issues on short time fuses over the past several years from developing expert reports on peak excess flow issues, to a scientific review of EPA's draft Greenhouse Gas Emission Inventory. The increase for FY 2008 reflects both rising costs associated with hiring consultants and experts but also the increasing suite of issues that NACWA anticipates addressing in FY 2008, including cross-cutting and watershed-based initiatives.