

NACWA Targeted Action Fund FY 2007 Continuing Project Budget Analysis

Below is a description of and justification for each item proposed for funding in the Fiscal Year (FY) 2007 Targeted Action Fund (TAF) budget as of April 17, 2006.

Litigation

General Legal Support

The proposed TAF funds of \$50,000 will be used throughout FY 2007 to consult outside counsel on various regulatory and legal issues, and for general litigation and strategic input and support. This line item has been funded for five years at a steady \$40,000, and has always been fully expended. The proposed increase is essential to account for the increasing cost of outside legal services. The activities funded through the *General Legal Support* line item in FY 2006 include: tax and incorporation advice; analysis of the Clean Water Act (CWA) cases before the U.S. Supreme Court; supplementing NACWA's involvement in the effluent limitations guidelines (ELG) suit; legal advice on peak wet weather flow blending issues; a *White Paper* on cross-cutting Safe Drinking Water Act (SDWA) and Clean Water Act (CWA) legal issues; and the appeal of the *Friends of the Earth* "daily load" case before the U.S. Court of Appeals for the District of Columbia Circuit.

Ongoing Initiatives/Coalition Work

National Biosolids Partnership (NBP)

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 eighth year, the NBP EMS program for biosolids has 88 participating member agencies and 11 certified agencies.

The \$1 million appropriation for fiscal year 2007 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 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 2006 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 2007 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 the foremost authority 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 2006 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 2007 will ensure continuation of these ongoing efforts.

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 \$12,000 for FY 2007 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 \$12,000 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 2007 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 2007 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 appointed a member representative to serve on the Board of Water for People and has committed to make a contribution in FY 2007 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 2007 is \$9,000 to fund this successful program.

Government Affairs Rapid Response Fund

The FY 2007 request of \$35,000 will be used to undertake time-sensitive priority projects to maximize the success of NACWA's priority issues. In FY 2006, examples of such projects included sponsorship of the eighth annual *Mercury as a Global Pollutant* conference, a white paper describing the need for clean water trust fund legislation for use with key stakeholders and Congress, as well as advertising in a key publication distributed at the Society of Environmental Journalists' conference and broadly to media leaders to inform them of NACWA's name change and its advocacy priorities, among other issues (see Attachment 7). In its first two years, the Rapid-Response Fund has already produced key documents that have been widely used by members and fellow stakeholders.