



Association of
Metropolitan
Sewerage Agencies

**TESTIMONY OF THE
ASSOCIATION OF METROPOLITAN SEWERAGE AGENCIES
(AMSA)**

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Presented by

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**Narragansett Bay Commission
Providence, Rhode Island**

Submitted to the

SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT

in

WASHINGTON, DC

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**Testimony of Paul Pinault
Executive Director, Narragansett Bay Commission
on behalf of the
Association of Metropolitan Sewerage Agencies**

Introduction

Good morning Chairman Duncan, Congressman Costello, and members of the Committee, my name is Paul Pinault. I am Executive Director of the Narragansett Bay Commission in Providence, Rhode Island, a past president of the Association of Metropolitan Sewerage Agencies (AMSA), and Chair of its Clean Water Funding Task Force. AMSA represents nearly 300 clean water agencies across the country. AMSA's members treat more than 18 billion gallons of wastewater each day and service the majority of the U.S. sewered population.

On behalf of AMSA and the Narragansett Bay Commission, I would like to thank you, Chairman Duncan, and the members of this Committee for your continued commitment to clean water funding. Your dedication to solving the challenges our communities face across the nation, including Providence, is essential to the achievement of the goals of the Clean Water Act.

I also extend AMSA's appreciation to Representatives Camp and Pascrell and the nearly 30 co-sponsors of H.R. 784, *The Water Quality Investment Act of 2003*, for their interest in revisiting, and hopefully extending, the authorization for the sewer overflow control grants passed several years ago by Congress in the *Consolidated Appropriations Act of 2000*. H.R. 784 would authorize \$750 million a year for two years, Fiscal Years 2004-2005, for combined sewer overflow (CSO) and sanitary sewer overflow (SSO) control projects. This money can only be made available in

any fiscal year in which there is at least \$1.35 billion in the clean water state revolving fund — the current level of clean water SRF funding.

The original bill's authorization was for Fiscal Years 2002 and 2003, but the funds were never appropriated, despite the pressing need in communities nationwide that face massive combined sewer overflow expenses. This hearing today gives us the hope that the wet weather grant program will be fully funded in line with the legislators' original intent, providing cities across the country with additional grant funds to help pay for critical and costly wet weather control projects.

AMSA is fully supportive of this bill, but because of past inability to appropriate the funds for the CSO grant program, coupled with the projected federal budget shortfalls, we recommend that this Committee reauthorize the grant program for six years, making the program eligible for funding through 2010. This would provide a more realistic chance of obtaining the needed appropriations at a level of \$250 million per year, instead of H.R. 784's \$750 million per year authorization level.

While the nation's clean water utilities will be appreciative of any grant funds that are made available to us, I must emphasize that the wastewater funding gap remains a real and present challenge for communities like mine and across the nation. The U.S. Environmental Protection Agency, the Congressional Budget Office, the General Accounting Office, and the Water Infrastructure Network all estimate a water infrastructure funding gap in the hundreds of billions of dollars.

For wet weather projects alone, EPA recently estimated that SSO communities need to spend \$102.7 billion, not including operations & maintenance costs, to

achieve a goal of no more than one SSO every five years. This estimate also presumes EPA will change its current position that each and every SSO is an illegal violation of Clean Water Act requirements. EPA's most recent Clean Water Needs Survey estimates a *current, documented* funding need of **\$50.68 billion** to control combined sewer overflows in the nation's 772 CSO communities. The needs are staggering.

It is in this context that the challenges of my own utility must be considered. The Narragansett Bay Commission is currently investing over \$300 million in the first phase of a three phase combined sewer overflow abatement program. When all three phases are completed, these facilities will *directly* cost the ratepayers in our district nearly a billion dollars. However, it is becoming increasingly clear that our ratepayers cannot sustain additional, substantial rate increases to fund infrastructure improvements. 22% of households in the NBC service area fall under the federal poverty line; 15% of the NBC's service area population are over 65; and 65% of children at or below the poverty line in Rhode Island live in our service area. Over the past three years, these ratepayers have seen their sewer bills rise by 25%, 25% and 17%, respectively. This year, they face an additional 10% increase. For our demographic group, these increases represent substantial financial hardship.

The needs of the NBC – and of communities across the nation – have far outgrown the funding levels provided by the SRF. We face financial challenges in the water infrastructure sector today that far exceed historical investment patterns and exceed the financial capacity of our local governments and ratepayers.

Our needs are great because our systems are at a critical juncture in their life cycles. A combination of reduced federal spending and increased federal mandates to meet treatment requirements is taking its toll. The collective aging of our pipes and systems further compounds our ability to meet the objectives of the Clean Water Act. Seventy-five percent of the nation's capital investment in wastewater and drinking water infrastructure is buried underground. The useful life of these pipes is coming to an end. Any additional deferral of the needed investments to repair and renew these systems will lead to greater increases in the costs associated with providing clean and safe water services.

To meet this growing funding challenge, AMSA has consistently advocated for dedicated clean water funding through a trust fund similar to those that already exist for the nation's highways and airports. Given this Committee's leadership on clean water issues, we look forward to discussing this issue further with you in the near future.

The reality remains, however, that the Narragansett Bay Commission and other clean water agencies must meet – and exceed – the public's expectations that our treatment plants and pipes will secure the highest level of water quality for the nation's beaches, lakes, rivers, streams, and bays. I can tell you from personal experience that this is not an easy task, especially in today's enforcement-driven environment.

In December 2003, EPA published a draft list of national enforcement priorities for Fiscal Years 2005 -2007. EPA water enforcement officials have reported to us that wet weather enforcement will remain one of the Agency's top enforcement

priorities for these years. Major cities across the country are facing federal enforcement actions for their sewer overflows. These cities are signing consent orders that will govern their operations and require the expenditure of billions of dollars over the next decade and beyond.

Although \$1.5 billion will not, on its own, close the infrastructure funding gap, nor will it be sufficient to deal with the CSO challenge, H.R. 784 constitutes an important statement from Congress. H.R. 784 shows that Congress understands the challenges the nation's public wastewater treatment utilities face. Most importantly, it shows that Congress is prepared to partner with us to achieve the Clean Water Act's noble objectives.

Mr. Chairman and Members of this Committee, thank you for your dedication and leadership on clean water issues. Again, I urge you to extend the authorization for the Clean Water Act's sewer overflow grant program. At this time, I would be happy to answer any questions.