

In Colorado, the current funding needs list for drinking water and wastewater projects is approximately \$2.3 billion.

Letter from Kathleen Curry and Jim Isgar to John Salazar, 9/27/2006.

\$888 million in identified drinking water projects and \$1.4 billion in identified wastewater projects will need to be funded over the coming few years, with new projects being added to the list over time, as well.

Minutes of 9/9/2006 CML Water Issues Committee

Water Pollution Control Revolving Fund

- 2007 Load Capacity \$41 million
- 2007 Load Demand \$323 million
- Wastewater Needs \$1.4 billion (Draft 2007 Eligibility List)
- Declining Annual Appropriations from EPA
  - \$10.5 million per year for years 2002 to 2004
  - \$8.6 million in 2005
  - \$6.9 million in 2006

Appropriations thru 2011 (then the funding source will likely be eliminated)

Presentation to CML Water and Wastewater Issues Committee 9/8/2006 by Donna Davis WQCD

“... the current total statewide need for drinking water and wastewater projects is nearly \$2.3 billion. In addition to the necessity to replace and upgrade infrastructure as it reaches the end of its useful life, the cost of compliance with increasingly stringent standards being mandated from the federal government without corresponding funding means that many systems will struggle funding projects they are required to complete. Equally important is ensuring the Colorado Water Quality Control Commission does not exacerbate the problem by implementing standards and criteria that unnecessarily exceed those passed along by the federal government.”

Draft water/Wastewater Project Funding Briefing Paper from Kevin Bommer (CML Legislative Advocate) to Municipal Officials, dated December 1, 2006.

“Thirty years ago, the federal share of construction of clean water infrastructure was 75%. Today, based on numbers from the National Association of Clean Water Agencies, the federal share has fallen closer to 5% while cities and local utilities spend \$63 billion annually on clean water infrastructure – second only to education in the level of local spending.

NLC estimates a gap in excess of \$600 billion in funding for cities to maintain, rehabilitate and replace their drinking water, wastewater and wet weather infrastructure. Some communities are facing a 50% or greater reduction in new loan funds made available for public purpose water and sewer projects. In the face of this gap, Congress has been regularly eroding funding for the Clean Water State Revolving Fund and the administration has slated the program to end by 2011.

Here are the links to the proposed rule and an EPA description of the proposed change.  
<http://www.epa.gov/cgi-bin/epaprintonly.cgi>

<http://www.epa.gov/owm/cwfinance/permitrule-fr.pdf> “ Nation Cities Weekly 15 Jan 2007, page 3

“Studies by government and utilities agree that cities and towns will need to spend \$250 billion to \$500 billion more over the next 20 years to maintain the drinking water and waste-water systems we equate with modern living. The only debate is how to pay for it, in a country accustomed to paying about \$2.50 per 1,000 gallons – the lowest price for tap water in the developed world.” U.S. News & World Report, June 4, 2007, page 44

On page 45,

“A major problem, at least in the view of the Bush administration, is that utilities haven’t been charging their citizens the true cost of providing water but instead subsidize the service with other revenues. The EPA promotes the idea of what it call “full-cost pricing” as one oif it’s “four Pillars” of sustainable water systems, along with conservation , better management, and cooperation among communities in the same watershed.” .....”In fact, in the topsy-turvy world of water, efficiency worsens the fiscal picture. The more water consumers save, the less revenue for utilities, which charge by the gallon.”

On page 46

“Water utilities are three to four times more capital intensive than any other utility.” ....” How do we treat water more and more as an economic commodity – just like copper or oil or aluminum – and make rational economic decisions about it on the one hand, he says, and on the other hand, accept that it’s a fundamental human right and everybody has to have it to exist?”

From:

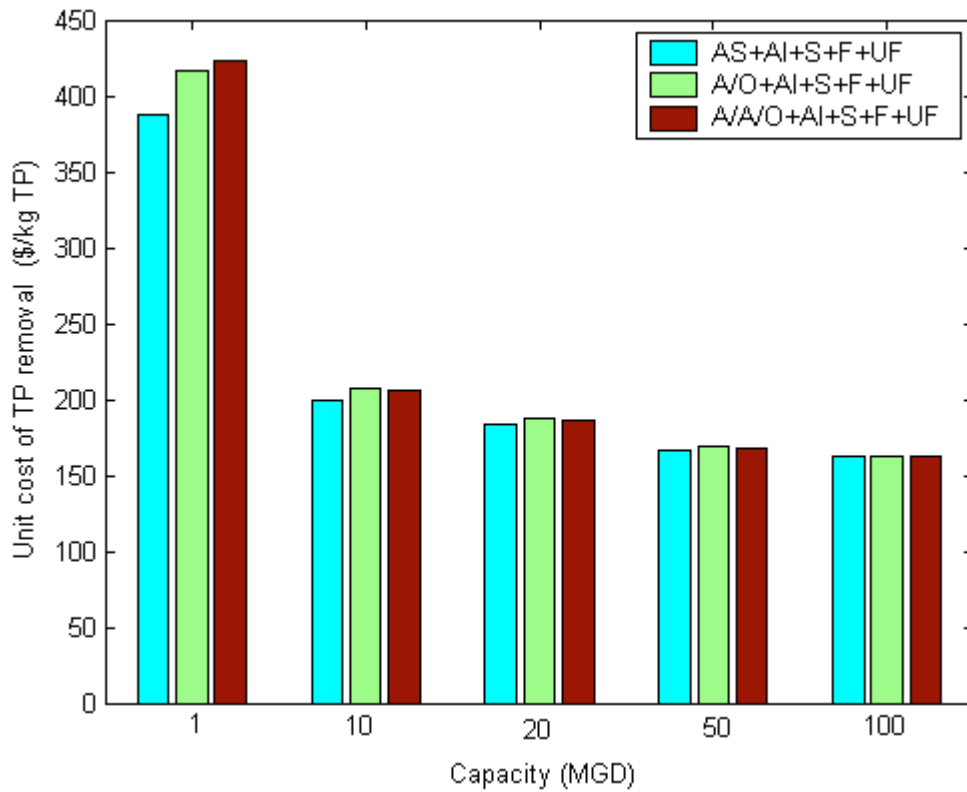
**ESTIMATION OF COSTS OF PHOSPHORUS REMOVAL  
IN WASTEWATER TREATMENT FACILITIES:  
ADAPTATION OF EXISTING FACILITIES**

**Water Policy Working Paper #2005-011**

**By**

**F. Jiang, M.B. Beck, R.G. Cummings, K. Rowles, and D. Russell**

Figure 29. The unit cost of TP removal in the three adaptation configurations



From:

**A CALL TO ACTION: MAKING STRATEGIC CHOICES  
IN FINANCE, COMMUNICATION, & ENERGY**

A Keynote Address

By

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Sustainable Infrastructure Conference

Sponsored by:

US EPA Regions 1 and 2  
and the  
New England Water Pollution Control Commission

April 30-May 1, 2007

Marriott Mystic Hotel and Resort

Groton, Connecticut

Whether or not you embrace the figures contained in EPA's 2002 Gap Report ([www.epa.gov/owm/gapreport.pdf](http://www.epa.gov/owm/gapreport.pdf)), the aging of our water systems, combined with continued economic growth and a steady rise in population, guarantee that the financial challenges facing water and wastewater utilities are huge by any measure.

In fact, the United States has some of the lowest water rates of any of the free-market democracies in the OECD. The average American household pays more for soft drinks (\$707) than for water and wastewater charges (\$474) on annual basis (as calculated from 2001 figures).

An August 2002 GAO report ([www.gao.gov/new.items/d02764.pdf](http://www.gao.gov/new.items/d02764.pdf)) on its survey of several thousand drinking water and wastewater utilities indicated that 29 percent and 41 percent, respectively, were not generating enough revenue from user rates and other local revenue sources to cover their full cost of service. Roughly one-third of the utilities, therefore, deferred maintenance because of insufficient funding, had 20 percent or more of their pipelines nearing the end of their useful life, and lacked basic plans for managing their capital assets.

The Congressional Budget Office (CBO) claimed that, even if you paid for the entire infrastructure investment gap through rate increases, the American household would be paying less than 1 percent of average household income on water and wastewater charges.

Most of our citizens are served by publicly owned systems. So a pricing decision is essentially a political decision which is perceived as the equivalent of a tax. For political leaders it is a root canal.

No doubt, the political winds change. There may be more federal or state financial support for water utilities, or there may be less. But even under the rosiest scenario, it is unlikely to be enough.

“A consistent, structured communications outreach program builds the credibility necessary to support customer-utility relationships and, therefore, rate increases.”

Utility managers must respectfully engage political leaders and their constituents to inform them of the technical and financial issues relevant to the long-term health of the community and its precious underground assets.