

Funding Conundrum



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Water infrastructure undoubtedly has a direct impact on our everyday lives—from the water we drink, to disease control, to economic and industrial development—providing clean, safe and affordable water and sanitation is one of the greatest public health achievements of the last century.

Unfortunately, infrastructure investment has not kept up with growing population demands nor much-needed renewal and maintenance. It is evident that a lack of funding has played a critical role.

All levels of government are feeling the increasing downward pressure on their budgets. Municipalities have had to watch every penny to ensure that funds are spent wisely. Project financing has become extremely difficult to arrange, which has kept industry growth at a snail's pace.

To make matters worse, the Fiscal Year (FY) 2013 president's budget request includes \$1.175 billion for the Clean Water State Revolving Fund and \$850 million for the Drinking Water State Revolving Fund, a total reduction of \$359 million from 2012.

As we all know, these funds are used by water and wastewater utilities to provide services that help repair the country's crumbling water infrastructure and protect human health and the environment.

In response to the U.S. Environmental Protection Agency's (EPA) proposed budget cuts for state revolving funds, Sen. James M. Inhofe recently commented: "Last year, I raised my concerns that EPA had taken nearly 83% of their total budget cuts from the water programs, primarily from the State Revolving Fund [SRF] program. EPA is again cutting the SRF program, which helps states finance infrastructure improvements to help meet Clean Water Act and Safe Drinking Water Act mandates. I've looked at EPA's water regulatory agenda and I have not seen a commensurate cut in unfunded mandates. In fact, this year EPA is proposing to expand the amount of waters that are covered by the Clean Water Act through their draft jurisdictional guidance. I encourage my colleagues on the Appropriations Committee to restore this cut to the SRF and take those funds from the regulatory program."

In March 2012, Nancy Stoner, acting assistant administrator for EPA's Office of Water, testified before the U.S. House of Representatives Subcommittee on Water Resources and Environment, Committee on Transportation and Infrastructure about the president's FY 2013 budget request for EPA's National Water Program. In her testimony, Stoner said that while EPA's request for the National Water Program is for \$3.41 billion—a 9% reduction from FY 2012 enacted levels—the requested level still allows the National Water Program to maintain its fundamental mission of protecting the quality of the nation's water resources.

To determine if the water and wastewater industry felt that slashing the SRF program to accomplish a budget reduction would negatively impact water quality, *Water & Wastes Digest* conducted an industry poll in February and March.

The results were astounding.

Forty-two percent (42%) supported a reduced budget and felt that water quality will remain well addressed; 34% thought that a budget equal to or greater than last year's is needed to adequately address water quality needs; and 24% said they understand the need to reduce spending, but felt that these cuts are too much and may lead to reduced water quality.

I don't know about you, but it appears to me that if our industry feels that it should not rely on the SRF program for assistance to meet pressing needs, then we had better be prepared to share upcoming water and sewer service costs with customers. One way or another, we will have to solve water's funding conundrum and find the funds necessary to address our nation's crumbling infrastructure needs.



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Water & Wastes Digest is published exclusively for the 85,000+ decision makers in the municipal and industrial water, wastewater and water pollution industries. These individuals actively design, specify, buy, operate and maintain the equipment, chemicals and services used for water treatment. Editorial content in this audited publication highlights new products and technologies concerning the supply, collection, treatment and distribution of drinking water; the collection, treatment and disposal of wastewater; and hazardous waste pollution control. A product directory is included in the annual June Buyer's Guide.

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