



## Call for Change – Needs and Levels of Funding

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The Association of State and Interstate Water Pollution Control Administrators (ASIWPCA) has developed a set of recommendations believed necessary to maintain and continue to improve the water quality in the United States. This "Call for Change: Water Quality Improvement in the 21st Century" is an invitation to the Federal government to reestablish an effective partnership and forge a new course of action to protect and improve the nation's water resources. ASIWPCA looks forward to an on-going constructive dialogue with the US Environmental Protection Agency (EPA), the incoming Administration, and interested stakeholders to meet this challenge.

### **A. CLEAN WATER ACT STATE REVOLVING LOAN FUND**

#### **General Overview and Background:**

Section 601 of the Clean Water Act provides funding to States to administer the State Revolving Loan program. This program provides low interest loans to municipalities to pay for wastewater infrastructure projects, including treatment plants, sewers, and storm sewers.

This funding is critical to the protection of the nation's waters. Since the adoption of the Clean Water State Revolving Loan Program in 1987, \$63 billion has funded 20,711 water quality projects and many of the nation's waters have been transformed from waste streams to vibrant water bodies.

States provide a 20% match to all Federal funding and 27 States leverage State Revolving Fund moneys to provide even more funding (enhancing the project funding by 2-3 times). Despite the States' effective use of the funds, growing backlogs of projects are going unfunded and their environmental benefits unrealized.

In the year 2007, with \$687 million in Federal funding and \$159 million in State match, the States accomplished the following:

- \$5.3 Billion Projects Funded
- 2,055 Municipal Assistance Agreements made

Since 2005 more than 94.9 million people have been served by projects that aim to preserve water quality for aquatic life, provide for water recreation, and protect drinking water sources.

#### **Reason for Change:**

There is a growing need to restore and upgrade the nation's wastewater infrastructure. EPA's 2004 Clean Watershed Needs Survey found over \$200 billion is needed for the nation's sewer infrastructure in the next 20 years. Adjusted for inflation this need is now almost \$240 billion and

the States believe that this is a very conservative figure. Thus, there is a gap of at least \$12 billion per year over the next 20 years and this gap is growing every year there is a failure to address it.

Yet, the Federal government has drastically reduced the State Revolving Fund over the past several years, plummeting from \$1.35 billion for 2004 to \$687 million for 2008. The Federal government now provides 3% of the funding for wastewater treatment infrastructure down from 78 % in 1978.

States and localities are taking on huge burdens to replace aging infrastructure even as further Federal mandates have been placed on the States. There has been tremendous progress made improving the nation's waters. Reinvestment in wastewater infrastructure must be made before backsliding begins.

### **Recommendations:**

- \$5 billion annually should be appropriated for the Clean Water State Revolving Fund for wastewater infrastructure.
- The Clean Water State Revolving Fund should be amended to allow for grant funding that States would then manage in a way that would maximize available funding to needed projects.
- A National Water Trust Fund should be created that would provide dedicated funding, at needed levels, for water and wastewater infrastructure through the State Revolving Funds and programmatic funding.

## **B. STATE CLEAN WATER ACT PROGRAM FUNDING - 106**

### **General Overview and Background:**

Section 106 of the Clean Water Act authorizes funding to the States and Interstate Commissions to assist them in preventing, reducing, and eliminating pollution of the nation's waters, including enforcement. The States administer the core components of the Clean Water Act, overseeing the quality of State waters, issuing water pollution control permits, restoring and protecting watersheds, and ensuring compliance with the Clean Water Act.

The States' involvement with the support of adequate Section 106 funding is key to the implementation of the Clean Water Act and the protection of the nation's waters. Without it, the permitting and other State water programs would cease and the nation's waters would revert to waste streams.

In the year 2006, with \$216 million in Federal funding the States accomplished the following plus many other activities:

- Oversaw more than 70,000 permitted discharges to waters, plus 450,000 stormwater discharges.
- Reviewed more than 100,000 discharge permits.
- Undertook 90% of all Clean Water Act enforcement actions.

## **Reason for Change:**

In 2002, an analysis of the need for funding to the States for these and other activities was completed by EPA and the States. It found there was a gap of \$800 million per year. Unfortunately, since this study, only limited additional resources have been directed to this critical program and they have been directed toward specific additional tasks not the underlying need.

EPA has not requested the increased funding needed for section 106 in the Federal budget process. In fact, the only limited requests that EPA made to increase funding over the past several years have been for specific new EPA initiatives. In addition, the critical funding shortage is more exasperated when EPA is inflexible about how certain funding can be used.

The States provide a minimum match based on actual expenditures to this program which is often over 200% compared to the Federal 106 contribution. Thus, the Federal moneys are leveraged and the nation's waters are protected. Day-to-day management of the program is done at the State level which allows for Regional flexibility and Local involvement. Yet, the Federal government has oversight of the State programs to provide for a level playing field across the nation.

Section 106 provides the only Federal funding for the baseline programmatic needs of the States. It allows States to direct resources to the areas in their programs that need the most attention. This funding is integral to the States' continued involvement with Clean Water Act activities. In a very direct way, inadequate funding adversely impacts the quality of the nation's waters. Grossly inadequate Section 106 funding of \$221.7 Million was provided in the Federal budget in 2008.

## **Recommendation:**

- \$1 billion annually should be appropriated for Federal Clean Water Act implementation by the States under Section 106.
- EPA should stop the use of illegal set-asides of section 106 funding.
- EPA should maximize flexibility when working with States under a time of critical funding shortages.

## ***C. NONPOINT SOURCE MANAGEMENT PROGRAMS - Section 319 Funding***

### **General Overview & Background**

Nationally, Clean Water Act (CWA) §319 funds are used for protection and restoration efforts for waterbodies primarily impaired by nonpoint sources. The majority of the waterbodies on the CWA §303(d) list are impaired as a result of nonpoint source pollution. Water quality improvements in these waters are only accomplished through Federal, State, and Local efforts, which include addressing the following: high levels of sediments and nutrients due to agriculture and land development, dissolved oxygen impairments, high phosphorus loads, high turbidity, pathogen impairments, total suspended solids impairments stream from bank modification/destabilization, toxic metals from mines, and acid mine drainage.

## **Reason for Change:**

§319 needs have previously been estimated by ASIWPCA to be \$500 million annually; however, according to the most recent (2004) Clean Watersheds Needs Survey (CWNS), total NPS needs are \$38 billion over 20 years or \$1.9 billion annually on average. Additionally, the CWNS does not include data from all States and all nonpoint source categories, and is reflective of 2004 dollars.

In the last five years, the annual appropriation for CWA §319 has been approximately \$200 million per year and of that, States across the country received an annual allotment of anywhere from \$1.0 million to \$10 million, depending on the fiscal year. The current level of §319 funding provided to States is not sufficient to run a comprehensive nonpoint source program. For example, States in the Northeast have reported that they could utilize 100% to 500% more §319 funding than is currently allocated to them. The projections are likely much larger for mid-western States

While States were hopeful that USDA Farm Bill funding could be part of the solution, in most States those programs do not give water quality a priority or are not coordinated with water quality programs.

## **Recommendations:**

- \$1 billion annually should be appropriated for Section 319 to support State implementation of the nonpoint source program, in a manner that is consistent with the goals of the Clean Water Act and individual State nonpoint source programs.
- EPA should continue to be receptive and flexible with 319 funding.
- EPA should support USDA's use of 319 criteria for Farm Bill funding.

## **D. WASTEWATER OPERATING TRAINING PROGRAM – 104(g)**

### **General Overview & Background:**

Section 104(g)(1) of the Clean Water Act authorizes funding for the Wastewater Treatment Plant Operator On-Site Assistance Training. The program addresses non-compliance at small publicly-owned wastewater treatment plants, with a discharge of less than 5 million gallons per day (MGD). The need for individualized technical assistance is real. There are more than 15,000 municipal wastewater treatment plants in the U.S., of which 14,000 (>93%) discharge less than five MGD. More than half have sophisticated activated sludge treatment technologies that require highly-developed operating skills. Investing in training provides hands on support for the proper operation and maintenance of the nation's vast wastewater infrastructure investment.

State programs funded by Section 104(g) have been highly effective and produced significant environmental improvements for a very modest investment. In 2006, at an average Federal cost of about \$1,800 per facility, the program:

- Assisted 659 facilities, of which 566 achieved or maintained compliance, or improved performance - a 86% success rate and

- Completed training at 335 of these facilities, of which 316 achieved or maintained compliance, or improved performance - a 94% success rate.

In a cooperative effort with EPA, States, Municipalities, and Operators, 104(g) assistance focuses on issues such as wastewater treatment plant capacity, operation training, maintenance, administrative and financial management, trouble-shooting, and laboratory operations. Plant operating staff and local elected officials work together to improve water quality through efficient use of treatment equipment for maximum environmental benefit. This program was a win-win for everyone and provided credibility for State water programs.

**Reason for Change:**

No CWA 104(g) funding was dedicated through the Federal budgeting process for FY'08 – the program was eliminated and States are losing their capacity to assist small local wastewater facilities. This negatively impacts attainment of CWA program goals.

**Recommendation:**

- \$5 Million annually should be appropriated for Section 104 (g).

**NOTE:** *Throughout this document reference to States also refers to Interstate Water Pollution Control Agencies.*

*For more information on ASIWPCA's Call for Change, go to [www.asiwpca.org](http://www.asiwpca.org)*