



**Written Testimony of Mayor Pete Buttigieg
House Transportation and Infrastructure Committee
Subcommittee on Water Resources & Environment
May 18, 2017**

Introductions

Good morning Chairman Graves, Ranking Member Napolitano, and members of the Committee. I thank you for this invitation to give my and the Conference of Mayors' perspective on water and wastewater issues in the United States.

My name is Pete Buttigieg and I have been the Mayor of South Bend, Indiana since 2012.

Let me start by commending this committee for holding this hearing on this important issue. This hearing, and the proposed bills, acknowledge that as a nation, we need to approach our water and wastewater infrastructure and compliance issues in a much more practical and sustainable manner. Our communities and more importantly, our residents, do not have unlimited resources to bear the burden of implementing every rule and regulation without support or without regard to context. Today, we are faced with a myriad of pressing and complex public health and environmental challenges that require the careful evaluation of each public dollar spent against competing causes. As we are fond of saying at the Conference of Mayors, "If everything is a priority, then nothing is a priority."

It is crucial that we renew the federal-state-city partnership to identify and invest in environmental and public health infrastructure. Attached to my testimony is a letter signed by the conference of Mayors, National League of Cities, and National Association of Counties that encourages all members of Congress to support integrated planning and smart solutions to environmental problems.

THE SOUTH BEND STORY

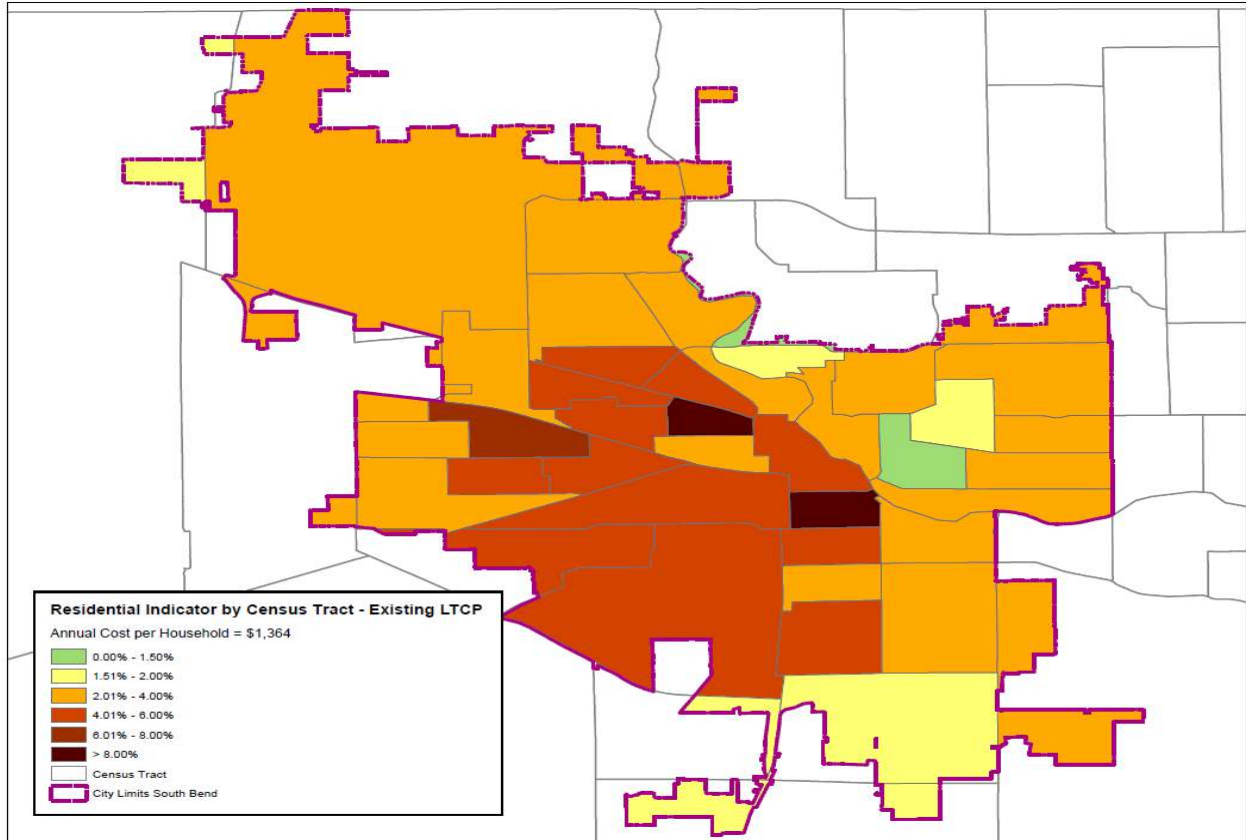
I would like to tell you about the City of South Bend and the problems we face with regard to water and wastewater infrastructure, as well as the solutions that we are employing to more accurately and efficiently manage environmental conditions.

We are a medium sized postindustrial City of 101,000. I am pleased to report we are experiencing the fastest pace of residential growth and investment in many years, but we are still economically challenged. Our median household income is 35% below that of the rest of the nation. Unemployment is 5.6% and over 20% of our residents make less than \$15,000 annually.

Like many Midwestern communities, we have a combined sewer system. Rebuilding the system is our greatest annual clean water-related expenditure.

Since late 2011 we have had to comply with a federally enforced Consent Decree that prescribes, in a long-term control plan, how the Environmental Protection Agency, Department of Justice, and Indiana Department of Environmental Management, or IDEM, require South Bend to modify our combined sewer system and reduce overflows. While we enthusiastically support the goal of reducing overflows into our river, the current plan is enormously expensive. Our latest financial evaluation tells us that to build the plan as prescribed will cost \$861 million, without financing costs. When financing costs are included, the plan's cost approaches one billion dollars—ten thousand dollars for every man, woman, and child in our city. In accordance with the EPA's financial capability assessment, we have calculated that the proposed project cost represents a Residential Indicator of 3.69%. That means that 3.69% of a median South Bend household's income, \$34,600, will be going to pay for this long-term control plan. This is a significant burden for our residents. One out of every five households will have to pay 10% or more of its household income just toward their wastewater bill and one of every ten households will pay at least 14% of its income toward their wastewater bill. According to the EPA policy anything above 2% is considered a high burden. These costs are unsustainable and could cripple our economically and racially diverse community, making sewer bills unaffordable for low-income residents and reducing our competitiveness for commercial and industrial users. This has with long-lasting ramifications for economic development and social mobility, a set of harms that I believe were never intended by the Clean Water Act.

This graphic shows the financial burden the project has on our entire community and the disproportionate burden that it places on specific census tracts with disadvantaged neighborhoods.



Our 2011 consent decree has two phases. We have completed Phase 1 at a cost of almost \$150 million. This, in combination with a City-pioneered Smart Sewer initiative, has already reduced combined sewer overflow to the river by 75%, from over 2 billion gallons annually to less than 500 million.

We are proud of the achievement of reducing overflows for cleaner water. But now we face the daunting task of implementing Phase 2 of the Consent Decree projects, which have a total price tag of \$713 million to tackle the remaining 25% of the overflow. Phase 2 is essentially nine large pieces of grey infrastructure - tanks and tunnels. The plan is not what we would call an 'Integrated Plan' nor does it contain Green Stormwater Infrastructure. It may have seemed sensible in 2001, but it is more expensive and less effective than originally envisioned, based on what we now know. Most critically, not only can our residents not afford this phase as currently decreed, but the plan required will not meet its own level of control objectives.

South Bend made major investments in wastewater technology as an early adopter of the innovative 'smart sewer' approach. In 2008, the City installed 150 depth and flow meters in our combined sewer network. Then in 2011 we added 'Real Time Control', a series of intelligent gates and valves that maximized system capacity and prioritized access to the waste-water treatment plant for CSO basins that would otherwise have overflowed. This smart sewer network, and to an extent the Phase 1 long-term control plan projects, are the reasons for our massive early CSO reduction success. It also means we now have years of real-world data to better inform us in CSO

management, data which did not exist when the consent decree was imposed. We want to do more of what has clearly worked for us, and to that end my administration has used this data to develop a smarter and greener plan that when compared to the existing plan will decrease the number of overflows, vastly increase water quality in our St. Joseph River and would impose a residential indicator figure of 2.04% (versus 3.69%). This new Integrated Plan will take Phase 2 costs from \$713 million to \$200 million—but only if we are allowed to implement it.

What communities such as ours need most of all is flexibility. Rigid long-term control plans do not evolve with technology, such as smart sewers, and they do not focus on an integrated approach. The Clean Water Act is much more than a CSO policy, it is a holistic approach to protecting the waters of the United States' streams, rivers, lakes and aquifers. Therefore an 'Integrated Plan' is an essential tool to tackling all water quality issues. Integrated planning means using a sequence and approach that makes sense holistically. Local communities determine their water quality issues, from lead pipes to brownfield remediation, from stormwater to combined sewage, and prioritize them with a hierarchy that achieves the earliest and most significant public health and environmental benefits. A plan in this model could be truly considered 'Integrated' and would represent a more impactful and efficient approach to achieving the goals of the Clean Water Act.

We are in the process of Integrated Planning through the development of smarter, more sustainable solutions to intercept stormwater runoff with green infrastructure. This enables us to reduce the financial burden of the cost of mandated CSO control systems. In conjunction with newly obtained calibrated flow data, which is possible only due to our pathbreaking investment in smart sewers, we plan to use rain gardens, permeable pavements, bio-swales, and other methods to keep stormwater from entering our combined sewer system and thus reduce the need for expensive, large collection system construction.

The United States Conference of Mayors (USCM)

I have attended many conferences and meetings with the USCM and can say with confidence that while every city has a unique story to tell, they also share much in common. We face high costs and impossibly short time schedules to comply with aggressive controls of combined and sanitary sewer overflows, as well as stormwater regulations. The USCM has brought forward a series of mayors over the last five years to testify before Congressional Committees on behalf of Integrated Planning and our need for EPA to promote flexibility when implementing the Clean Water Act.

Our message to Congress is that renewing the public water infrastructure, while simultaneously delivering uninterrupted services including safe and adequate water, is becoming unaffordable. Unfunded mandates related to sewer and stormwater are both expensive and not well targeted towards the highest local environmental or public health concerns of a city. Local governments are stuck on an unsustainable financial treadmill when it comes to providing water and wastewater services. Decisions made by Congress and the Administration to eliminate or reduce financial assistance without reducing unwarranted and costly mandates has placed a severe financial burden on our nation's cities and our citizens.

- The net effect of mandates and infrastructure investment (both capital and operations) puts cities in increasingly higher long term debt with accompanying rate hikes that have the effect of raising basic service rates to levels that are unaffordable to a growing percentage of the 80% of Americans served by these systems.

Some Solutions

Amend the Clean Water Act to Remove Restrictions and to Fully Allow Use of Effective Integrated Planning Through Permitting Processes

Integrated Planning is designed to allow cities to develop comprehensive plans for their water, sewer, and stormwater needs, and establish a plan of investment over time to reach water quality goals. EPA's 2012 Policy on Integrated Planning laid the groundwork for this approach, but was never fully implemented due to CWA restrictions and the unwillingness of EPA/DOJ to allow full use of Integrated Planning. My experience as Mayor has demonstrated that, cities should be able to sequence investments based on local priorities, taking into account the issues that local government has identified to be of greatest environmental and/or public health significance. And, cities and state and federal agencies should be acutely aware of the importance of affordability to Americans served by public sewer/wastewater systems.

- The Mayors believe that future investments should be prioritized to first ensure the sustainability of existing public water infrastructure and associated public health, economic and environmental benefits.
- Additional improvements that will achieve additional benefits should be prioritized second.
- Investments that do not have commensurate public health, economic and environmental benefits do not belong on the priority list.
- And we urge the adoption of a new metric of affordability, ending the current, simplistic use of Median Household Income (MHI) as the critical metric for determining investment level. MHI has proven to be a blunt instrument, and can put 50% of households on an unfair and burdensome financial impact assessment because it is not calibrated to account for the impact on our poorest residents.

State/EPA Enforcement to Achieve Long Term Control of Stormwater through Permits

Cities need time to reach the ambitious goals of the Clean Water Act (CWA). Local elected leaders have a documented record of directing public investments to clean and protect our lakes and streams, but we can't get there if that means bankrupting our most vulnerable citizens with plans that overemphasize energy-intensive gray infrastructure and neglect the potential of Green Infrastructure. Cities and their Mayors urge Congress to create a path to reach long term goals through the existing permit process rather than by way of consent decrees. Longer permit terms with compliance schedules, coupled with regulatory oversight and a commitment by cities to reasonable progress, are preferable to a consent-decree model which forces an adversarial relationship involving lawyers, judges and penalties, and which imposes rigid restrictions that prevent flexible solutions as technology and priorities evolve. This work is best performed by city

planners, environmental experts, engineers and scientists who can collaborate in a permitting process to most promptly achieve the goals of the CWA. For example, the City of South Bend is working with the State of Indiana to develop a pragmatic and practical long-term control plan using smart sewers and green infrastructure to improve water quality while saving hundreds of millions of dollars over the consent decree approach. Such efforts must be made possible for all cities.

Renew Congressional Support for Exercising Flexibility in Existing Clean Water Law

The current CWA allows States, with EPA oversight, to use some flexibility to achieve water quality goals. For example, the CWA allows EPA flexibility in water body attainment designations. EPA also can grant variances where compliance with requirements have overly burdensome impacts on permittees. But there are also unnecessary restrictions in the CWA that could be eliminated – allowing cities the opportunity to use the full spectrum of integrated planning to achieve the CWA goals of fishable and swimmable streams, but recognizing the funding and staffing limitations that can impede and frustrate progress.

National Pollutant Discharge Elimination System (NPDES) permits are the best vehicle to accomplish these goals, through a collaborative process that involves the representatives of the city and the State (who has been delegated CWA authority, with EPA oversight). By contrast, consent decrees negotiated by the DOJ impose unnecessary and unreasonable restrictions with the character of harsh penalties rather than of shared goals. One dramatic consent decree example is the Lima, OH case, where a river is required to be “fishable and swimmable” despite the fact that the river dries up in the summertime and reaches only four inches deep in the wintertime. No one will ever swim or fish there. Yet, the City is held to that standard of compliance and, as a result, a very costly investment that comes at the expense of other opportunities to benefit residents and the environment.

The Conference of Mayors would encourage the USDOJ/EPA to demonstrate that these types of designations are, in fact, achievable before requiring cities to spend public resources to the level of economic hardship, even if that requires reevaluating use attainability or allowing variances until a goal can be reasonably reached.

Assessing City Fines in Consent Decrees

Cities and mayors urge the elimination of civil penalties for local governments who develop an integrated plan and put good faith efforts and reasonable further progress into improving their water. Cities are not private entities where penalties impact our profit margin - civil penalties only hurt the residents, the customers, of our communities. The appropriate measure of DOJ/EPA success is environmental vitality, not the dollar total of assessed civil penalties. Eliminating civil penalties can help reduce costs for low-income citizens who spend a significant portion of their income on water and wastewater bills, and allow these monies to be more effectively spent on solutions. Penalties should be reserved only for those units which refuse to achieve progress; not for those which do their best to improve water quality, and best serve citizens, with limited resources.

An Example

A recent review by the USCM arrays the civil fines for 31 local sewer/wastewater utilities that have completed a consent decree with EPA. The fines range from minor (Troy, ID, \$14,500 2014); to severe (Delaware County, PA \$1,375,000, 2015), (see Appendix 3). City consent decrees can be accessed using the hyperlinks in Appendix 4. Because the EPA uses Median Household Income (MHI) to set expected compliance costs, those costs, as well as the civil fines, result in regressive and disproportionate impacts on low income households, but also penalize middle-class households. There is no accompanying EPA rationale for why limited local resources are best spent on fines and overly costly consent decrees.

The regressive financial impacts of fines and compliance costs are illustrated for Delaware County, PA, (see Appendix 5). Delaware County was assessed a \$1.375 million civil penalty in addition to the \$300 million in estimated cost to comply with the consent order. To illustrate the disproportionate impact on residents, the USCM made 2 assumptions: rates for residential customers are assumed to be uniform, therefore payment of the fine is spread uniformly over all income groups. The same uniform distribution of costs applies to paying over time for the long-term compliance plan. The financial impact table in Appendix 3 indicates that nearly 70% of the fine and the long-term plan compliance costs will be borne by households with under \$100,000/year; 57% of the fine and plan costs will be borne by households making under \$75,000 a year. The County MHI is \$64,174. Households with income of greater than \$100,000/year contribute only 30% of the costs. Merely saying that each household will only be responsible for \$6.72 in fine payment share ignores the fact that EPA's federal mandate results in extracting \$1.375 million, mostly from low and middle class households.

Managing stormwater and sewage is a fundamental public health and public safety responsibility. Congress directed EPA to establish guidance on how cities should manage storm and sewer flows. The direction the EPA took with its 1997 Guidance on affordability occurred in the context of the federal/Congressional retreat from funding. Even without funding, EPA has a choice to see itself as a partner and co-regulator with local government, or see itself as an enforcer. We urge the recalibration of the EPA/DOJ-local government relationship to better protect our environmental assets and serve city residents.

Conclusion

I wish to thank the members of this Committee for this opportunity to address you. I strongly encourage this Committee to move forward on legislation that will help reestablish the local-state-federal partnership to help better address vital water infrastructure and environmental sustainability.

APPENDIX 1

City	State	Civil Penalties	Year
Atlanta	GA	\$700,000.00	1998
Troy	ID	\$14,500.00	2014
Chicago	IL	\$675,000.00	2014
Anderson	IN	\$250,000.00	2001
Elkhart	IN	\$87,000.00	2011
Evansville	IN	\$490,000.00	2011
Fort Wayne	IN	\$538,380.00	2007
Hammond	IN	\$225,000.00	1999
Mishawaka	IN	\$28,000.00	2014
South Bend	IN	\$88,200.00	2011
Indianapolis	IN	\$1,177,800.00	2006
Fitchburg	MA	\$141,000.00	2012
Chicopee	MA	\$115,000.00	2006
Lawrence	MA	\$254,000.00	2006
Kansas City	MO	\$600,000.00	2010
St Louis	MO	\$1,200,000.00	2013
Perth Amboy	NJ	\$17,000.00	2012
Jersey	NJ	\$375,000.00	2011
Oswego	NY	\$99,000.00	2010
Akron	OH	\$500,000.00	2009
Lima	OH	\$49,000.00	2014
NE Ohio	OH	\$1,200,000.00	2010
Toledo	OH	\$60,000.00	2002
Euclid	OH	\$150,000.00	2011
Delaware	PA	\$1,375,000.00	2015

Pittsburg (Allegheny)	PA	\$1,200,000.00	2008
Scranton	PA	\$340,000.00	2013
Williamsport	PA	\$320,000.00	2010
Chattanooga	TN	\$476,400.00	2013
Seattle	WA	\$350,000.00	2013
King County	WA	\$400,000.00	2013

APPENDIX 2

Water Penalties and Project Costs

Akron, 11/13/2009

Several projects, \$500,000 civil penalties in total

<https://www.epa.gov/sites/production/files/documents/cityofakron-cd.pdf>

Anderson 2001

\$250,000 civil penalties, stipulated penalties for non-compliance

<https://www.epa.gov/sites/production/files/2016-02/documents/anderson-cd.pdf>

Elkhart 09/06/2011

Projects before 2029, \$87,000 civil penalties in total

<https://www.epa.gov/sites/production/files/2016-02/documents/elkhart-cd.pdf>

Evansville

Project costs 500 million, \$490,000 penalties

<https://yosemite.epa.gov/opa/admpress.nsf/e51aa292bac25b0b85257359003d925f/b80b93f22d924e4d85257814006e453e!OpenDocument>

Fitchburg 10/02/2012

\$141,000 civil penalties in total

<https://www.epa.gov/sites/production/files/documents/cityoffitchburg-cd.pdf>

Ft. Wayne IN Superfund site

Hammond Sanitary District IN 1999

\$225,000 civil penalties in total, contribution of 2 million to a project, others

<https://www.epa.gov/sites/production/files/2016-02/documents/hsd-cd.pdf>

Kansas City MO

Lima OH 11/19/2014

\$49,000 plus interest civil penalties in total

<https://www.epa.gov/sites/production/files/2014-12/documents/cityoflima-cd.pdf>

Nashua NH 12/26/2005 – amendment in 2009

The project required in 2009 costs \$21 million

<https://www.epa.gov/enforcement/city-nashua-new-hampshire-combined-sewer-overflow-clean-water-act-settlement>

Newport RI Newport bay toxic control

Omaha NE ☒

\$1,116,000 Grant for sewer-2011

Mishawaka IN 2014

\$28,000 civil penalties in total

<https://www.epa.gov/sites/production/files/2014-05/documents/mishawaka-cd.pdf>

New Bedford MA superfund site for two companies

<https://www.epa.gov/enforcement/reference-news-release-avx-corp-pay-366-million-settlement>

Northeast Ohio regional sewer district 2010

\$1,200,000 civil penalties in total

total cost of implementing \$2,996,000,000, with additional cost \$2,251,000,000

<https://www.epa.gov/sites/production/files/2013-09/documents/neorsd-cd.pdf>

Philadelphia, PA 02/11/2015

82 million project, 5 years to complete.

<https://www.epa.gov/newsreleases/feds-state-settle-clean-water-violations-harrisburg-and-capital-region-water>

Delaware 08/17/2015

200 million project, 1.375 million penalties

<https://www.epa.gov/newsreleases/pennsylvania-water-utility-reduce-sewage-discharges-delaware-river-and-local-creeks>

City of Troy WWTP, March 2014

\$14,500 penalties,

<https://yosemite.epa.gov/opa/admpress.nsf/e51aa292bac25b0b85257359003d925f/6e011794111c318585257ced006d615c!OpenDocument>

Oswego 03/29/2010

\$99,000 civil penalties in total

<https://www.epa.gov/sites/production/files/documents/cityofoswego-cd.pdf>

Kansas city, MO 05/18/2010

\$600,000 penalties to the UST, Project costs \$2.5 billion over 25 years

<https://www.epa.gov/enforcement/kansas-city-missouri-clean-water-act-settlement#civil>

South Bend 12/29/2011

\$88,200 civil penalties in total, the project costs \$509.5 million

<https://www.epa.gov/sites/production/files/documents/cityofsouthbend-cd.pdf>

St Louis. MO. 07/05/2013

\$1,200,000 civil penalties

<https://www.epa.gov/sites/production/files/2013-09/documents/stlouis-cd.pdf>

Terre Haute IN one consent decree for companies

Indianapolis 2006

\$1,177,800 civil penalties

Two amendment in 2009 and 2010 but nothing changed about the penalties

<https://www.epa.gov/sites/production/files/2013-09/documents/indy0610-cd.pdf>

Chicopee, MA 2006

\$115,000 fines

<https://yosemite.epa.gov/opa/admpress.nsf/b853d6fe004acebf852572a000656840/5e75a7374f01d9cd852571b90052f75d!OpenDocument>

Greater Lawrence sanitary district, MA 10/31/2006

\$254,000 Fine, \$18 million investment on projects

<https://yosemite.epa.gov/opa/admpress.nsf/dcee126c0635d65f852571fc006e9e20/3818d7489a41bba585257218006d3b08!OpenDocument>

Perth Amboy, NJ 09/28/2012

\$17,000 civil penalties

<https://www.epa.gov/enforcement/city-perth-amboy-settlement#penalty>

Jersey city, NJ, 09/29/2011

\$375,000 civil penalties,

<https://www.epa.gov/enforcement/jersey-city-municipal-utilities-authority-jcmua-settlement#penalty>

Allegheny County Sanitary Authority (ALCOSAN), Pittsburg, PA 01/24/2008

\$1.2 million penalties, 3 million project

<https://www.epa.gov/enforcement/allegheny-county-sanitary-authority-alcosan-settlement>

Washington, DC, 10/10/2003

Scranton, PA 01/31/2013

\$340,000 civil penalties

<https://www.epa.gov/enforcement/scranton-sewer-authority-scranton-pennsylvania-settlement#penalty>

Williamsport, PA, 08/05/2010

\$320,000 penalties

<https://www.epa.gov/enforcement/williamsport-clean-water-act-settlement>

Atlanta, GA, 09/24/1998

\$700,000 penalties

<https://www.epa.gov/enforcement/city-atlanta-clean-water-act-settlement>

Louisville and Jefferson County Metropolitan 2005
\$500 million project

<https://www.epa.gov/enforcement/louisville-and-jefferson-county-metropolitan-sewer-district-settlement>

Metropolitan Government of Nashville and Davidson County (Metro)
\$700 million project

<https://www.epa.gov/enforcement/metropolitan-government-nashville-and-davidson-county-tenn-agree-extensive-sewer-system>

Chattanooga, TN, 04/24/2013

\$476,400 civil penalties

<https://www.epa.gov/enforcement/city-chattanooga-tennessee-settlement#civil>

Toledo, OH 12/16/2002

\$500,000 civil penalties,

<https://www.epa.gov/sites/production/files/2013-09/documents/toledo-cd.pdf>

Youngstown, OH, 05/09/2002

\$60,000 civil penalties

<https://www.epa.gov/sites/production/files/2013-09/documents/youngstown-cd.pdf>

Chicago, IL, 01/06/2014

\$675,000 civil penalties

<https://www.epa.gov/enforcement/metropolitan-water-reclamation-district-greater-chicago-settlement#civil>

Euclid, OH, 10/14/2011

\$150,000 civil penalties

<https://www.epa.gov/enforcement/city-euclid-ohio-combined-and-sanitary-sewer-overflow-clean-water-act-settlement>

Seattle/ King county, WA 07/03/2013

King county penalties \$400,000, Seattle penalties \$350,000.

<https://www.epa.gov/enforcement/seattle-washington-and-king-county-washington-settlement#penalties>

Appendix 3

Cost Distribution Estimates for Delaware County Consent Decree Civil Penalty and Long-Term Compliance Cost

Delaware County						Long-Term
PA						Control Plan
Fine						Estimated Cost
1,375,000.00	Number	Cost	Cumulative	Cumulative		\$300,000,000
MHI (dollars)	of	Per	Cost	Number	%	by 2023
64,174	Households	Household	by Income	of	of	by 2023
Total Households	204,571	\$6.72/HH	Group	Households	Households	\$1,466.48/HH
Less than \$10,000	11,191	75,203.52	75,203.52	11,191	5.47	16,411,377.68
\$10,000 to \$14,999	8,058	54,149.76	129,353.28	19,249	3.94	11,816,895.84
\$15,000 to \$24,999	17,880	120,153.60	249,506.88	37,129	8.74	26,220,662.40
\$25,000 to \$34,999	18,556	124,696.32	374,203.20	55,685	9.07	27,212,002.88
\$35,000 to \$49,999	26,009	174,780.48	548,983.68	81,694	12.71	38,141,678.32
\$50,000 to \$74,999	34,558	232,229.76	781,213.44	116,252	16.89	50,678,615.84
\$75,000 to \$99,999	25,884	173,940.48	955,153.92	142,136	12.65	37,958,368.32
\$100,000 to \$149,999	32,467	218,178.24	1,173,332.16	174,603	15.87	47,612,206.16
\$150,000 to \$199,999	14,555	97,809.60	1,271,141.76	189,158	7.11	21,344,616.40
\$200,000 or more	15,413	103,575.36	1,374,717.12	204,571	7.53	22,602,856.24



March 22, 2017

The Honorable Bob Gibbs
U.S. House of Representatives
2446 Rayburn Office Building
Washington, DC 20515

The Honorable Steve Chabot
U.S. House of Representatives
2371 Rayburn House Office Building
Washington, DC 20515

Dear Representatives Gibbs and Chabot:

On behalf of the nation's mayors, cities, and counties, we are writing to express our support for your bill the *Water Quality Improvement Act (H.R. 465)*, and we urge your colleagues to support it as well. The legislation would codify the U.S. Environmental Protection Agency's (EPA) Integrated Planning and Financial Capability policies as useful tools for local governments to comprehensively deal with wastewater and stormwater investments as well as unfunded mandates.

Local governments are at a crossroads. Cities and counties spend over \$115 billion per year to provide safe and reliable water and sewer services and maintain a vast physical infrastructure of pipes, pumps and plants. While we thank Congress for providing \$2 billion annually to the water and wastewater State Revolving Fund programs, these loans are not enough to cover the estimated costs to maintain and replace our aging infrastructure. Additionally, local governments, our residents, and businesses must spend additional resources to comply with numerous environment and non-environmental federal and state unfunded mandates, which further limits the money available for water infrastructure.

Furthermore, both the state and EPA's enforcement agencies increasingly regulate in a silo. While our cities and counties may be working to meet a multitude of standards in various water and wastewater requirements, the states and EPA often do not collaborate across the policy programs. This often create further, unnecessary unfunded mandates. However, the legislation would address many of these concerns by creating a policy shift that costs no federal money and creates some spending flexibility for our citizens.

Specifically, the bill would allow local governments to work with their state and EPA to prioritize investment in wet weather overflows and flooding collectively, rather than individually, by codifying various EPA memorandums on water tools and affordability. And the bill would allow consideration of other service costs including drinking water. Since our water and wastewater systems are paid for by the ratepayers, the bill will help reduce costs for a substantial number of our low-income citizens who spend a significant portion of their income on water and wastewater bills. The measure would also allow local governments who undertake integrated planning to incorporate green infrastructure

components into municipal stormwater, combined sewer overflow (CSO) and other water plans in a more cost effective way.

Thank you again for your leadership on this issue. On behalf of the nation's cities, counties and mayors, we thank you for your consideration of our request. If you have any questions, please contact us: Carolyn Berndt (NLC) at 202-626-3101 or Berndt@nlc.org; Julie Ufner (NACo) at 202-942-4269 or jufner@naco.org; or Judy Sheahan (USCM) at 202-861-6775 or jsheahan@usmayors.org.

Sincerely,



Tom Cochran
CEO and Executive Director
The U.S. Conference of Mayors



Matthew D. Chase
Executive Director
National Association of Counties



Clarence E. Anthony
CEO and Executive Director
National League of Cities

cc: Members of the House



May 17, 2017

The Honorable Bob Latta
U.S. House of Representatives
2448 Rayburn Office Bldg.
Washington, DC 20515

The Honorable David Joyce
U.S. House of Representatives
1124 Longworth House Office Bldg.
Washington, DC 20515

The Honorable Grace Napolitano
U.S. House of Representatives
1610 Longworth House Office Bldg.
Washington, DC 20515

The Honorable Cheri Bustos
U.S. House of Representatives
1009 Longworth House Office Bldg.
Washington, DC 20515

The Honorable Lloyd Smucker
U.S. House of Representatives
516 Cannon House Office Bldg.
Washington, DC 20515

The Honorable Marcia Fudge
U.S. House of Representatives
2344 Rayburn House Office Bldg.
Washington, DC 20515

Dear Representatives Latta, Joyce, Napolitano, Bustos, Smucker, and Fudge:

On behalf of the nation's mayors, cities, and counties, we are writing to express our support for your bill the *Water Infrastructure Flexibility Act* (H.R. 2355). The legislation would codify the U.S. Environmental Protection Agency's (EPA) Integrated Planning and Financial Capability policies as useful tools for local governments to comprehensively deal with wastewater and stormwater investments as well as the growing costs of unfunded mandates. As Congress considers this legislation, we urge you and your colleagues to include additional provisions that would strengthen the bill.

Local governments are at a crossroads. Cities and counties spend over \$115 billion per year to provide safe and reliable water and sewer services and maintain a vast physical infrastructure of pipes, pumps and plants. While we thank Congress for providing \$2 billion annually to the water and wastewater State Revolving Fund programs, these loans are not enough to cover the estimated costs to maintain and replace our aging infrastructure. Additionally, local governments, our residents, and businesses must spend additional resources to comply with numerous environment and non-environmental federal and state unfunded mandates, which further limits the money available for water infrastructure.

Furthermore, both the state and EPA's regulatory agencies increasingly develop standards and requirements in silos. While our cities and counties may be working to meet a multitude of standards in various water and wastewater requirements, they also must address numerous other federal unfunded mandates simultaneously. The legislation would address some of these concerns by creating a policy shift that costs no federal money and creates additional flexibility for our communities.

Specifically, the bill would allow local governments to work with their state and EPA to prioritize investment in wet weather overflows and flooding collectively, rather than individually, by codifying various EPA memorandums on water tools and affordability. And the bill would allow consideration of other service costs including drinking water. Since our water and wastewater systems are paid for by the

ratepayers, the bill will help to stabilize rates and rate increases for a substantial number of our low-income citizens who spend a significant portion of their income on water and wastewater bills. The measure would also allow local governments who undertake integrated planning to incorporate green infrastructure components into municipal stormwater, combined sewer overflow (CSO) and other control plans in a more cost effective way. Importantly, we urge you and your colleagues to support additional provisions that stipulate that the effluent limitations within a compliance schedule in an integrated permit must be technically feasible and economically affordable. We also urge you to include a provision that will clearly define the threshold at which financial impacts on ratepayers trigger a consideration of flexibility to address those impacts.

Thank you again for your leadership on this issue. On behalf of the nation's cities, counties and mayors, we thank you for your consideration of our request. If you have any questions, please contact us: Carolyn Berndt (NLC) at 202-626-3101 or Berndt@nlc.org; Julie Ufner (NACo) at 202-942-4269 or jufner@naco.org; or Judy Sheahan (USCM) at 202-861-6775 or jsheahan@usmayors.org.


Sincerely,



Tom Cochran
CEO and Executive Director
The U.S. Conference of Mayors



Matthew D. Chase
Executive Director
National Association of Counties



Clarence E. Anthony
CEO and Executive Director
National League of Cities

cc: Members of the House Transportation and Infrastructure Committee