Funding Your Municipal Drinking Water and Wastewater Projects

Wednesday, January 29, 2014
Do you have a pending W/WW Project in need of funding?
Congressman Bill Pascrell, Jr. (NJ-09) is currently serving his ninth term in Congress and is the proud Representative of the Ninth Congressional District of New Jersey. The Ninth Congressional District is comprised of parts of Passaic, Bergen and Hudson counties. Since 2007, he has served on the House Ways and Means Committee, which oversees numerous economic issues including tax policy, health care, international trade and entitlement programs.

Congressman Pascrell is an advocate for and author of the Sustainable Water Infrastructure Investment Act, which would lift the volume cap for private activity bonds for the furnishing of water and sewage facilities.
Vanessa Leiby is the executive director of the Water and Wastewater Equipment Manufacturers Association (WWEMA). She has more than 30 years of experience in the water and wastewater industry.

Prior to joining WWEMA, she was principal for The Cadmus Group where she provided support to the U.S. Environmental Protection Agency's Office of Ground Water and Drinking Water on a wide range of projects related to water and energy efficiency, source water protection, and regulation development and implementation. She was also executive director of the Association of State Drinking Water Administrators for 10 years.
U.S. EPA DWINSA
- Conducted in 2011
- 5th National Survey
- Estimated need of $384.2 billion for the 20-year period from January 2011 through December 2030
- 52,000 CWSs and 21,400 not-for-profit NCWSs
- Excluded capital projects related to dams, raw water reservoirs, future growth, and fire protection

Drinking Water Infrastructure Funding Needs

Total 20-Year Need by Project Type (in billions of January 2011 dollars)

- Treatment $72.5
- Source $20.5
- Other $4.2
- Storage $39.5

Note: Numbers may not total due to rounding.
- **U.S. EPA CWNS**
  - Conducted in 2008
  - 15th National Survey
  - Estimated need of $298.1 billion from January 2008 through December 2027
  - Publicly owned wastewater pipes and treatment facilities; combined sewer overflow (CSO) correction; and stormwater management
  - 34,000 wastewater facilities and water quality projects

**Wastewater Infrastructure Funding Needs**
• Buried No Longer: Confronting America’s Water Infrastructure Challenge
  ◦ $1 trillion over next 25 years
  ◦ Over the coming 40-year period through 2050, needs exceed $1.7 trillion
  ◦ 54% for replacement and 46% for population growth and migration

AWWA Water Infrastructure Funding Report
• DWSRF 2014 Omnibus Bill - $906,896,000

• CWSRF 2014 Omnibus Bill – $1,448,887,000

• Revenue Bond Market

Types of Infrastructure Funding
- Rates and Fees
- Privately-Managed Infrastructure Funds
- Public-Private Partnerships

Types of Infrastructure Spending
Private Activity Bonds (PABs)

- Type of municipal bond
  - Issued for the benefit of the public
  - Certain types qualify for tax-exemption
  - Volume cap

Types of Infrastructure Spending
• Private Activity Bonds
  ◦ Form of tax-exempt financing

  ◦ Encourages states and local governments to leverage private capital

  ◦ Bond is directly or indirectly repaid from or secured by revenues from a private trade/business

What Are PABs?
• Private Activity Bonds
  ◦ Used to finance a variety of projects including water, wastewater, airports, ports, commuter rails, electric, and gas output, and solid waste disposal
  ◦ IRS annually determines PAB volume caps for each state
  ◦ Currently it is $95 per capita or $284.56 million, whichever is greater
• Private Activity Bonds
  ◦ States can carry forward unused amounts for three years
  ◦ PABs funding airports, high-speed rail, and solid waste disposal are exempt from state volume caps
  ◦ PABs funding water and wastewater are not exempt

What Are PABs?
Do you utilize the SRF program?

Poll Question 3
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Rep. Bill Pascrell
• Introduced in House (05/10/2011) by Congressman Pascrell:
  ◦ Sustainable Water Infrastructure Investment Act of 2011
  ◦ Amends the Internal Revenue Code to exempt from state volume caps private facility bonds for sewage and water supply facilities

Summary: H.R. 1802
• Support Legislation to Lift PAB Cap – “Sustainable Water Infrastructure Investment Act”
• Contact your House and Senate representatives
  ◦ Ask them to support legislation once it is introduced
• Learn more from the Sustainable Water Infrastructure Coalition (SWIC)
  ◦ http://sustainablewaterinfrastructure.org

What Can You Do?
Support SWIC Activities

- Alliance of corporations, public organizations, industry trade associations, engineering firms, labor unions, financing institutions, and others
- Working to advance sustainable water infrastructure policy through public awareness, education, and advocacy

What Can You Do?
SWIC Sponsors
• Please write to your Congressman
• Ask him/her to introduce and pass The Sustainable Water Infrastructure Investment Act
• Go to www.house.gov or www.senate.gov to find your representative
  ◦ Send a copy of your letter to info@wwema.org with the subject line PAB

What You Can Do
Find Your Representative

Your member's website and contact form are available around the clock. Identify your member and let your opinion be heard.

House Overview

Elected to a two-year term, each representative serves the people of a specific congressional district by introducing bills and serving on committees, among other duties.

Visit Your Representative's Website:
Representatives by last name

Public Disclosure

Financial Disclosure Reports
Information about the source, type, amount, or value of the incomes of representatives, officers, and candidates.

Foreign Travel Reports
Information about certain expenditures for all official
Dear ____________

On behalf of [my organization] and our ___ employees, I am writing to urge you to help reintroduce the bill H.R. 1802 from the 112th Congress. The bill is the Sustainable Water Infrastructure Investment Act of 2011.

Our district and indeed, all districts in the nation, are struggling with crumbling infrastructure. This legislation will exempt water and sewage facilities from the state volume caps. It has passed the House of Representatives numerous times. Please speak with the Ways and Means Committee to help us get this important legislation passed this year. I thank you for your assistance. Please contact me with any questions you may have.

Sincerely,

Sample Letter to Congress
Thank You

Contact Information

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www.wwema.org
There's no limit to where we can go.