

# WWEMA Special Report: 44th Washington Forum

MARCH 21-23, 2017

WASHINGTON, DC



W A S H I N G T O N D C



The WWEMA 44<sup>th</sup> Washington Forum, held March 21-23, 2017, at the Westin Georgetown in Washington, DC, was a huge success bringing many WWEMA members together to learn about and discuss the changing political landscape and its potential impact on business. The theme of this year's program was appropriately titled *Understanding the New Reality - Making Sense Out of Change*.

Each year, WWEMA brings its membership, invited guests, and key industry and government leaders together for several days of general sessions that are hard-hitting and focused on issues important to the water and wastewater industry. The Washington Forum opened with Committee Meetings and a well-attended Welcome Reception on Tuesday evening in The Promenade at the Westin. The reception gave attendees a chance to catch up, discuss common issues, and talk about what to expect over the next few days.



What attendees  
said in the post  
event survey:

95%



**Comments:**

*"Very good Forum and extremely timely given the political and regulatory climate."*

*"As my first WWEMA event, I found it extremely interesting."*

*"Helpful information, excellent presentations, and good discussions."*

*"Excellent agenda. Well done!"*

*"Great program!"*

## John Dyson

The Washington Forum program chair **John Dyson** of Aqua-Aerobics Systems, Inc., kicked off the Wednesday morning opening session with a welcome and introduction to the program for the week. Dyson is Vice-Chairman on the WWEMA Board of Directors and the 2017 WWEMA Washington Forum Program Chair.



## Vanessa Leiby



Dyson introduced WWEMA's Executive Director, **Vanessa Leiby**, who provided an overview of the Trump Administration's first 60 days. Leiby discussed several Trump campaign promises that included increase funding for defense and border protection, decreasing the size of government to make more efficient, rebuilding America's infrastructure, withdrawing from the Trans-Pacific Partnership (TPP) agreement, renegotiating NAFTA, and implementing Buy American/Hire American initiatives. Leiby also reviewed many of the pertinent Presidential Actions taken to date, the Administration's 2018 "skinny" budget, and the next steps for the Administration. Priorities are to repeal and replace the Affordable Care Act, confirm Supreme Court nominee Neil Gorsuch, tax reform, and boosting infrastructure spending. Her discussion highlighted the potential impacts on environmental regulations and the business environment.

## Carolina Mederos



**Carolina Mederos**, Principal at Squire Patton Boggs LLP, provided a detailed presentation on navigating Buy America(n) and American iron and steel provisions, highlighting the complexity of the issues. She noted that the first federal domestic procurement law was the Buy American Act of 1933, which mandates that the U.S. Federal Government prefer U.S.-made products and construction materials for most purchases above a certain dollar threshold. The criteria for meeting Buy American was substantial transformation which is a performance-based criteria. A similar provision in the Surface Transportation Assistance Act of 1982 was given an entirely different interpretation by the Federal Highway Administration (FHWA) and became known as Buy America. It applies to purchases related to road transportation and some types of mass transit projects, including construction of highways and transit stations. Compliance under this Act is process-based and is measured by adhering to the requirements that are described in how to achieve it. Under the American Recovery and Reinvestment Act of 2009 (ARRA), the definition went back to Buy American, the performance-based definition. The Consolidated Appropriations Act of 2014 included an American Iron and Steel (AIS) requirement for Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) assistance recipients. This Act went back to Buy America in that the compliance criteria is process-based. Complicating this issue is that the steel industry has changed significantly since 1982 with a dramatic decrease in the number of steel companies that have been replaced by facilities that re-melt steel scrap or hot-roll steel slabs with the first meeting the Buy America definition and the latter meeting the Buy American definition. Bottom-line, this issue is very complicated and needs to be thoughtfully addressed to ensure that American businesses aren't negatively impacted by Presidential and Congressional directives.

## Ken Simonson



**Ken Simonson**, Chief Economist, Associated General Contractors, noted that construction has been growing for the last six years. Growth has been prolonged, but not quite steady. Total spending is still below the all time high from 2006 and construction employment is still way below the peak in 2006. Simonson also noted that there are many uncertainties facing construction including infra-

structure, immigration, trade, regulatory relief, the health care rewrite, lower taxes, and higher interest rates. He also believes that we might see more money put towards infrastructure in 2018.

To further elaborate on some of the points above, regarding immigration, the numbers of immigrants being kept out are rising. Construction companies have been reporting they are having trouble finding workers because less people are unemployed. Construction hires have remained level, but they do have more openings.

Simonson also reported:

- Warehouses are booming while retail is dwindling
- Retail construction remains bleak
- Office construction has seen steady growth
- More companies are relocating to urban environments
- Multi-family projects are down
- Single family projects are picking up slightly
- Limited projected growth in the water/wastewater market

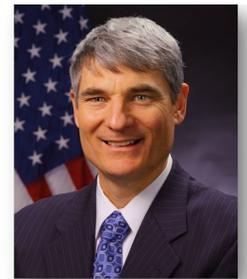
## Panel Discussion with EPA Officials

A panel discussion with EPA Officials **Peter Grevatt**, Director, EPA Office of Ground Water and Drinking Water, **Andrew Sawyers**, Director, EPA Office of Wastewater Management, and **Betsy Southerland**, Director, EPA Office of Science and Technology (OST) was very insightful and of special interest to the membership. The panel discussion, *What's Next for the U.S. Environmental Protection Agency, Office of Water*, confirmed that lead in drinking water is going to remain a priority and the EPA is currently working on the long-term rule for both lead and copper revisions with a proposal expected by the end of the calendar year. Grevatt indicated that the rule will likely be expensive to implement. He emphasized that they are doing a peer review of lead level models and developing household health-based lead action levels. The office is also under a court-ordered deadline to propose a rule on perchlorate.

Sawyers stressed the importance of having an open dialogue to provide input. Key areas are technology innovation and how it can be used to enhance utility revenues. Improved understanding of distribution systems and addressing affordability and capacity are important priorities. Innovation in water and wastewater can help our industry going forward. Sawyers also pointed out that over \$150 billion has been made available through the Clean

Water and Drinking Water State Revolving Loan Funds since program inception. Seventeen million is now available to the Water Infrastructure Finance and Innovation Act (WIFIA) program, a federal credit program administered by EPA for eligible water and wastewater infrastructure projects. He stated that EPA is feeling positive they have all the tools in place that are needed to move WIFIA forward.

Southerland discussed the OST's mission to provide the best available science and innovative technologies for states and tribes so that they can assure clean and safe water for their communities. OST works with states, tribes, and other stakeholders to develop recommended safe water levels for toxics, nutrients, and pathogens to help ensure our nation's waters can be used for fishing, swimming, and drinking water. OST's priorities for fiscal year 2017 are to finalize human health recreational ambient water quality criteria and/or swimming advisories for microcystins and cylindrospermopsin with implantation guidance, propose lake numeric nutrient criteria with implementation guidance, and initiate a national study of nutrient removal and secondary technologies.



## Association of State Drinking Water Administrators (ASDWA) Council of Infrastructure Financing Authorities (CIFA) Association of Clean Water Administrators (ACWA)



**Alan Roberson**, Executive Director, ASDWA, **Julia Anastasio**, Executive Director, ACWA, and **Rick Farrell**, Executive Director, CIFA came together to share insights on regulatory implementation and infrastructure financing from the states' perspective. ASDWA is the professional association serving state drinking water programs. Roberson, in discussing the regulatory history of drinking water, noted that 19 regulations for 91 contaminants were promulgated from 1975 to 2013. While fewer regulations have been promulgated more recently, they have been more complex. The good news is that all 91 contaminants are regulated, the arsenic standard has been lowered from 50 ppb to 10 ppb, the Lead and Copper Rule of 1992 lowered lead levels in water, and lots of common chemicals are regulated with national compliance at 92-93 percent.



Roberson's conclusion is that lead and perchlorate are the two most pressing priorities. He reported that while the Drinking Water State Revolving Fund received additional funding in the March 2017 "skinny budget" proposal, it is challenging to determine the impacts for the states since their implementation funding was cut. Potential budget cuts to the EPA Office of Water are problematic for all in the water sector.



ACWA is a national, non-partisan professional organization whose members are state, interstate, and territorial officials who are responsible for the implementation of Clean Water Act programs throughout the nation and who work every day with their EPA partners. In that regard, ACWA is working on a corporate federalism message to share with the Office of Water. Getting to know people in your states is important she noted because there may be more money for infrastructure. The states are excited about technology, but not sure it is going to help compliance objectives.

Farrell's interest lies in the State Revolving Funds (SRFs) – the SRFs have a large pot of money – approximately \$1 billion dollars. CIFA is the national organization of state, regional, and local entities working for the needed environmental infrastructure funding from governments and capital markets, and for effective use of these financial resources. Farrell stated that the states should take the lead as there is some good news about the budget. While CIFA is realistic about the requirements, they hope to work with the new administration to streamline the requirements so that the program works well for borrowers.

## Emily Feenstra



**Emily Feenstra**, Deputy Director, U.S. Water Alliance, wrapped up the day with a session on investing in water infrastructure. The goals of the U.S. Water Alliance are to increase the understanding of the value of water with public officials, business, civic leaders, media, and customers; drive support for investment in water infrastructure; and foster collective action among diverse organizations. She spoke about a report just issued by the Alliance, titled *The Economic Benefits of Investing in Water Infrastructure*. She reported that the Federal Government spends 24 times more on IT infrastructure (\$251 billion) than on water infrastructure (\$11 billion). By closing the gap, spending \$123 billion per year in water infrastructure, the result would be 1.3 million jobs and \$220 billion in annual economic activity. In conclusion, Feenstra noted that maintaining water infrastructure supports \$94 billion in annual productivity savings, and that investing in water infrastructure generates high quality jobs, increases competitiveness for businesses, and leads to increased economic activity.

## Congressional Reception on Capitol Hill

Eight other water associations – AWWA, AMWA, NACWA, the U.S. Water Alliance, WEF, WE&RF, the Water Research Foundation, and WateReuse - were also in Washington for Water Week 2017. WWEMA co-sponsored a Capitol Hill Congressional Reception at the Hart Senate Office Building on Wednesday, March 22, along with these other associations, to engage Congress and unite as one voice for water. For the last two years during Water Week, all of the water associations have held meetings in Washington, DC for their members, then convene for a combined reception to discuss common issues and hear from their Senators and Representatives. This year, the turnout of Senators and Representatives at the reception in support of the water industry was unprecedented.

The many Senators and Representatives attending and speaking at the reception in support of water infrastructure funding included:

- Senator John Boozman, (R-AR)*
- Senator James Inhofe (R-OK)*
- Senator Thomas Carper (D-DE)*
- Senator Ben Cardin (D-MD)*
- Senator Gary Peters (D-MI)*
- Representative Bob Latta (R-OH)*
- Representative Earl Blumenauer (D-OR)*
- Representative Paul Tonko (D-NY)*



*Senator Thomas Carper*



*Rep. Bob Latta*



*Senator Ben Cardin*



*Rep. Earl Blumenauer*



*Senator John Boozman*



*Senator James Inhofe*



*Senator Gary Peters*



*Rep. Paul Tonko*

## Mark Turpin

Mark Turpin, President of Duperon Corporation and WWEMA Chairman of the Board opened up the Thursday morning Washington Forum by discussing the future of WWEMA. Mark shared his vision for the Association and the importance of getting involved. As a member-driven organization, WWEMA's mission is to advocate, inform, and connect members, however engagement is required to get the most out of membership. Two of the most important WWEMA committees are the Marketing & Member Services Committee and the Legislative/Regulatory Committee. WWEMA will be creating a new strategic plan during this coming summer and these committees will be providing input to that process.

WWEMA is the voice of the water and wastewater solution provider and made up of many prominent and influential companies in the industry. WWEMA and its members work together to advance shared interests and the water industry as a whole. Mark asked for the members to volunteer, communicate, and engage with the Association, get on a committee or council, and participate.



WATER REMEDIATION TECHNOLOGY, LLC.



## Ahmed Badruddin

WatrHub, Inc. is a data and analytics company, providing market intelligence on water and wastewater systems for the municipal, industrial, and agriculture water sectors. **Ahmed Badruddin**, CEO of WatrHub, Inc. shared how the use of data helps water and wastewater technology companies find sales leads, get to the right utilities, and identify the right utilities by getting early indicators of water and wastewater projects. Badruddin stated there are 32 million public documents which are early indicators of water and wastewater projects. He shared how WatrHub's data mining system scours through millions of public records and hundreds of government databases to look for indicators of water utility needs. The data is used to help companies through all stages of the sales cycle.



## Aaron Fisher

**Aaron Fisher**, Technology and Innovation Manager at the Water Environment & Reuse Foundation (WE&RF), provided an update on the Leaders Innovation Forum for Technology (LIFT) program. The program, a joint effort between the Water Environment Federation (WEF) and WE&RF, is an initiative to encourage and support innovation in water. The LIFT program helps bring new water technologies to the field more quickly and efficiently. He provided an update on technology scans, the test bed network and directory, and encouraged manufacturers to submit their innovative technologies to the program.



## Grand Rapids Environmental Service Department Alexandria Renew Enterprises



*Renewing the Water Industry – Creating the Water Resources Utility of the Future* had **Mike Lunn**, Manager, Environmental Service Department, City of Grand Rapids, MI and **Karen Pallansch**, Chief Executive Officer, at Alexandria Renew Enterprises of Alexandria, VA, share two examples of the water Utility of the Future. Lunn said Grand Rapids, as part of the struggling rust belt, was suffering from declining general fund revenues from a weak economy after the collapse of manufacturing industries. Grand Rapids knew they had to invest in order to have a lifetime of clean water, and three decades later, at the cost of \$400 million, they've completed a number of innovation projects and won numerous awards. Programs include a heat recovery project, an LED lighting conversion throughout the Water Resource Facility, city-wide green infrastructure projects, and a new sewer lining program.



Every year at Alexandria Renew, they clean more than 13 billion gallons of water, reuse 1.4 billion gallons of water to run equipment, generate more than 20,000 tons of biosolids to help farmers enrich their soil, and create over 150 million cubic feet of renewable methane gas to heat 800 homes. The City of Alexandria treats 38 million gallons of water per day with capacity to handle 54 million gallons, according to Pallansch. Alexandria Renew is an innovator with energy efficient programs and a state-of-the-art-nutrient upgrade program. They are reusing effluent and reclaimed water to offset purchased drinking water and they are good neighbors with 0 permit violations in 12 years. Pallansch discussed supporting Alexandria's growth by maintaining an aging infrastructure, staffing and developing the water workforce of the future, having a Board with a vision, keeping up with new technology, leveraging research, and focusing on community.

# Cristina Ahmadpour



Finally, wrapping up the 2017 Washington Forum was **Christina Ahmadpour**, President of Isle, Inc, who provided a background on Isle and the Technology Approval Group (TAG) process. The TAG is a global innovation forum for the world’s leading water utilities. TAG accelerates the market uptake of qualified technologies by engaging water utilities with early-stage, innovative solutions. TAG serves as a collaborative forum that connects regional organizations and keeps participants informed about innovative technologies emerging in the marketplace.

The TAG program represents a unique, no-cost opportunity for innovative companies. TAG is a forum for connecting innovators with people whose job it is to seek out new technology on behalf of large public and private sector organizations. Individually reaching out to these people through the normal channels is expensive and time consuming. The program focuses on municipal water, wastewater, and industrial water.

## Joint Officers Meeting

WWEMA’s Chairman of the Board **Mark Turpin** and Executive Director **Vanessa Leiby** participated in a joint officers meeting with leaders from the National Association of Clean Water Agencies (NACWA), the U.S. Water Alliance, the Water Environment Federation (WEF), the American Water Works Association (AWWA), the Association of Metropolitan Water Agencies (AMWA), the Water Environment and Reuse Foundation (WE&RF), the Water Research Foundation, and WaterReuse. Topics included the Federal budget, infrastructure funding and financing, affordability, regulatory reform/improvement, the proliferation of “made in America” requirements and definitions, and the Utility of the Future and other collaborative initiatives.

The group discussed the President’s “skinny budget” and implications of reduced funding for state programs and EPA funding with general concern expressed about targeted elimination of programs. It is also not clear yet how an infrastructure bill will address needed funding for water infrastructure. Several of the groups commissioned a study on affordability which is expected to be released in May and the U.S. Water Alliance discussed the roll-out of their report on the economic benefits of investing in water infrastructure that was released March 22. The groups agreed to continue working together and will explore a more collaborative approach to Water Week 2018.

