



The United States Conference of Mayors

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New Research Confirms Local Government Commitment to Improve Water Quality: But the High Cost Begins to Burden Elderly, Poor and Middle Class Households

Washington, D.C. - Today, the United States Conference of Mayors (USCM) released new research findings that confirm local government investment in public water and wastewater infrastructure and services has reached an all time high in 2010 at \$111.4 billion, compared to spending \$7 billion in 1972 when the Clean Water Act was passed. Public spending on water and wastewater over the decade 2001 to 2010 was \$864 billion.

Spending on water at the local level continues to grow at a faster rate than several standard national economic indicators. The rate of growth in public water spending over the decade exceeded the rate of inflation for both capital and Operations and Maintenance (O&M) investments. Public water spending increased 60% over the decade compared to 37% growth in GDP over the same period. Average year over year growth in public water spending over the decade was 5.99%.

Cities face several headwinds that impact the need for public water investments, such as: population growth and land development; inflation and erosion of city purchasing power; reinvesting in the aging water infrastructure; and, compliance with regulatory mandates. "Despite the fact that our nation's cities are facing tremendous budgetary pressure, they have continued to provide world-class water and wastewater services to American citizens. Our drinking water is safe and our rivers are cleaner now than they have been in over a century. We need the federal government to work as partners with cities to sustain these public benefits by giving local priorities the attention they deserve," said U.S. Conference of Mayors CEO & Executive Director Tom Cochran.

The Report finds that the dual impact of increasing annual local government expenditures with declining revenues (deficits), along with substantial growth in long term debt signals the potential for financial distress and local limits on public infrastructure financing.

Local government is obligated to provide water and wastewater as an essential public service. It also must meet obligations imposed by EPA and states to comply with mandates to achieve national clean water goals. But, to do so, local governments have had to raise rates and increase long-term borrowing and debt service obligations. These costs are borne disproportionately by households with low, moderate or fixed incomes through increased user rates. Each rate increase commands a greater percentage of household annual income. As a result, the Report recommends that a fresh look at local affordability and national water policy is both necessary and timely.

The United States Conference of Mayors continues to serve its member cities with information and best practices designed to advance the state-of-the-science in municipal government. The Mayors Water Council (MWC) provides a forum for Mayors to share knowledge on how to provide safe, adequate and affordable water and wastewater infrastructure and services in America's principal cities in the 21st Century.

To view the full report, please visit:

<http://www.usmayors.org/pressreleases/uploads/2013/0502-report-water.pdf>

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