

MEDIA ADVISORY

CONGRESSIONAL, CITY AND WATER SECTOR LEADERS CELEBRATE HOW MASSIVE WATER INFRASTRUCTURE INVESTMENTS ARE STRENGTHENING AMERICAN CITIES, JOBS, COMPETITIVENESS

On Capitol Hill on Wednesday, September 10, water leaders from across the country will be joined by Congressional, state and local officials, private sector partners, and national organizations to announce how vast investments in our nation's water infrastructure are creating jobs and sharpening America's competitive edge.

What: Press conference by the Water Works! Campaign

Who: Sen. Ben Cardin, Chair, Senate Subcommittee on Water and Wildlife, a subcommittee of the Environment and Public Works Committee

Rep. Bob Gibbs, Chair, House Subcommittee on Water Resources and Environment, a subcommittee of the Transportation and Infrastructure Committee

Rep. Tim Bishop, Ranking Member, House Subcommittee on Water Resources and Environment, a subcommittee of the Transportation and Infrastructure Committee

San Diego Mayor Kevin Faulconer

National Association of Counties President and Maui County Council Member Riki Hokama

Karen Pallansch, President and CEO of Alexandria Renew Enterprises and Member of the Technical Advisory Committee for the report "National Economic & Labor Market Impacts of the Water Utility Sector"

When: Wednesday, September 10, 2014 at 10:45 a.m.

Where: 234 Cannon House Office Building

Contact: waterworkscampaign.org or 202.215.5816 or Lori Irvine, 720.286.3137 or Lori.Irvine@ch2m.com



WATER LEADERS COME TO WASHINGTON, RALLY SUPPORT FOR INVESTING IN AMERICAN CITIES, JOBS, COMPETITIVENESS

- 30 of the largest water and wastewater agencies will invest more than \$230 billion over next decade
- These agencies support 289,000 permanent good-paying jobs annually, strengthening America's middle class
- Experts note infrastructure requires even greater investment to fix aging system, avert looming failure

Washington, D.C., September 10, 2014 – On Capitol Hill today, water sector leaders from across the country invited Washington to join them in investing the hundreds of billions of dollars required to strengthen the nation's water infrastructure – helping bolster America's workforce and sharpen the nation's competitive edge.

"From agriculture to manufacturing to transportation, America's economy runs on water," said Kevin Faulconer, Mayor of San Diego. "Whether it's brewing a San Diego craft beer or providing electricity for millions in New York, our cities depend on reliable water infrastructure – and we need to invest now so that when it comes to our future, the glass is half full."

Yet just last year, the American Society of Civil Engineers reported that U.S. water and wastewater systems are close to failing, giving the systems a "D" grade.

"It's estimated that we need to spend \$4.8 trillion over the next 20 years in order to fix and maintain the country's current water systems and preserve existing service levels," said Houston Mayor Annise Parker. "We need to join hands today and invest for tomorrow."

The water industry is rising to the challenge. According to new research from the Water Research Foundation and the Water Environment Research Foundation, 30 of the large utilities from around the country will invest \$233 billion over the next decade and generate more than half a trillion dollars in U.S. economic output.

Earlier this year, San Francisco Mayor Ed Lee galvanized mayors and cities through a resolution that was adopted at the U.S. Conference of Mayors Annual Meeting in Dallas. The resolution called for a renewed partnership across sectors to accelerate investment in water infrastructure in order to drive job creation, economic growth, and prepare communities to be resilient in the face of climate change.

“Neither industry nor government can do this alone,” said Susan Story, President and CEO of American Water. “Each has a critical role in enabling the next great American idea. In addition to the \$230 billion spent by these 30 public utilities, American Water will invest more than \$5 billion in the next five years in water infrastructure. Each sector plays a critical role.”

According to the study, the utilities are responsible for 36,500 high-quality, direct jobs that help workers enter the middle class and further grow American competitiveness. More than 289,000 permanent jobs will be supported annually over the next decade.

“Jobs in the water and wastewater industries can’t be outsourced; this is local work done by people living and working right in our communities,” said Baltimore Mayor Stephanie Rawlings-Blake, co-chair of the Water Council of the U.S. Conference of Mayors. “These jobs offer competitive salaries as well as opportunities for training and advancement. Simply put: when water works, America works.”

The range of organizations participating in Washington today demonstrates the wide-spread recognition of the water sector’s economic importance. Today’s events are being co-hosted by: American Society of Civil Engineers, Building America’s Future, National Association of Counties, National League of Cities, National Urban League, U.S. Conference of Mayors, and the Value of Water Coalition (American Water, American Water Works Association, Association of Metropolitan Water Agencies, CH2M HILL, MWH Global, National Association of Clean Water Agencies, National Association of Water Companies, United Water, Veolia, Water Environment Federation, Xylem Inc., and U.S. Water Alliance)

The 30 surveyed utilities serve 83 million people across the nation—more than 25% of the total U.S. population. They are:

- Alexandria Renew Enterprises
- Boston Water & Sewer Commission
- Camden County Municipal Utilities Authority
- City of Atlanta Department of Watershed Management
- City of Baltimore Water & Wastewater Utility
- City of Chicago Department of Water Management
- City of Houston—Combined Utility System
- City of Tulsa Water and Sewer Department
- District of Columbia Water and Sewer Authority

- Denver Water
- Hampton Roads Sanitation District
- Kansas City Missouri Water Services Department
- Los Angeles Department of Water and Power
- Los Angeles Sanitation
- Louisville and Jefferson County Metropolitan Sewer District
- Louisville Water Company
- Metropolitan Sewer District of Greater Cincinnati
- Metropolitan Water District of Southern California
- Metropolitan Water Reclamation District of Greater Chicago
- Miami-Dade Water and Sewer Department
- Milwaukee Metropolitan Sewerage District
- Northeast Ohio Regional Sewer District
- New York City Department of Environmental Protection
- Orange County Water District
- Philadelphia Water Department
- Pittsburgh Water & Sewer Authority
- Sacramento Regional County Sanitation District
- San Francisco Public Utilities Commission
- Sewerage and Water Board of New Orleans
- Southern Nevada Water Authority

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National Economic & Labor Impacts of the Water Utility Sector Study¹ – Summary & Excerpts

(COG staff summary)

PROJECT OVERVIEW:

Study: Prepared by AECOM, and funded by Water Research Foundation (WRF) & Water Environment Research Foundation (WERF)

Participants: 30 utilities nation-wide

COG utilities included in analysis: DC Water & Alexandria Renew

COG member utilities on study's Technical Advisory Committee: Jerry Johnson (WSSC), Mark Kim (DC Water), and Karen Pallansch (Alexandria Renew Enterprises)

BACKGROUND:

The purpose of this study is to examine the role of water utilities and its monetary contributions and impacts to the overall national economy.

Key Features:

- ❖ Study covers a 10-year analysis period from 2014 until 2023
- ❖ Analysis included assessments of the operations and investments of water and wastewater services, and where also provided - stormwater services
- ❖ Analysis included literature review of previous studies as well as survey and detailed discussions with each water utility regarding operations, utility information, and capital planning
- ❖ Utility budget and planning data was input into a desktop economic software IMPLAN (an economic model that is routinely used nationally and regionally)
- ❖ Model was used to estimate the **Direct, Indirect, and Induced economic effects** of water utilities' capital plans and operating spending over the next 10 years

Links:

- ❖ *Video* <http://youtu.be/VWimig0V62I>
- ❖ *Reports (Executive & Technical)* <http://www.waterrf.org/Pages/Projects.aspx?PID=4566>

CONCLUSIONS & FINDINGS: (based on the 30 utilities in the study)

Budgets:

- ❖ Total of **\$23 billion per year** will be spent on operating and capital expenditures
 - **60 percent** of projected spending goes towards operation of the utilities
 - **40 percent** is for capital infrastructure investments

Operating Impacts:

- ❖ Generates **\$29.9 billion** in annual economic outputs to the nation
- ❖ **157,400 jobs** per year will be supported over the next decade
- ❖ Aggregate value of **\$299.4 billion** over ten years

Economic Impacts:

- ❖ Generates **\$52 billion** in annual economic output across the United States
- ❖ Supports an average of **289,000 jobs** per year
- ❖ Contributes a total of **\$524 billion** over 10 years

“When compared to prior economic impact studies of other sectors, investments by utilities in this study generate similar job impacts as compared to investments in clean energy, transportation, and health care.”

¹ National Economic and Labor Impacts of the Water Utility Sector Study. AECOM, Water Research Foundation and Water Environment Research Foundation (September 2014)

DETAILED ECONOMIC INFORMATION:

Table 10: Total Economic Impact of Surveyed Utilities

	Employment	Labor Income	Output
Aggregate Impact over 10 years	2.89 million job-years	\$188.6 billion	\$524.1 billion
Annual Impacts	288,500 jobs	\$18.9 billion/year	\$52.4 billion/year
Subtotal: Direct effect	86,600 jobs	\$7.1 billion/year	\$17.9 billion/year
Subtotal: Indirect effect	88,500 jobs	\$5.9 billion/year	\$16.7 billion/year
Subtotal: Induced effect	113,500 jobs	\$5.8 billion/year	\$17.7 billion/year

N = 30. Impacts are expressed in constant 2014 dollars. Values may not total due to rounding. Labor income includes benefits and payroll taxes.

Table 25: Regional Economic Impacts

Utility	Region	Economic Output (\$ over 10 years)				Employment (annual jobs for ten years)			
		Direct	Indirect	Induced	Total	Direct	Indirect	Induced	Total
Alexandria Renew Enterprises	South	\$450 million	\$190 million	\$190 million	\$830 million	200	100	100	400
District of Columbia Water and Sewer Authority	South	\$7.1 billion	\$3.6 billion	\$2.4 billion	\$13.1 billion	3,300	2,100	1,700	7,100

AFFORDABILITY OBSERVATIONS:

- ❖ Maintaining and providing affordable water for the public is a main priority for utilities.
- ❖ Majority of water utilities in this survey operate as a not-for-profit service.
- ❖ Funding for these utility participants mainly derive from revenues of water bills and wastewater fees.

OTHER CONSIDERATIONS:

Replacement of an aging workforce:

- ❖ Nearly **one-third (1/3)** of total workforce may be eligible for some form of retirement
- ❖ **60 percent** report that they actively track the aging of their workforce, and **40 percent** currently have a succession plan in place.

Training and hiring the next generation:

- ❖ Roughly **50%** of the participating utilities provide on the job-training. Additional training may be needed for entry-level positions in the future

COG STAFF RECOMMENDATIONS:

- ❖ Continue to work with Water Works coalition and others (Fall of 2014) to:
 - Identify jobs/jobs training opportunities for the region
 - Develop regional messaging aligned with these efforts
- ❖ Evaluate potential application of study methods to evaluate rest of COG region’s water infrastructure (and potentially other infrastructure sectors) (Fall/Winter 2014)
- ❖ Reflect key findings in COG’s Regional Infrastructure report (Fall 2014)
- ❖ Evaluate potential legislative actions with CBPC, COG CAOs, COG’s Legislative Work Group, and COG Board (Fall/Winter of 2014)

Economic Impact of Utility Operations at Alexandria Renew Enterprises (AlexRenew)

on the Washington-Arlington-Alexandria Metropolitan Statistical Area

Economic Impact = 440 jobs and \$830 million over ten years

AlexRenew's operations and capital plan investments contribute significantly to the local economy, in terms of both output (\$) and employment (jobs). AlexRenew's estimated economic contribution to the region totals \$830 million over the next decade, supporting 440 jobs per year.



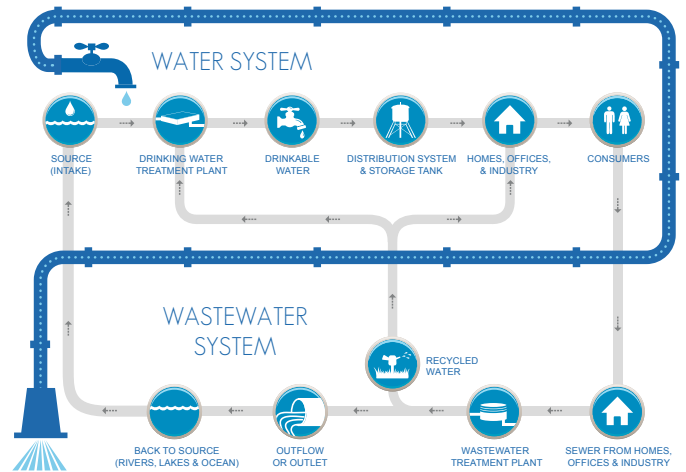
AlexRenew provides wastewater services to 320,000 people over 37.52 square miles, treating 35 million gallons of wastewater per day.

Services Provided: Wastewater	Service Population: 320 Thousand	Service Area: 38 Square Miles	Flow & Capacity:										
			<table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Average Daily Flow</th> <th rowspan="2">Treatment Plant Capacity</th> </tr> <tr> <th>Flow</th> <th>Capacity</th> </tr> </thead> <tbody> <tr> <td>Wastewater</td> <td>35 mgd</td> <td>54 mgd</td> <td>108 mgd</td> </tr> </tbody> </table>		Average Daily Flow		Treatment Plant Capacity	Flow	Capacity	Wastewater	35 mgd	54 mgd	108 mgd
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<i>mgd = millions of gallons per day</i>													

Economic Impact of Operating & Capital Expenditures

	Aggregate Impact (Over 10 Years)	Annual Impact (Per Year)
Employment	4,400 job-years	440 jobs
Operations	2,600 job-years	260 jobs
Capital	1,800 job-years	180 jobs
Economic Output	\$830 million	\$83 million
Operations	\$540 million	\$54 million
Capital	\$290 million	\$29 million

Impacts are expressed in real 2014 dollars, values may not total due to rounding.



Economic Impact of Utility Operations at the District of Columbia Water and Sewer Authority (DC Water)

on the Washington-Arlington-Alexandria Metropolitan Statistical Area

Economic Impact = 7,090 jobs and \$13.1 billion over ten years

DC Water's operations and capital plan investments contribute significantly to the local economy, in terms of both output (\$) and employment (jobs). DC Water's estimated economic contribution to the region totals \$13.1 billion over the next decade, supporting 7,090 jobs per year.



The DC Water and Sewer Authority provides water & wastewater services to 2.2 million people over 725 square miles, supplying 100 million gallons of water per day and treating 280 million gallons of wastewater per day.

Services Provided: <p>Water, Wastewater & Stormwater</p>	Service Population: <p>2.2 Million</p>	Service Area: <p>725 Square Miles</p>	Flow & Capacity: <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Average Daily Flow</th> <th rowspan="2">Treatment Plant Capacity</th> </tr> <tr> <th>Flow</th> <th>Capacity</th> </tr> </thead> <tbody> <tr> <td>Water</td> <td>100 mgd</td> <td>160 mgd</td> <td>240 mgd</td> </tr> <tr> <td>Wastewater</td> <td>280 mgd</td> <td>370 mgd</td> <td>370 mgd</td> </tr> </tbody> </table> <p><i>mgd = millions of gallons per day</i></p>		Average Daily Flow		Treatment Plant Capacity	Flow	Capacity	Water	100 mgd	160 mgd	240 mgd	Wastewater	280 mgd	370 mgd	370 mgd
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Economic Impact of Operating & Capital Expenditures

	Aggregate Impact (Over 10 Years)	Annual Impact (Per Year)
Employment	70,900 job-years	7,090 jobs
Operations	35,900 job-years	3,590 jobs
Capital	35,000 job-years	3,500 jobs
Economic Output	\$13.1 billion	\$1.3 million
Operations	\$7.5 billion	\$746 million
Capital	\$5.6 billion	\$564 million

Impacts are expressed in real 2014 dollars, values may not total due to rounding.

