

**CHESAPEAKE BAY and WATER RESOURCES POLICY COMMITTEE**  
777 North Capitol Street, N.E.  
Washington, D.C. 20002

**MINUTES OF MAY 16, 2014 MEETING [DRAFT]**

**ATTENDANCE:**

**Members and alternates:**

Bruce Williams, City of Takoma Park  
Cathy Drzyzgula, City of Gaithersburg  
Hamid Karimi, Vice Chair, District of Columbia  
JL Hearn, WSSC  
Libby Garvey, Arlington County (phone)  
Mark Charles, City of Rockville  
Mark Peterson, Loudoun Water  
Marty Nohe, Prince William County (phone)  
Meo Curtis, Montgomery County

Tanya Spano, DEP  
Steve Walz, DEP Director

**Panelists:**

Tom Curtis, American Water Works Association  
Adam Krantz, National Association of Clean Water  
Agencies  
Tim Williams, Water Environment Federation

**Guests:**

Tim Stevens, Sierra Club

**COG Staff:**

Heidi Bonnaffon, DEP  
Stuart Freudberg, Senior Director

**1. Introductions and Announcements**

Vice Chair Hamid Karimi called the meeting to order at approximately 9:00 a.m.

**2. APPROVAL OF CBPC MEETING SUMMARIES**

The January and March meetings did not have aquorum at the time of this agenda item, however upon consultation with Vice Chair Karimi, the committee agreed to provide approval of the draft meeting summaries via email.

**3. WATER INFRASTRUCTURE – CHALLENGES & OPPORTUNITIES: PANEL DISCUSSION**

Leaders from several national water associations participated in a panel discussion to share how the water industry is innovating, advocating for water infrastructure needs, addressing costs and financing, and building human capacity. Tom Curtis, from American Water Works Association (AWWA), Adam Krantz, National Association of Clean Water Agencies (NACWA) and Tim Williams, Water Environment Federation (WEF) also specified opportunities where COG can take regional actions.

**Tom Curtis, AWWA: Financing Water Resource Projects and Programs**

- Mr. Curtis focused on the Water Infrastructure Finance and Innovation Act (WIFIA), recently approved as part of a larger bill. One section of the larger bill reauthorizes the wastewater state revolving loan fund program and expands the types of projects that State Revolving Funds (SRFs) may fund. Another section of the bill establishes WIFIA. The [Water Resources Reform and Development Act](#), which contained WIFIA and the SRF reauthorization, passed in the House on May 20 and in the Senate on May 22 and is awaiting presidential signature. *It was signed on June 10.*
- These national water associations would like to work with COG and other local government allies to lobby Congress to remove a current provision of the legislation that greatly restricts its usefulness to local governments or other potential recipients of WIFIA funds. The restriction – which was imposed because of Office of Management and Budget scoring rules on the federal budget, according to Mr. Curtis – prohibits the use of any funds from tax-exempt financing to meet the local match

requirement (typically, 51 percent of total funds). Most local governments and utilities raise bond proceeds through such a tax-exempt process, so such a restriction would likely be a disincentive

- The national groups also would like to raise the current funding caps in WIFIA. The first-year authorization is for just \$20 million/year each for the Environmental Protection Agency (EPA), and \$20 million for Army Corps of Engineers to disperse, although the authorization level rises to \$50 million/year by year five of the program.

#### **Adam Krantz, NACWA: Water Sector Jobs**

- Mr. Krantz stressed the importance of water jobs in the economy. He cited a U.S. Conference of Mayors report “that each dollar invested in water infrastructure increases private long-term GDP output by \$6.35” and a U.S. Department of Commerce estimate that each job created in the local water and wastewater industry creates 3.68 jobs in the national economy and each public dollar spent yields \$2.62 dollars in economic output in other industries.
- Mr. Krantz also noted that funding remains a major challenge. He said the drinking water industry has identified a \$1 trillion gap between revenues and long-term capital needs for new and replacement infrastructure as well as smaller, but still substantial, gaps for the wastewater and stormwater sectors.
- NACWA is working with local water leaders from the COG region, including Karen Pallansch (Alexandria Renew), George Hawkins (DC Water), as well as the Water Environment Research Foundation (WERF) on the “Water Resources Utility of the Future” initiative, which will document job creation and economic drivers associated with infrastructure investment. This initiative will note, for instance, that DC Water has a hire-local-workers program as part of its \$25 billion in new capital projects.
- Meanwhile, Mr. Krantz noted, water and wastewater utility rates nationwide have risen at 2-3 times the rate of inflation over the past 10 years and are projected to increase 6 percent/year over the next 10 years.
- He also discussed gray versus green infrastructure, and the job benefits of the maintenance work required for green infrastructure. He noted that Philadelphia, for example, is using a lot of green infrastructure and is trying to document the jobs benefits.

#### **Tim Williams, WEF: Water Resource Infrastructure Messaging**

- Mr. Williams noted that the water utility sector is experiencing a “brain drain” as older, experienced staff retire and properly trained new workers are hard to find. To address the issue, he said, several California utilities have established a jobs initiative program for sanitary engineers. The students get assistance with their education and, in return, commit to work for the water utility after graduation.
- He noted that a soon-to-be-released AWWA/WEF report will look at green infrastructure and jobs. The experiences of District of Columbia and the City of Alexandria will be included in the report.
- Mr. Williams said the water and wastewater sector are victims of their own success in having the public take clean water for granted. Currently, WEF has a number of public education campaigns to emphasize the importance of investing in water and wastewater infrastructure. It has established the “Value of Water Coalition” to lead its messaging efforts on the value of this infrastructure to jobs and the economy.
- He suggested that COG could help in these efforts by:
  - Emphasizing the water infrastructure message to local media such as the Washington Post.
  - Hold a regional water infrastructure summit, especially in conjunction with a national event to be held in Washington in April 2015. *The CBPC has already endorsed this initiative and staff is planning to do this.*

- Partner with organizations like the Potomac Conservancy to emphasize the importance of local water quality.

**Committee Member Comments and Recommended Actions:**

- Ms. Garvey mentioned that COG needs to tailor messages to the public about the benefits of green infrastructure including green space and jobs, as well as improved water quality.
- Ms. Garvey mentioned that she and CBPC Chair Penny Gross are on a workforce task force of the Northern Virginia Regional Commission and that she would like to follow up with speakers on specific issues.
- Mr. Karimi and Ms. Drzyzgula said that the COG region should work to quantify the difference between the current jobs and those needed, and to estimate the gap if the COG region does not take action to support water sector jobs. Ms. Drzyzgula suggested the concept of Richard Scary's "Busy town" books to illustrate the water infrastructure work being done at a street level.
- Noting the public concern about increased or new stormwater utility fees, Mr. Karimi said there needs to be more public outreach efforts on the value of rain gardens and stormwater infrastructure in general. Mr. Williams added that such outreach must address citizens' concerns about work that disrupts local streets.
- Mr. Karimi endorsed a recommendation from COG's CAOs to COG staff to quantify water infrastructure resources and funding gaps for the region.
- Mr. Walz said that some water infrastructure issues were brought to the COG Board in April, and that there will be another presentation to the COG Board about wastewater and stormwater infrastructure on June 11. He said one point of emphasis should be "Why do we need to make these investments?"

The committee endorsed the following actions:

1. Support for maintaining the tax exempt status of municipal bonds & WIFIA, and directed COG staff to work with the various water organizations to develop recommended actions for the CBPC or the COG Board to take.
2. Directed COG staff to track ongoing job initiatives in the region, explore the potential to develop a regional water jobs/training initiative with other partners, and make recommendations to the CBPC.
3. Recommended that COG's current water-related outreach efforts should formally adopt WEF's Value of Water (and related) Campaign and add a regional frame of reference for the national messages.
4. Endorsed a CAOs recommendation that COG staff compile a database of water-related regional infrastructure cost and funding information to help COG's members better assess the region's infrastructure needs.

**4. CBPC'S ANNUAL BAY & LOCAL WATER RESOURCES FORUM WITH EPA AND STATES**

COG staff provided a draft of the Bay Agreement with Principals' Staff Committee recommendations and a set of proposed topics and discussion points for the CBPC's July 18<sup>th</sup> Forum with EPA and the States. This will be the fourth such forum the CBPC has organized. Previous forums emphasized schedule, affordability and flexibility. This forum will build on these themes and is intended to identify specific actions and recommendations that the CBPC would like to make to the EPA and states. The new Bay Agreement will also be discussed, including the proposed inclusion of new goals (toxics and climate resiliency) and efforts to ensure a local voice in development of new management strategies. Vice Chair Karimi encouraged CBPC members to provide input to staff about the July Forum.

- Ms. Curtis suggested adding text to reflect the importance and need to communicate the benefits of all of these efforts to citizens/ratepayers.

## 5. STAFF UPDATES

### A. Potomac Water Quality Factsheet's Executive Summary (Draft for CBPC Review)—Christine Howard

Ms. Howard shared a draft of the executive summary for the Potomac Water Quality factsheet and asked for committee feedback.

- Mr. Karimi said the executive summary is simplified for laymen per the CBPC guidance, and looks good.

*Due to a limited time for discussion, Ms. Bonnaffon emailed the draft summary to the CBPC on May 28<sup>th</sup> requesting feedback.*

### B. FY 2015 Regional Water Quality Management Program: Annual Work Program and Budget (Update on Draft & Final Review Schedule) - Tanya Spano

Ms. Spano mentioned that the FY15 work program and budget had been endorsed by the WRTC and was in parallel review by Blue Plains IMA Regional Committee, and would be transmitted to the CBPC members via email for their review and approval. Vice Chair Karimi asked the committee members to please be responsive to that request when they got the material.

*Ms. Spano sent the COG's Regional Water Quality Management (RWQM) Work Program and Budget - Fiscal Year 2015 to the CBPC via email for formal approval by June 13.*

### C. Drought Report Update — Christine Howard

Ms. Howard noted that the CAOs Committee was briefed on the Drought Report because they are the entity that is charged with issuing an official drought watch or warning. She reported that the precipitation outlook for the COG region looks positive right now, noting however, that the assessment is of course subject to change depending on the weather.

## 6. ADJOURN

Mr. Karimi adjourned the meeting at 12:00 p.m.