

Congress of the United States
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Statement for the Record - House Transportation & Infrastructure Committee,
Subcommittee on Water Resources & Environment

“Integrated Planning and Permitting Framework: An Opportunity for EPA to
Provide Communities with Flexibility to Make Smart Investments in
Water Quality”

July 24, 2014

Today, the House Subcommittee on Water Resources and Environment will hold an important hearing to look at the state of clean water affordability in this country and the U.S. Environmental Protection Agency’s (EPA) new integrated planning approach for municipal wastewater and stormwater requirements. Communities nationwide are struggling to maintain their systems and meet their wastewater mandates without placing further hardship on their already strapped ratepayers. Absent a new approach to regulatory compliance, the future of maintaining the water quality our constituents have come to depend on is at risk.

Since passage of the Clean Water Act (CWA) in 1971, this country’s water quality has indisputably improved. However, the command-and-control nature of the CWA has also led to a buildup of costly regulations on the nation’s communities and their rate-paying residents who foot the bill. These mandates, on top of the estimated \$300-500 billion needed in wastewater infrastructure improvements over the next 20 years, has shifted the financing burden to local ratepayers who are seeing their rates rise nationally at double the rate of inflation. Today, 40% of households across America are paying more out of their disposable incomes for wastewater management than what EPA says is affordable.

In our home states of Ohio and Minnesota we are seeing firsthand the financial struggle communities are under to meet their CWA requirements. For example, in Ohio, the City of Defiance is under a 20-year consent decree to separate their combined sewer system. Only five years into the project, the City and has already spent \$30 million and has plans to spend tens of millions more. This has caused water and sewer rates to skyrocket for Defiance’s 17,000 residents, who pay ten times more per month than residents outside the city. In Minnesota, new nutrient regulations are expected to cost the City of Rochester, a city of just over 100,000 people, \$100 million in new wastewater costs with additional stormwater cost ramifications as well. Prior to these regulations, the City was only anticipating costs of \$5 million in 2014 to meet its wastewater and stormwater permits.

In June 2011, EPA released its *Integrated Municipal Stormwater and Wastewater Planning Approach Framework* to help communities meet their regulatory obligations under the Clean Water Act in a more sustainable manner. Under the integrated planning approach, communities can create a schedule of priority projects for wastewater and stormwater permit obligations to ensure available funds go to those projects yielding the greatest water quality benefit first.

Building on this Framework, we have introduced H.R. 3862, *The Clean Water Affordability Act*, to ensure that clean water agencies that are facing unprecedented financial challenges have the flexibility they need to undertake clean water projects in a more affordable manner. Specifically, our legislation would do four critical things: 1) Codify EPA's integrated planning framework to ensure it is available to all communities; 2) Assure communities their clean water investments will be secure for longer than five years by extending EPA permit terms to up to 25 years for communities with an approved integrated plan; 3) Revise Clean Water State Revolving Fund capitalization grant agreements to require states to set aside 15 percent for assistance to municipalities of fewer than 10,000 individuals; and 4) Require EPA to revise and broaden guidance for determining a community's financial capability to more accurately reflect a community's financial challenges. Currently, Median Household Income (MHI) is used as the predominant indicator of financial capability for a community. Relying on a narrower matrix and the MHI indicator does not allow for determinations to take into full account the significant and diverse fiscal constraints like age of population, unemployment rate, and poverty rate faced by communities and their ratepayers.

H.R. 3862 would provide responsible relief to the clean water agencies around the country that are facing unprecedented financial challenges. We thank the Subcommittee for holding today's hearing and we encourage all members of the Subcommittee to support this legislation.