

**January 28, 2016 – VOLUME 1, ISSUE 12**

## **Special Analysis: The Case for Water Infrastructure Investment**

Despite substantial needs and the potential to create tens of thousands of jobs and millions of dollars in economic activity, the United States' water infrastructure remains woefully inadequate and is rapidly deteriorating. Nonetheless, there's reason for optimism and hopefulness that policymakers will begin to restore and increase investment in the coming years.

Last fall, soon after Rep. John Boehner (R-Ohio) announced his resignation, the outgoing House Speaker negotiated a comprehensive budget deal with Democratic leadership and the White House. While the proposal was openly criticized from the right-wing of his party, Boehner relied on Democratic votes to shepherd it through the House and eventually to the president's desk. The final package provided two years of budget certainty while lifting the caps on sequestration (automatic budget cuts first put in place in 2011), effectively concluding a four-year period overshadowed by indiscriminate, drastic funding reductions to all federal programs.

Few programs were immune to the funding reductions and the Clean Water and Drinking Water State Revolving Funds (SRF), the primary federal vehicle for investing in water infrastructure projects, were devastated. In fact, between fiscal year 2010 and the Bipartisan Budget Act enacted in Jan. 2014 (the last major government funding deal prior to the Boehner agreement), the Clean Water SRF went from \$2.1 billion to \$1.44 billion while the Drinking Water SRF program was slashed from \$1.387 billion to \$906 million (that's over 30 percent reduction in each of the programs). Unfortunately, in December, Congress reduced the Clean Water (by \$50 million) and the Drinking Water (by \$43 million) SRFs by even greater amounts.

Those of us that study the water infrastructure issue regularly understand the investment shortage. According to the American Water Works Association (AWWA), investment needs for buried drinking water infrastructure total more than \$1 trillion nationwide over the next 25 years, assuming pipes are replaced at the end of their service lives and systems are expanded to serve growing populations. Furthermore, the Environmental Protection Agency (EPA) estimates the total capital wastewater and stormwater treatment and collection needs for the nation are \$271 billion as of January 1, 2012. Clearly, current water infrastructure investment levels are not coming near matching the required investment levels to maintain an adequate sewer and drinking water network.

Besides having clean water, the economic benefits of water infrastructure investments are substantial. In fact, according to a study by the Clean Water Council (CWC), an estimated 20,003 to 26,669 jobs can result from a national investment of \$1 billion. These opportunities are spread across the economy with nearly half in industries other than water and wastewater construction, demonstrating the broad reach of

water infrastructure investment. Additionally, according to a recent study by the College of William & Mary, over 20 years every \$1 spent on sewer systems and water infrastructure generates \$2.03 in tax receipts (\$1.35 for the federal government), demonstrating that water projects are truly an investment, not wasteful spending.

Despite substantial cuts to water programs and growing needs, infrastructure advocates are optimistic the tide could turn very soon. At the end of 2015, Congress completed the Fixing America's Surface Transportation (FAST) Act (a five-year, \$305 billion highway bill). The Highway Trust Fund's financial difficulties overshadowed the discourse and forced non-surface transportation related discussions to the backburner. With a multiyear highway bill in the rearview and normalcy returning to the federal budget, restoring and increasing federal water infrastructure investment is more realistic. In fact, word on Capitol Hill is that House and Senate Appropriations Committee members of both parties are discussing ways to reinstate greater SRF funding levels.

Furthermore, there are real, bipartisan solutions to increase private sector investment. The FAST Act contained a provision removing a limitation prohibiting projects funded under the Water Infrastructure Finance & Innovation Act (WIFIA) from being funded with tax-exempt financing tools. WIFIA's effectiveness has been severely hindered by a bar on using tax-exempt financing (such as private activity bonds) to partially fund any project that also receives WIFIA assistance. Since WIFIA loans are only able to fund up to 49 percent of a project, local communities are left with a significant barrier to acquiring the remainder of the financing. The modification will allow local communities to take full advantage of the program by giving the option to use tax-exempt financing and other public-private partnerships in combination with WIFIA funds for major water and wastewater projects, unleashing private capital into the water infrastructure sector.

Additionally, industry continues to push Congress to remove the cap on private activity bonds for water infrastructure projects. According to estimates, the proposal could generate as much as \$5 billion annually in private capital for water infrastructure projects with a nominal cost to the federal government. The Sustainable Water Infrastructure Investment Act (H.R. 499), bipartisan legislation to remove the cap, has been introduced by Reps. Jimmy Duncan (R-Tenn.) and Bill Pascrell (D-N.J.). Getting the bill over the finish line in 2016 remains an important goal of the construction industry.

The perfect storm is starting to brew for finally increasing water infrastructure investment. The federal budget situation is improving and lawmakers universally acknowledge the needs and the economic impact of these projects. The Flint, Michigan water crisis provides a high-profile (and very unfortunate) example that clean water must be a priority and that failure to fund water infrastructure improvements and upgrades has significant health, environmental, and national security implications. While momentum is building, it will take a coordinated effort by the entire water infrastructure industry to push lawmakers for investments to rebuild our nation's crumbling water infrastructure networks.

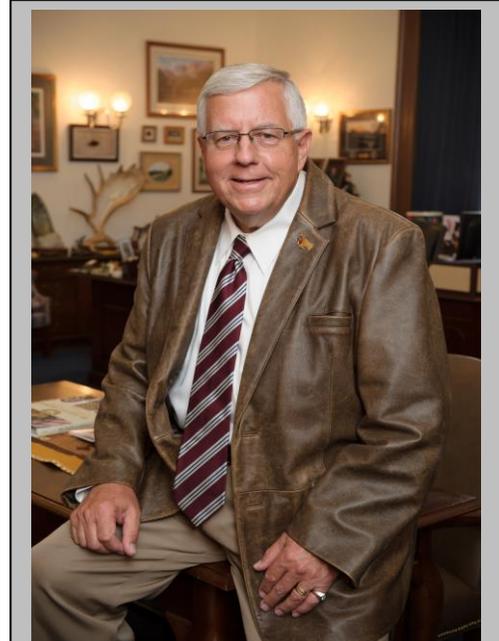
## **Jobs Revolution Demands Congress Reform Skills Programs**

*By Senator Mike Enzi, Wyoming.*

Businesses across the country are struggling to find workers to fill skilled positions. There are going to be millions of new jobs created in America in the next few years and many of them will require skills and training beyond a high school diploma.

If we are going to maintain a leadership role in the global economy, our workers need the proper training and skills. The American workers need career and technical skills and professional capabilities to not only succeed, but to lead the way in tomorrow's job market. We need to eliminate the stigma against hands-on-skills resulting from the emphasis on college degrees. Congress must ensure that education and training are connected to the needs and interests of workers now and in the future.

That is why I am working with Republicans, Democrats and Independents to reauthorize the Perkins Career and Technical Education Act. The act was created by Congress to help provide individuals with the career and technical skills needed to succeed. It hasn't been reviewed in detail for almost eight years. If a business hadn't reviewed a part of their business for eight years, they would probably be out of business!



Currently serving his fourth term, Sen. Enzi is the senior senator from Wyoming. As member of the Committee on Health, Education, Labor and Pensions (HELP) he will be a key figure in congressional efforts to overhaul the American technical education system.

If Congress is going to support learning opportunities for students to help them find and hold high skill and high wage jobs we need to review, revise and re-approve the Career and Technical Education Act. I am currently working with supporters to craft a bill that would make it easier for states and locals to run programs that serve all students who desire to gain access to career and technical education course work.

If we want to make sure that we are preparing students for the real world we also need to strengthen the connection of career and technical education programs to the needs of businesses so jobs are available upon completion of certification or graduation. If we are going to help fill the growing need for skilled workers, we need to ensure these programs coordinate their instruction with current practices in industry and with the needs of the workers.

And in order to stay competitive, we need to ensure the act will help support seamless transitions from education to the workforce including real-life skills and work ethic.

But the Career and Technical Education Act is just part of the solution to prepare workers for the changing job market. Last year Congress was able to re-do and approve the Workforce Investment Act to help transform the bureaucratic federal job training system into a streamlined program that can help many more

people learn the skills they need to get meaningful jobs. The new changes are helping states better meet regional economic demands and provide training for jobs in which quality workers are in short supply.

The Workforce Innovation and Opportunity Act also delivered long-overdue changes by eliminating 15 programs identified as ineffective or duplicative and 21 federal mandates on state and local workforce boards. It also provided stronger accountability for taxpayer dollars by applying common performance measures for all programs with a focus on employment outcomes and employer satisfaction with trained workers.

By strengthening the job training programs Congress also gave authority back to state governments to equip them with tools to help small businesses. It provided governors and state workforce directors what they told us they needed — flexibility to use money where it is most needed.

Employers are looking for the right people that can be part of a team where everyone succeeds. Some of that depends on what skills and training someone can bring to a job, but a desire to learn, to improve and to contribute to that success is something employers are looking for, too.

We need to ensure that students who have a drive to work hard and will to succeed also have the professional and technical knowledge to make success a reality from the day they graduate or are certified. By focusing on the skills and programs that are in demand by America's economy today, we can have a strong economy tomorrow.

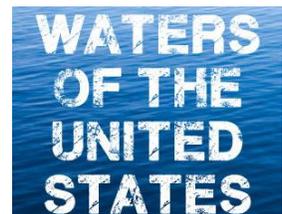
We are going to experience dramatic changes in the workforce over the next 10 to 15 years, and we need to start now if we are going to adapt federal education and training policy to meet the coming crisis of too few workers with too few skills.

Any business owner knows that success depends on the quality of their workers. No matter how much effort goes into the product or the plan, without the work of dedicated employees a business will struggle. But with skilled workers who have been given the training and preparation for jobs, the sky is the limit.

*ACPPA would like to thank Sen. Enzi for sharing his insights. The views expressed in this article are the senator's and do not necessarily reflect the positions of ACPPA.*

## **White House Rebuffs Congressional Effort to Curtail EPA Overreach**

On Jan. 19, President Obama vetoed a congressional resolution that would have blocked enforcement of the Environmental Protection Agency's controversial expansion of the definition of "Waters of the United States" under the Clean Water Act. The White House's move came just six days after the House of Representatives voted 253-166 to pass the measure.



The rule, proposed by the EPA and the Army Corps of Engineers, seeks to clarify the regulation of land in relation to navigable waterways. It dramatically expands the scope of federal authority over water and land use in the United States and fails to properly assess the economic impact of its proposed changes.

The resolution used the authority of the Congressional Review Act allowing lawmakers to block regulations within the first 60 legislative days of their enactment. The measure passed the Senate by a bare majority (55-43) in November 2015. The relatively slim majorities in each house meant that Congress was unable to muster enough support to override the president's veto.

## **Court to Review Jurisdictional Rights Under Clean Water Act**



The U.S. Supreme Court has announced it will consider whether “jurisdictional determinations” made by the Army Corps of Engineers under the Clean Water Act (CWA) are subject to judicial review. The case ([\*Hawkes Co., Inc. v. U.S. Army Corps of Engineers\*](#)), which was last heard by the U.S. Court of Appeals for the 8<sup>th</sup> Circuit, involves the right of a company to challenge in court a determination that property contains wetlands that qualify as “waters of the United States.”

When the Corps makes a jurisdictional determination that waters regulated under the Clean Water Act are present on a particular site, landowners must seek appropriate permits before developing the land. The district and appellate courts were split on whether these determinations were immediately subject to judicial review or developers must wait for enforcement action.

In a previous hearing considering CWA oversight, the Supreme Court determined that getting a federal wetlands permit costs more than \$200,000 and years of waiting before likely rejection. Providing applicants with the potential for immediate legal remedy of the jurisdictional determination could save precious time and financial resources for American industry. The Court's final decision in *Hawkes* could provide such an avenue for landholders.

In October, the U.S. Court of Appeals for the 6<sup>th</sup> Circuit issued a nationwide stay of enforcement of a new rule redefining the scope of “waters of the United States.” Considering that the expanded “waters” definition would dramatically impact federal and local collaboration in wetlands and industrial oversight, the 6<sup>th</sup> Circuit determined the expanded definition sought by the Corps and the Environmental Protection Agency in the rule issued May 27 should be delayed until the many legal challenges against it could be resolved.

While the *Hawkes* case is legally unrelated to the expanded definition, the right of judicial review will be an essential tool for businesses seeking to mitigate the impact of agency attempts to expand jurisdiction over wetlands. ACPPA is working to protect members from these kinds of harmful and unnecessary regulatory incursions.

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# Pressure Pipe Post

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ACPPA's Monthly Source for Industry News

January 2016

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To keep members aware of the activities of government and standards organizations, we regularly sweep public databases and publications for the industry-specific terms indicated below. We then provide our members with links to documents identified in the search. Please note that in some cases the URLs may link to subscription-only databases. The purpose of this service is to identify emerging threats and trends as well as opportunities for collective action by ACPPA.

## **NEWS RESULTS**

### **Concrete**

#### **Concrete Cracking is Linked to Alkali**

01/03/2016 <http://www.nwaonline.com/news/2016/jan/03/concrete-cracking-is-linked-to-alkali-2/>

Some concrete projects across Arkansas are cracking because of high-alkali cement that was used from 1997 through 2002, according to researchers at the University of Arkansas at Fayetteville.

#### **Bringing ACMs to Commercial Concrete: Lawrence Sutter, Michigan Technological University**

01/07/2016 [http://www.concreteconstruction.net/concrete-materials-and-admixtures/bringing-alternative-cementitious-materials-to-commercial-construction\\_o.aspx](http://www.concreteconstruction.net/concrete-materials-and-admixtures/bringing-alternative-cementitious-materials-to-commercial-construction_o.aspx)

Material engineers and scientists are turning their attention to concrete. Their interest was first drawn by the belief that the world's goal of reducing CO<sup>2</sup> could be furthered by developing alternative cementitious materials (ACMs). But their research yielded another discovery: ACMs can help improve concrete's durability, service life, and strength properties.

#### **Moving Concrete Construction Forward**

01/08/2016 [http://www.concreteconstruction.net/management/ideas-and-opinions-on-concrete-construction\\_o.aspx](http://www.concreteconstruction.net/management/ideas-and-opinions-on-concrete-construction_o.aspx)

The concrete construction industry is a bit fractured, with various factions sometimes cooperating and sometimes competing. And yet we have many common issues that could be addressed jointly in a way that might lead to progress on things like workforce development, productivity, team collaboration, risk management, information-sharing, and quality.

**Water Supply**

**Flint Faces Big Costs, Complex Fixes to its Water Woes**

01/25/2016 <http://www.plasticsnews.com/article/20160125/NEWS/160129885/flint-faces-big-costs-complex-fixes-to-its-water-woes>

It could take much more than the \$80 million in new federal aid that President Obama has promised Michigan by this week to remove lead contamination from Flint, Mich.'s public water system, officials and local experts said.

**Infrastructure**

**Waco Council Pulls Trigger on \$77 Million in Street, Water, Sewer Projects**

01/05/2016 [http://www.wacotrib.com/news/roads/waco-council-pulls-trigger-on-million-in-street-water-sewer/article\\_90aed572-02b4-5b3f-8c92-47b6cc01bb4e.html](http://www.wacotrib.com/news/roads/waco-council-pulls-trigger-on-million-in-street-water-sewer/article_90aed572-02b4-5b3f-8c92-47b6cc01bb4e.html)

Waco City Council authorized bonds Tuesday that are expected to fund \$77 million in water, sewer and street work. The council also took advantage of historically low interest rates of about 3.13 percent to authorize the refinancing of up to \$35.5 million in existing debt.

**Sewer Pipe Installation Planned along Parts of West Lake Sammamish Blvd and River Trail**

01/06/2016 <http://www.redmondcity.blogspot.in/2016/01/sewer-pipe-installation-along-west-lake.html>

In last night's Council meeting Jennifer Kaufman, King County Waste Water Division, reported on their need for sewer pipe construction upgrades in west Redmond -- called the "Lake Hills & NW Sammamish" project. The project will start in 2018 and continue for three years.

**Mayor Seeking to Gift City with Upgraded Infrastructure for 179th Birthday**

01/07/2016 <http://nbc24.com/news/local/mayor-seeking-to-gift-city-with-upgraded-infrastructure-for-179th-birthday>

To celebrate the 179th birthday of the City of Toledo, Mayor Paula Hicks-Hudson wants to garnish the city with infrastructure upgrades. With the massive amount of orange barrels in the Toledo area, some people might overlook what is going on underneath the street's surface. Some of the city's sewer system is more than 100 years old.

**Crews Rush to Fix Massive Water Line Break**

01/13/2016 <http://www.koat.com/news/crews-rush-to-fix-massive-water-line-break/37405832>

Crews from the Albuquerque Bernalillo County Water Utility Authority worked on a massive water transmission line break into the night Tuesday after thousands of gallons of water were lost. The break happened around 2 p.m. Tuesday near Montgomery and Wyoming boulevards. The transmission line is 24 inches in diameter -- a lot larger pipe than the Water Authority is used to repairing.

### **Crews Dig Up Round Rock Neighborhood to Prevent Water Main Breaks**

01/14/2016 <http://kxan.com/2016/01/14/crews-dig-up-round-rock-neighborhood-to-prevent-water-main-breaks/>

The city is digging up and replacing 9,000 feet of old asbestos cement pipe in the Eagle Ridge neighborhood, but it has 150 miles of it throughout the city. So far, a total of 10 miles of piping have been replaced over the last seven years, in two subdivisions. Once this subdivision is done, crews will move on to another.

### **North Beach Gets New Water Pipe System**

01/25/2016 <http://www.kristv.com/story/30978089/north-beach-gets-new-water-pipe-system>

Better infrastructure is coming to North Beach. The area is getting new water pipes along Timon Blvd. from the north tip of the beach to the southern end, and construction on the second phase of the project is underway.

### **Fly Ash & Coal**

#### **Coal Ash Removal Underway at Eden Facility**

01/14/2016 [http://www.godanriver.com/work\\_it\\_sova/news/coal-ash-removal-underway-at-eden-facility/article\\_c965d85e-bb1a-11e5-9ebd-33c99232bd4c.html](http://www.godanriver.com/work_it_sova/news/coal-ash-removal-underway-at-eden-facility/article_c965d85e-bb1a-11e5-9ebd-33c99232bd4c.html)

Duke Energy is removing nearly 3 million tons of coal ash from its former Dan River Steam Station. Duke officials led a media tour of the site Thursday morning, where the company must clean up the coal ash — waste left over from the burning of coal to make electricity when the old plant operated — and safely store it by August 2019.

### **REGULATORY RESULTS**

#### **Water Infrastructure**

#### **Environmental Protection Agency | Proposed Rule | National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System General Permit Remand**

01/06/16 <https://www.gpo.gov/fdsys/pkg/FR-2016-01-06/pdf/2015-33174.pdf>

The Environmental Protection Agency (EPA) is proposing changes to the regulations governing small municipal separate storm sewer system (MS4) permits to respond to a remand from the United States Court of Appeals for the Ninth Circuit in *Environmental Defense Center, et al. v. EPA*, 344 F.3d 832 (9th Cir. 2003).

**Pressure Pipe**

**Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe From China; Scheduling of an Expedited Five-Year Review**

01/14/16 <https://www.gpo.gov/fdsys/pkg/FR-2016-01-14/pdf/2016-00600.pdf>

The Commission hereby gives notice of the scheduling of expedited reviews pursuant to the Tariff Act of 1930 (“the Act”) to determine whether revocation of the antidumping duty and countervailing duty orders on seamless carbon and alloy steel standard, line, and pressure pipe from China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.

**LEGISLATIVE RESULTS**

**Coal & Climate**

**S.2446 | Introduced by Sen. Hoeven, John (R-ND) | Improving Coal Combustion Residuals Regulation Act of 2016**

01/19/2016 <https://www.congress.gov/bill/114th-congress/senate-bill/2446/text>

To amend subtitle D of the Solid Waste Disposal Act to encourage recovery and beneficial use of coal combustion residuals and establish requirements for the proper management and disposal of coal combustion residuals that are protective of human health and the environment.