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Adam Krantz

August 24, 2016

Mr. Donald J. Trump
Donald J. Trump for President
Trump Tower
725 Fifth Avenue
New York, NY 10022

Dear Mr. Trump,

On behalf of the National Association of Clean Water Agencies (NACWA), we write to congratulate you on your nomination by the Republican Party for President of the United States. As the Fall campaign season moves into full swing, we urge you to address a number of critical municipal clean water issues in your campaign discussions and policy proposals.

NACWA is a non-profit trade association representing the interests of municipal clean water agencies, with nearly 300 public agency members nationwide representing a wide variety of population size and geographic location, including a total population of over 124 million people in 46 states, the District of Columbia, and Puerto Rico. Our members are true public servants, working on the front lines every day for environmental and public health protection on behalf of their communities.

The importance of reliable water infrastructure and clean and safe water have never been more apparent to the American public than they are right now. The recent drinking water crisis in Flint, Michigan has had devastating impacts for residents of that community, but has also made all Americans painfully aware of what can happen when their water systems become tainted and their water infrastructure is unreliable. At the same time, the ongoing drought in the West has reminded many that reliable water supplies cannot be taken for granted.

NACWA appreciates the significant attention you have already given to infrastructure issues as part of your campaign. Given your success as a real estate developer, you are keenly aware of the importance of robust infrastructure investment to support a strong economy and healthy, prosperous local communities. You have also noted the importance of clean water. As you have stated in campaign speeches, "my environmental standard is very simple, I've said it to everybody... I want clean water. Clean air, clean water." As you know from your career as a builder, no building or business is viable without ensuring reliable and uninterrupted clean and safe water service. You have acknowledged the need to "look boldly into the future" to "fix our infrastructure" and build the next

generation of major public infrastructure projects -- and in line with this, clean and safe water should be a cornerstone of your agenda.

NACWA believes that continuing to support policies that bolster the Nation's ailing and aging water infrastructure system is critical during the current campaign season. It is clear that all Americans are ready for a more robust national dialogue on these issues, and NACWA is looking to you for leadership on these issues as part of the presidential campaign. In particular, NACWA believes there are three topics worthy of significant discussion – water infrastructure investment and the importance of elevating it as a national priority; the challenges in many communities of ensuring low income populations can afford rising water and sewer rates; and acknowledging and supporting the remarkable innovations going on in the municipal clean water sector.

Elevating Water Infrastructure as a National Priority

While the United States may have among the world's premiere water and wastewater infrastructure systems, we are at risk of losing many of the advances we have made over the past decades without a serious national commitment to elevating the importance of water infrastructure. This must involve not only a federal commitment – including a federal financial investment – but also a true partnership with state and local governments.

At the national level, the federal government has played a critical role over the last forty years in supporting water infrastructure investment, especially during the early days of the Clean Water Act through the federal construction grants program. These grants provided a vital foundation for much of the clean water infrastructure in the United States, and they were followed by federal loan support through the Clean Water State Revolving Fund (CWSRF).

However, federal support for water infrastructure has not kept pace with the growing need, and funding for the CWSRF has consistently fallen short in recent years. While the \$8 billion for water infrastructure included in the 2010 American Recovery & Reinvestment Act was a welcome infusion of resources, it was not nearly enough to meet the need, which is estimated by EPA's own most recent Clean Water Needs Survey at \$270 billion.

NACWA encourages your campaign to build on your previous statements of support for infrastructure investment and specifically mention the need for federal investment in water infrastructure as a key national priority. Currently, local agencies are shouldering 97% of the costs for water infrastructure, while the federal share has shrunk to approximately 3%. At the same time, costly regulations and major challenges associated with climate change and resiliency have only grown. A recent report from the National Infrastructure Advisory Council (NIAC) on Water Sector Resilience reiterates this point.

However, addressing our nation's water infrastructure needs cannot be the federal government's responsibility alone. State and local governments must also make a commitment to water infrastructure and make the case for these investments being a priority, especially to local ratepayers that will have to help foot the bill. Accordingly, NACWA requests that you continue to raise the importance of water infrastructure throughout your campaign as a way of reminding the public of the critical nature of water and wastewater systems. Focusing on local water issues within the context of a presidential campaign can not only bring national attention to the issues, but it can also spur voters and citizens to think more critically about the water infrastructure issues that may be impacting their local communities.

Addressing Affordability Concerns for Low Income Populations

Closely linked to a discussion of water infrastructure must also be an acknowledgement of the financial challenges posed to many ratepayers by the rising costs of drinking water and clean water bills to pay for these needed investments. This is particularly true for low income populations that face an increasingly difficult time affording rising clean water costs. NACWA's own annual rate survey has shown in recent years that, all across the country, the annual household costs for clean water are rising faster than the rate of inflation – sometimes by double digits – and are placing unsustainable financial burdens on low income households. Some are even calling the increasing inability of poorer residents in the United States to pay for basic water and sanitary service a new civil rights issue.

As this water affordability issue continues to grow in complexity and severity, a number of innovative solutions are coming to the fore. Among them is the concept of a federally-funded subsidy program to assist low income households pay for water and sewer service, similar to the existing Low Income Home Energy Assistance Program (LIHEAP) for energy costs. Such a program would allow local utilities and governments to increase water and sewer rates to cover the cost of additional infrastructure investments, but without the risk of placing a disproportionate and unsustainable financial burden on the poorest households in the community. Legislation to pilot this low income assistance concept is currently pending in Congress, H.R. 4542, which NACWA strongly supports.

NACWA encourages you during your campaign to acknowledge the growing economic challenges of providing clean, safe water and reliable water infrastructure to all Americans regardless of income, as well as discuss what role the federal government can appropriately play in helping to acknowledge and address affordability concerns. In the wake of Flint and a growing array of challenges to clean and safe water services, it is critical that we as a nation recognize the vulnerabilities in our water infrastructure and commit ourselves to making the investments needed to address them, but at the same time commit ourselves to providing assistance to those that will be most disproportionately impacted by the cost.

Acknowledging and Supporting Innovation in the Municipal Clean Water Sector

While the financial challenges are of great concern, there are also exciting advances taking place in the municipal clean water sector. Where public clean water utilities once just focused on treating and managing a waste product, they have reinvented themselves over recent years into producers of valuable products and services for their communities, as well as agents of innovation, new ideas, job creation, economic growth, and technological advancement.

Nowhere has this new mindset been better captured than in the Utility of the Future (UOTF) concept that has been pioneered by NACWA, the Water Environment Federation (WEF) and the Water Environment & Research Foundation (WE&RF) to highlight the ways in which municipal clean water agencies are leading the charge to a new tomorrow. The UOTF concept is based on the simple yet revolutionary notion that clean water utilities can embrace and implement innovative approaches and technologies to improve environmental performance while also lowering costs, increasing revenue, and helping boost the local economy. These approaches include things like energy production from the wastewater treatment process, use of green infrastructure to address and reduce wet weather flows, recovery of valuable resources like nitrogen and phosphorus from the waste stream, water reuse and water recycling, use of big data to better optimize system performance, nontraditional funding partnerships – including public/private partnerships – to finance clean water projects, and watershed approaches to address water quality impairment more holistically within an overall watershed.

These innovations by the municipal clean water sector are a critical component of moving America's wastewater and stormwater systems into the 21st century while also providing greater environmental and economic value

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for local communities. In such an important election season, it is critical that these efforts be acknowledged and supported. NACWA encourages you, as you discuss the importance of infrastructure during your campaign, to also highlight the key role that innovation can play in making smarter, more effective investments. Our nation's clean water utilities are innovation pioneers, and are great examples to tout on the campaign trail of how new thinking at the local level can help solve many of our most pressing 21st century environmental challenges.

NACWA thanks you for the opportunity to provide these thoughts for your campaign and requests a meeting with a member of your campaign staff at the appropriate time to discuss them further. Please don't hesitate to contact Nathan Gardner-Andrews, NACWA's Chief Advocacy Officer, at ngardner-andrews@nacwa.org or 202/833-3692 with any questions or for more information. Thank you for your time and consideration.

Sincerely,

Raymond J. Marshall
President

Handwritten signature of Raymond J. Marshall in black ink.

Adam Krantz
Chief Executive Officer

Handwritten signature of Adam Krantz in black ink.