

June 8, 2020

The Honorable Mitch McConnell
Majority Leader, U.S. Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker, U.S. House of Representatives
Washington, D.C. 20515

The Honorable Chuck Schumer
Minority Leader, U.S. Senate
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader, U.S. House of
Representatives
Washington, D.C. 20515

RE: Incentivizing and Investing in 21st Century Water Infrastructure for a Resilient Post-Pandemic Economy

Dear Majority Leader McConnell, Speaker Pelosi, Minority Leader Schumer, and Minority Leader McCarthy:

As members of the WaterNow Alliance and the National League of Cities (NLC) we appreciate this opportunity to share three key recommendations as you develop legislation to promote economic recovery as local and state governments begin the process of reopening and restarting their economies. WaterNow Alliance is a nonprofit [network of 600+ local water leaders](#) nationwide advancing sustainable, affordable, and climate resilient water strategies. NLC is the voice of America's cities, towns, and villages, representing more than 200 million people nationwide. Our recommendations aim to accomplish four goals simultaneously:

1. Provide the nation's primarily public water resource agencies – cities, towns, and special districts – with direct support to invest in sustainable and affordable water infrastructure solutions;
2. Provide near-term jobs and local economic stimulus;
3. Ensure affordability and continued access to water, wastewater, and stormwater services; and
4. Build climate resilience.

These recommendations would ensure that local governments and water resource agencies have the flexibility they need to use this new federal support to invest not only in conventional water infrastructure, but to expand their options to include spending for onsite and decentralized water management solutions, which have extraordinary, yet untapped, potential to address the supply, water quality, flooding, and environmental contamination challenges nationwide.

Onsite installations and technologies distributed widely across a community, including green stormwater strategies, water use efficiency measures, watershed restoration, lead line replacements and more, supplement, extend and serve the same functions as more conventional, centralized infrastructure—they provide water supply, treat drinking water and effectively manage wastewater and stormwater. These [distributed approaches](#) are also often less expensive than larger public works projects keeping rates affordable, while building local resilience to

disasters and ability to withstand shifts resulting from climate change. Critically, ***green and distributed strategies provide lasting economic benefits, including near-term permanent local green jobs and local economic development.*** Distributed water management strategies also go a long way to address water equity issues around access to clean water and more affordable rates, and provide other [co-benefits](#) including improved [public health](#), energy efficiency, improved air quality, reduced greenhouse gases, increased open space, increased property values and reduced crime.

As the country navigates the coronavirus public health crisis, large scale investments in localized water management solutions can be an essential part of our communities' economic recovery. Cities that have made significant investments treating decentralized, consumer-facing strategies as water infrastructure are leading the way:

- Philadelphia's [“Green City, Clean Waters” program](#) to capture stormwater with distributed green infrastructure is providing \$4 billion in economic benefits to the community and more than 1,000 jobs per year, according to a study by the Sustainable Business Network.
- The Milwaukee Metropolitan Sewerage District estimates that its [green infrastructure investments](#) to eliminate local flooding and polluted discharges will capture almost 40% more stormwater than its multi-billion dollar deep tunnels, saving ratepayers \$44 million in avoided conventional infrastructure costs; and will also produce 660 permanent jobs per year; and increase property values by an estimated \$667 million throughout the region.
- Los Angeles' [One Water Plan](#) which includes large scale investments in centralized and decentralized green infrastructure is expected to produce almost 7,000 new jobs and save \$1.97 for every \$1 spent.
- Lancaster, PA's investment in green infrastructure to address its stormwater challenges avoided more than \$120 million in gray infrastructure capital costs and nearly \$5 million in annual benefits according to an [EPA study](#).
- The City of Tucson has doubled-down on investments in onsite water use efficiency saving \$155 million in avoided costs for gray infrastructure, enabling it to [keep water rates 15% lower](#) than they would have been otherwise. The city is using the same amount of water as it did in 1985 even though its population has doubled since then.
- Madison, WI replaced all of the community's lead service lines, including those on private property, resulting in immediate water quality and public health improvements and saving [\\$2.5 million in avoided costs](#).

Enabling and encouraging cities and special districts to use federal funds to invest in onsite, clean and green water strategies will also supplement and extend the life of our critical built infrastructure. Further, localized infrastructure investments are most efficiently made in the form of subsidies, financial incentives and rebates for consumers, including private businesses, commercial, industrial and institutional enterprises, residences, and other public entities (such as local parks, schools, transportation agencies, etc.). Thus, federal support for public utility investment in these and other types of localized, onsite water infrastructure can be accomplished primarily through existing federal programs.

For these reasons, we urge you to incorporate the three key recommendations detailed below into

upcoming federal stimulus legislation to incentivize and invest in 21st century water infrastructure for a resilient post-pandemic economy.

- 1) **We recommend that public investments in water infrastructure including onsite decentralized water management strategies that can catalyze near-term job opportunities are appropriate for treatment as grants, and zero-interest and principal-forgiveness loans.** As demonstrated by NLC, municipalities nationwide are being [decimated by the economic impacts](#) stemming from the COVID-19 crisis. Providing federal funding in the form of grants, zero-interest and principal-forgiveness loans would be a key incentive for local leaders looking to adopt more innovative technologies and less conventional but highly effective water management strategies.
- 2) **We recommend that EPA be directed to issue guidance that water use efficiency, private lead service line replacements, and onsite reuse programs implemented via consumer incentives (e.g., rebates and direct installations) are projects eligible for federal funding through the State Revolving Funds (SRF) and the Water Infrastructure Finance and Innovation Act (WIFIA).** Funds from the SRF programs and WIFIA are already authorized to be used for consumer rebates and direct installations, but this is not widely perceived to be the case and EPA has not yet called out investments of this type. Now is the time to do so.
- 3) **We recommend expanding income tax exclusions to include homeowners who receive rebates from water utilities to purchase and install water conservation or stormwater management systems, as set out in [H.R. 2313](#).** Financial incentives and direct installation programs are the primary mechanisms for implementing decentralized and onsite water management programs across communities. However, some utilities are concerned that they will be required to treat such incentives as taxable income placing a large administrative burden on the utility and acting as a significant barrier to consumer participation in such programs. Clarifying that financial incentives to implement localized water infrastructure strategies consumers receive from water utilities are tax exempt will eliminate this barrier.

Conclusion

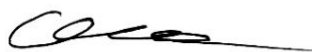
Localized water infrastructure has enormous potential to not only sustainably manage our water resources now and for future generations, but to also foster long-lasting economic recovery for communities across the nation facing critical needs for jobs and renewal.

We appreciate your consideration of our recommendations and look forward to working with you to transform the nation's water infrastructure to secure our water future.

Sincerely,



Cynthia Koehler
Executive Director
WaterNow Alliance



Clarence E. Anthony
CEO and Executive Director
National League of Cities

Craig McFarland
Mayor
City of Casa Grande, AZ

Skip Hall
Mayor
City of Surprise, AZ

Jorge Maldonado
Councilman
City of Nogales, AZ

David Luna
Councilmember
City of Mesa, AZ

Robin Benning
Councilmember
Town of Queen Creek, AZ

Roland F. Winters Jr.
Councilman District One
City of Surprise, AZ

Mark Holmes
Water Advisor
Town of Chino Valley, AZ

Lauren Kuby
Vice Mayor
City of Tempe, AZ

Keith Devore
Water Resources Manager
Town of Queen Creek, AZ

Jennifer Duff
Councilmember
City of Mesa, AZ

Gwen Calhoun
City Council Member
City of Sierra Vista, AZ

Elizabeth Patterson
Mayor
City of Benicia, CA

Sandy Moriarty
Mayor
City of Sedona, AZ

Denise Chow
Environmental Engineering Associate
City of Los Angeles, CA

Grant Weinkam
Chemist
Tucson Water, AZ

Lawrence Brotman
Utilities Manager
City of San Clemente - Utilities, CA

Joseph Olsen
General Manager
Metropolitan Domestic Water
Improvement District (Tucson), AZ

Patrick Furey
Mayor
City of Torrance, CA

Carly Blanchard
Environmental Planner
San Lorenzo Valley Water District, CA

Nancy Smith
Vice Mayor
City of Sunnyvale, CA

Steven Elie
Director
Inland Empire Utilities Agency, CA

Anne Sanger
Government Affairs Manager,
Department of Utilities
City of Sacramento, CA

John Bosler
General Manager/CEO
Cucamonga Valley Water District, CA

Stephen Young
City Council Member
City of Benicia, CA

Mike Griffiths
Councilmember
City of Torrance, CA

Donna Wills Colson
Councilmember and Former Mayor
City of Burlingame, CA

Jennifer Lee
Environmental Regulatory Compliance
Manager
City of Burlingame, CA

Sepi Richardson
Director/ Former Mayor
BAWSCA, CA

Bruce Daniels
President
Soquel Creek Water District, CA

Neil Cochran
President
Foresthill Public Utility District, CA

Olga Diaz
City Councilwoman
City of Escondido, CA

Charles Wilson
Executive Director/CEO
Southern California Water Coalition, CA

Jon L. Foreman
Director
Valley of The Moon Water District, CA

Carmen Ramirez
Mayor Pro Tem
City of Oxnard, CA

Dan Muelrath
General Manager
Diablo Water District, CA

Daniel R. Ferons
General Manager
Santa Margarita Water District, CA

Nicole Sandkulla
CEO
Bay Area Water Supply and
Conservation Agency, CA

John Valdivia
Mayor
City of San Bernardino, CA

Michael Malone
Water Director
City of Vallejo, CA

Leanne Ravinale
Water Conservation
Scotts Valley Water District, CA

Thomas Wong
Board President
San Gabriel Valley Municipal Water
District, CA

Jose Ornelas
Council Member
City of San Joaquin, CA

Eduardo Martinez
Council Member
City of Richmond, CA

Art Brieno
City Councilmember
City of Hanford, CA

Jeannine Pearce
Councilwoman
Council District 2, CA

Ali Poosti
Division Manager
City of Los Angeles, LA Sanitation and
Environment, CA

Reginald Lamson
General Manager
City of Big Bear Lake Department of
Water, CA

Tammy Rudock
General Manager
Mid-Peninsula Water District, CA

Barbara Halliday
Mayor
City of Hayward, CA

Kathy Besser
Exec. Manager of External Affairs &
Policy Dev./Agm
Inland Empire Utilities Agency, CA

Kristen Johnson
Government Affairs Specialist
Coachella Valley Water District, CA

Mark Helman
Water Utility Superintendent
Town of Dillon, CO

Shawn Kumagai
Councilmember
City of Dublin, CA

Dale Rademacher
Deputy City Manager
City of Longmont, CO

Richard Tran
Mayor
City of Milpitas, CA

Tommy Butler
City Councilmember
City of Greeley, CO

Joseph Pope
Director Water and Sanitation
County of Ventura, CA

Elizabeth Austin
Mayor
Town of Milliken, CO

Harlan L. Kelly, Jr.
General Manager
San Francisco Public Utilities
Commission, CA

Brian Donahue
Water Resources Analyst
City of Westminster, CO

Kevin J. Hartley
Water Conservation Specialist
City of Greeley, CO

Bo Hurtado
Director of Operations
Town of Mead, CO

Lauren Hillmer
Environmental Scientist
City of Greeley, CO

Jennifer Allen-Thomas
City Council Member-Ward 2
Commerce City, City Council, CO

Leonard Wiest
Town Adm
Town of Milliken, CO

Susan Noble
Council Member
Commerce City, CO

Sean P. Chambers
Water & Sewer Utilities Director
Greeley Water & Sewer Utilities, CO

Caryn Johnson
Councilmember, District 5
Town of Castle Rock, CO

David E. Ott
Mayor Pro-Tem
Lochbuie, CO

Kirk Vincent
Water Resources Board, Chair
City of Boulder, CO

Janice Bryan
Town Board
Town of Mancos - Mancos, CO

David Johnson
Water Superintendent
Town of Grand Lake, CO

Stephanie Piko
Mayor
City of Centennial, CO

Cheryl Wink
Council Member
City of Englewood, CO

Steve Simon
Deputy Director
City of Englewood, CO

Steve Stamey
Town Administrator
Town of Lochbuie, CO

Nicole Ortega
Deputy Finance Director
City of Manitou Springs, CO

Jim Widner
Utilities Superintendent
Town of Superior, CO

Kathryn Skulley
City Councillor
City of Westminster, CO

Stephanie Brothers
Public Works Director
Town of Berthoud, CO

Peter Wadden
Watershed Education Coordinator
Town of Vail, CO

Marco Carani
Public Works Director
Town of Johnstown, CO

Roy Otto
City Manager
City of Greeley, CO

Rachael E. Richards
Aspen City Council
City of Aspen, CO

Arnold Salazar
Neighborhood Services officer
City of Sheridan, CO

William Dujardin
Mayor Pro Tem - Council Member
Crested Butte Town Council, CO

Linda S. Montoya
Mayor
City of Federal Heights, CO

Dr. Detra Duncan
Fountain City Council Woman
Fountain City, CO

Lee Ledesma
Utilities Finance & Administrative
Manager
City of Aspen, CO

Will Karspeck
Mayor
Town of Berthoud, CO

David Allen
Director of Public Works
City and County of Broomfield, CO

Gilly Plog
Environmental Programs Coordinator
Town of Frisco, CO

Marcia Martin
Member of City Council
City of Longmont, Colorado, CO

George Sibley
Board Member
Upper Gunnison River Water
Conservancy District, CO

Stephen Gagliardi
Trustee Town of Severance Colorado
Town of Severance Colorado, CO

Jon Stavney
Executive Director
Northwest Colorado Council of
Governments, CO

Marsh Lavenue
Director
East Boulder County Water District, CO

David Geislinger
City Councilor
Colorado Springs City Council, CO

Nicholas Wharton
Town Administrator
Town of Severance, CO

Alan Huth
Interim General Manager
South Norwalk Electric & Water, CT

Arthur Ferrari
Town Councilman / Chairman
Town of Winter Par / Grand County
Water and San #1, CO

Rysheema Dixon
City Council Member At-Large
Wilmington City Council, DE

Michael J. Lavey
Mayor
City of Cortez, CO

Charles Fleetwood
Milton De. Town Council
Town of Milton, DE

Jan Kulmann
Mayor
City of Thornton, CO

Patrick J. Martin
Water Use Efficiency Manager
Miami Dade Water & Sewer Dept., FL

Laurie Clark
Monument Trustee
Town of Monument, CO

Michelle J. Gomez
Mayor
City of Tamarac, FL

Albert Fiorillo
Assistant Superintendent
Southington Water Department, CT

Angelette Mealing
Council Member
City of Union City, GA

David Westmoreland
Commission Chairman
Second Taxing District City of Norwalk,
CT

Laurel Loftin
Water Conservation Coordinator
Athens-Clarke County, GA

Michael Terenzio
Fire Chief
Cromwell Fire Department, CT

Brian K. Jones
Councilmember
City of Union City, GA

Hattie Portis-Jones
Councilmember
City of Fairburn, GA

Adam Gomez
Springfield City Councilor
City Council, MA

Kari Steele
President - Commissioner
MWRD, IL

Denise Mitchell
Councilmember
City of College Park, MD

Marcelino Garcia
Commissioner
MWRD, IL

Sharon Green Middleton
Councilwoman
Baltimore City Council, MD

Kim Du Buclet
Commissioner
MWRD, IL

Laurie-Anne Sayles
Council Vice President
City of Gaithersburg, MD

Logan Heley
Councilmember
City of Overland Park, KS

Patrick L. Wojahn
Mayor
City of College Park, MD

Debbie Kring
City Councilmember
City of Mission, KS

Sue Osborn
Mayor
City of Fenton, MI

Jessica Giannino
Revere City Councilor At Large
City of Revere, MA

Brandy Siedlaczek
Storm Water Manager
Southfield, MI

Jesse Lederman
City Councilor At-Large
City of Springfield, Massachusetts, MA

Steve Schneider
General Manager
Saint Paul Regional Water Services, MN

Emily Ziring
Sustainability Manager
City of St. Louis Park, MN

Dontario D. Hardy
Mayor
City of Kinston, NC

Diane Norland
City Council Member
City of North Mankato, MN

Jay Donecker
Mayor
City of Reidsville, NC

Terry Leeds
Director
KC Water, MO

Hutch Jones
Mayor
Town of Beulaville, NC

Terry Mann
Mayor
Whiteville, NC

Brenda Bozeman
Mayor
Town of Leland, NC

Larken Egleston
Councilmember
City of Charlotte, NC

Mary Hughes O'Brien
Mayor
Town of Star, NC

Tammi Thurm
City Council Representative District 5
City of Greensboro, NC

Joyce Dunn
Mayor
Town of Carolina Shores, NC

TJ Cawley
Mayor
Town of Morrisville, NC

Derrick D. Creech
City Councilman
City of Wilson, NC

Casey Dover
Mayor
Town of Stem, NC

Pam Hemminger
Mayor
Town of Chapel Hill, NC

Vivian Jones
Mayor
Town of Wake Forest, NC

Bob Smith
Mayor
Town of Angier, NC

Ronnie Currin
Mayor
Town of Rolesville, NC

Hank Guess
Mayor
Hickory, NC

Stephen R. Little
Mayor
City of Marion, NC

Robert S. Matheny
Mayor
Town of Zebulon, NC

Winifred Hill Murphy
Mayor
Town of Garland, NC

Gloristine Brown
Mayor
Town of Bethel, NC

Barbara A. Mallett
Mayor
Town of East Spencer, NC

Victor Varela
Mayor
Town of Ronda, NC

John W. Byrne
Mayor
Town of Fuquay-Varina, NC

Patrick Taylor
Mayor
Town of Highlands, NC

Bob Scott
Mayor
Town of Franklin, NC

Wayne Anderson
Mayor
Town of Enfield, NC

Tracy Rodes
Mayor of Town of Webster, and Chair of
Tuckasegee Water and Sewer Authority
Town of Webster, NC

Leirion Gaylor Baird
Mayor
City of Lincoln, NE

David E. Cohen
Council President
Princeton Council, NJ

Chris Bryant
Mayor Pro Tem
City of Clovis/City Commissioner, NM

Vincent Caruso
Borough Administrator
Borough of Lodi, NJ

Gill Michael Sorg
Councilor
City of Las Cruces, NM

Eve Niedergang
Councilwoman
Princeton, NJ

Kara Hahn
Deputy Presiding officer
Suffolk County Legislature, NY

Ravinder S. Bhalla
Mayor
City of Hoboken, NJ

Lisa A. Copeland
City Council President
City of Mount Vernon, NY

David Gonzalez
Councilman
City of Bridgeton, NJ

Steven T. Noble
Mayor
City of Kingston, NY

Rolando R. Lavarro Jr.
Councilman At-Large
City of Jersey City, NJ

Robert T. Kennedy
Mayor
Inc. Village of Freeport, NY

Fidel M. Madrid
City Commissioner
City of Clovis, NM

Justin Brannan
NYC Councilman
New York, NY

Brent Jaramillo
Councilor
Village of Questa, NM

Janice Duarte
Councilwoman
City of Mount Vernon, NY

Chuck Lesnick
President
Federated Conservationists of
Westchester County, NY

Michael Foote
Borough Manager
Borough of Indiana, PA

Joseph E. Coffey, Jr., P.E.
Commissioner
City of Albany Department of Water &
Water Supply, NY

Michael Kyle
Executive Director
Lancaster Area Sewer Authority, PA

William M. Davignon
Superintendent of Wastewater and Water
City of North Tonawanda, NY

Daniel Demarco
Commissioner
Township of Ross, PA

Carlina Rivera
Council Member, District 2
NYC Council, NY

Randy E. Hayman, Esq.
Commissioner & CEO
Philadelphia Water Department, PA

Delia Farquharson
City Council Member
City Council, City of Mount Vernon, NY

Meghan Kallman, PhD
City Councilor, Ward 5
City of Pawtucket, RI

Daniel Horrigan
Mayor
City of Akron, OH

Carol A. Jackson
City Councilwoman
City of Charleston, SC

Nick Komives
City Councilmember
City of Toledo, OH

Ellen Smith
Council Member
City of Oak Ridge, TN

Michael D. Polensek
Dean of Cleveland City Council
Cleveland City Council, OH

Jim Bookhout
City Councilman
City of Garland, TX

Steve Kana
Director of Water and Sewer
City of Killeen, TX

David Tuckett
Payson City Manager
Payson City Corporation, UT

Carlie Jones
Councilmember
City of Forest Hill, TX

Emily Niehaus
Mayor
City of Moab, UT

Wes Kucera
Managing Director Water and
Wastewater
City of Garland, TX

Karen Guzman-Newton
Moab City Council
Moab City, UT

Jocabed Marquez, PhD
San Marcos City Council Place 5
City of San Marcos, TX

Bart Forsyth
General Manager
Jordan Valley Water Conservancy
District, UT

Karl P. Mooney
Mayor
City of College Station, TX

Rani Derasary
City Council Member
Moab City Council, UT

Aron Kulhavy
City Manager
City of Huntsville, TX

John Waters
Water Division Manager
Spanish Fork City, UT

Steve Adler
Mayor
City of Austin, TX

Travis Jockumsen
Public Works Director/City Engineer
Payson City, UT

Trevor Andra
Assistant City Engineer
City of Bluffdale, UT

Bradley J. Frost
Mayor
American Fork City, UT

Wendy W. Aston
City Council
Bluffdale, UT

Satya Rhodes-Conway
Mayor
City of Madison, WI

Andria McClellan
Norfolk City Councilwoman
City of Norfolk, VA

Steve Williams
Mayor
City of Huntington, WV

Andy Ryder
Mayor
City of Lacey, WA

Cal Van Zee
Utility Division Manager
City of Laramie, WY

Paul Roberts
Everett City Council Member
City of Everett, WA

Neal Stone
Administrative officer
Town of Fort Laramie, WY

Christopher Roberts
Councilmember
City of Shoreline, WA

Pete Laybourn
City Councilman
City of Cheyenne, WY

Henry Hash
Director of Public Works
City of Tukwila, WA

Mami Hara
Managing Director and CEO
Seattle Public Utilities, WA

Mark Jaeger
Sr. Policy Advisor
Seattle Public Utilities, WA