

Water Infrastructure Trickles Down to Economics

By **Matthew Chase**, Executive Director, National Association of Development Organizations

Americans are increasingly acknowledging the importance of a safe, clean water supply and the health and economic impact it can have. A February 2004 survey conducted by the Association of Metropolitan Sewerage Agencies showed that people believe the nation's water quality should be a national priority.

The survey also revealed that:

- 91 percent of the public are concerned that America's waterways will not be clean for their children and grandchildren;
- 90 percent believe that a federal investment to guarantee clean water is a critical component of our nation's environmental well being; and
- 83 percent support legislation that would create a national clean water trust fund for infrastructure improvements.

The Congressional Budget Office, the General Accounting Office (GAO), and the U. S. Environmental Protection Agency (EPA) all agree there is a national funding gap estimated to be as high as \$1 trillion for water infrastructure over the next 20 years. Without a federal recommitment to clean water, 30 years of water quality progress could be lost.

These statistics are quite different from just a few years ago. The November 2001 GAO report, *Water Infrastructure—Information on Federal and State Financial Assistance* showed that from fiscal years 1991 to 2000, nine federal agencies made about \$44 billion available for drinking water and wastewater capital improvements. EPA's financial assistance came from grants to the states to capitalize the drinking water and clean water state revolving funds (DWSRF and CWSRF), which are used to finance improvements at local drinking water and wastewater treatment facilities. The 46 states that responded, reported that they made \$25 billion available to local communities and utilities for drinking water and wastewater improvements between fiscal years 1991 through 2000.

It is clear that providing a safe, secure, and dependable water infrastructure extends beyond safety and health. It also reaps economic rewards. This is evident in rural and small metropolitan communities, which some-

times lack the very basic, safe water supply that most take for granted.

The economic benefits of a coordinated effort between regional development organizations and state and local entities to provide access to a cleaner water supply are significant. For example, one of the major water quality concerns in rural areas is the discharge of untreated household wastewater directly into nearby streams, also called "straight-piping."

In North Carolina's Appalachian region, the National Association of Development Organizations (NADO) reported in 2001 how the High Country Council of Governments worked with the Appalachian District Health Department on a revolving loan fund program to improve the quality of life in the area. Through this effort, eligible households in two counties with straight pipes applied for low-interest loans or grants for the cost of a new septic system. The recipients made payments, and the money was then used to help similar families in need.

Regional planning and development organizations are also helping local water systems with costs associated with protecting source waters. NADO's *2002 Regional Development Organization Survey* revealed that 22 percent of America's regional organizations are already administering these source water-related programs. And, the number of regional organizations administering CWSRF and DWSRF monies, regional water planning, total maximum daily load monitoring, and other watershed planning is expected to rise.

To operate a thriving water infrastructure in every community, it is imperative to provide adequate funding. There is no source more important than the availability of a safe, clean water supply. In order to achieve this goal, a sound, well-funded infrastructure is necessary not only for rural and small metropolitan communities, but for the nation as a whole. It will not only quench human thirst but also provide a well of economic opportunity for communities nationwide.

Matthew Chase is the chief executive officer of NADO and the NADO Research Foundation. Previously, he served as the organization's deputy executive director and director of legislative affairs.