

January 26, 2009

The Honorable Susan Davis
U.S. House of Representatives
Longworth House Office Building
Washington, D.C. 20515

Dear Representative Davis:

On behalf of the Western Urban Water Coalition (WUWC), an association of the largest urban water utilities in the western US serving over 30 million people, I am writing to endorse your efforts to pass an economic stimulus bill with significant support for infrastructure needs. We request, however, that with respect to funding for water and wastewater infrastructure, the bill be modified so that, rather than placing exclusive reliance on existing State Revolving Fund (SRF) priority lists, preference be given to those projects that are ready to proceed, without reference to the list. Many beneficial high-priority “shovel-ready” infrastructure projects are not on existing SRF lists. The SRF program is a loan program only, and many of the highest priority water and wastewater infrastructure projects that provide broad public benefit are simply not included on state SRF lists. In many instances, the lists were finalized prior to the economic stimulus package being proposed, or the scope of the projects on the SRF list is limited by state requirements to projects of a specific size or type.

SRF lists were not created to act as an economic stimulus. Instead, SRF lists give priority to projects that accomplish a specific policy objective such as addressing water quality problems or correcting public water system deficiencies and do not consider construction readiness or job creation. While projects on existing SRF lists may provide a discrete public benefit, some are years away from being ready to proceed, and many SRF list projects would not provide the early economic stimulus intended by the federal stimulus bill.

If the federal stimulus bill is to meet its objective of creating jobs and stimulating the economy, significantly more than 50% of the water and wastewater infrastructure funding should be directed toward projects that are ready to proceed to construction, without reference to existing state SRF priority lists. This will help direct funds to “shovel-ready” projects and will help maximize the resulting benefit to the public.

WUWC consists of the largest urban water utilities in the West, serving over 30 million western water consumers in 15 metropolitan areas in six states. The membership of WUWC includes the following urban water utilities: *Arizona* – Central Arizona Project, City of Phoenix, City of Tucson; *California* – East Bay Municipal Utility District, Metropolitan Water District of Southern California, San Diego County Water Authority, City and County of San Francisco Public Utilities Commission, Santa Clara Valley Water District; *Colorado* – City of Aurora, Denver Water; *Nevada* – Las Vegas Valley Water District, Southern Nevada Water Authority, Truckee Meadows Water Authority; *Oregon* – Portland Water Bureau; and *Washington* – Seattle Public Utilities.

The WUWC further proposes that Congress examine what benefits could be realized for our nation by establishing a permanent mechanism to set aside funding for critical water and wastewater infrastructure projects. An examination of federal transportation funding reveals that a precedent for such a structure exists.

The West faces a number of serious and growing water and wastewater challenges, largely related to unexpected circumstances including historic drought, climate change and other environmental conditions. Planning ahead now for reliable funding to address such challenges in the future is of critical importance. WUWC members and many other local agencies have historically relied on their ratepayer funds, coupled with state and federal grants, to pay for their most urgently needed infrastructure. These existing revenue streams are significantly overburdened so any reliable assistance from the federal government is particularly important.

The WUWC deeply appreciates the leadership you have shown during these extremely challenging economic times. As you and your colleagues work to finalize the economic stimulus bill, we urge that this suggested funding allocation approach be incorporated into any assistance package.

Sincerely,

A handwritten signature in black ink, appearing to read "H. Barry", written in a cursive style.

Hamlet J. "Chips" Barry, III
Manager, Denver Water Department
Chair, Western Urban Water Coalition