

Message

From: Sam Wade [sam@nrwa.org]
Sent: 3/13/2018 7:07:17 PM
To: Jackson, Ryan [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=38bc8e18791a47d88a279db2fec8bd60-Jackson, Ry]; Greenwalt, Sarah [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6c13775b8f424e90802669b87b135024-Greenwalt,]
Subject: Rural Water Invitation to Administrator
Attachments: Pruitt Conference Invitation.pdf

Good afternoon:

FYI the attached invitation to the Administrator was sent today. It is for our annual conference in Fort Worth Texas.



NATIONAL
RURAL WATER
ASSOCIATION

NRWA *America's Largest Utility Membership*

2915 S. 13th Street, Duncan, OK 73533
580.252.0629 | nrwa.org

March 13, 2018

The Honorable Scott Pruitt
Administrator
U.S. Environmental Protection Agency
William Jefferson Clinton Building
1200 Pennsylvania Avenue, NW
Washington, DC 20004

Dear Administrator Pruitt:

The National Rural Water Association (NRWA) invites your participation as the keynote speaker in this year's WaterPro Conference, September 17-19, 2018 in Fort Worth, Texas.

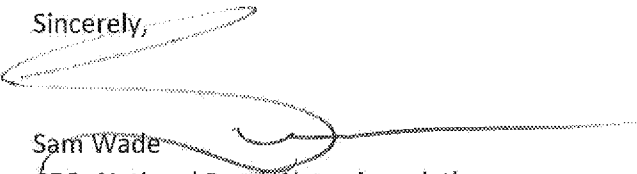
The WaterPro Conference will be attended by approximately 2,000 rural and small community leaders from every state of the union. They consist of directors, board members, councils and decision makers of community water and wastewater systems that serve the public.

It is an honor to invite you to formally present your message of cooperative federalism and collaboration with states to our members. Opening session is scheduled for Monday, September 17th, at 8:30 a.m. CT or an alternative time could be coordinated on Wednesday, September 19th, to close our conference.

The NRWA, headquartered in Duncan, Oklahoma, represents 30,000 community water supply and wastewater systems and is the largest water utility membership organization in the nation. NRWA is a non-profit organization dedicated to training, supporting, and promoting the water and wastewater professionals that serve and represent small communities across the United States.

We greatly appreciate your consideration and stand ready to provide any additional information needed to accommodate your schedule and requests for participation.

Sincerely,



Sam Wade
CEO, National Rural Water Association
2915 S. 13th
Duncan, OK 73533

www.nrwa.org

Cell: **Ex. 6**

Message

From: Tracy Mehan [tmehan@awwa.org]
Sent: 2/28/2018 5:33:21 PM
To: Tracy Mehan [tmehan@awwa.org]
Subject: Beyond Politics: Private Action and Climate Policy
Attachments: Beyond Politics.pdf

Dear Colleague,

The Environmental Forum (Environmental Law Institute) will be publishing my review of *Beyond Politics. The Private Governance Response to Climate Change* by Michael P. Vandenberg and Jonathan M. Gilligan, respectively, professors of law and engineering at Vanderbilt. A copy of my review is attached for your information.

Thank you.

Tracy

G. Tracy Mehan, III
Executive Director, Government Affairs
American Water Works Association
Ex. 6 (direct)

Attachment

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American Water Works Association
Dedicated to the World's Most Important Resource ®

Beyond Politics

Mixing Private Action and Climate Policy

By G. Tracy Mehan III

Distinguishing government from governance, identifying the separate yet complementary roles of the private and public spheres, say, in the realm of environmental management, and thinking seriously about the opportunities and barriers of an integrated or collaborative approach to confronting the challenges of the day — none of this would have made any sense to a citizen of the Roman Empire in the time of Augustus.

The classical view did not recognize anything like civil society beyond the Empire itself encompassing both political, social and religious aspects. It was only after centuries of struggle between Church and Empire, state and society, and the emergence of varying degrees of individualism, did the concept of a civil order and institutions (church, family, community, labor unions, corporations), antecedent to and independent of the state, come to pass.

Without civil society, government and governance are essentially the same. With civil society government is simply part of the complex web of governance by which a society orders itself as well as the state. Thus, no longer is *governance* viewed as a synonym for *government*.

The late Elinor Ostrom of Indiana University, the first woman to receive the Nobel Prize in economics, did pioneering research on a plethora of collaborative approaches to resource management — governance if you will — around the world in ways that mitigate the Tragedy of the Commons not imagined by Garrett Hardin, who reduced everything to either regulation

or privatization. She demonstrated that user-managed fish stocks, pastures, woods, lakes, and groundwater basins, in many countries and cultures, are able to establish norms of behavior, sophisticated rules for decisionmaking, and even enforcement mechanisms. Her classic book on the subject is *Governing the Commons: The Evolution of Institutions for Collective Actions* (1990).

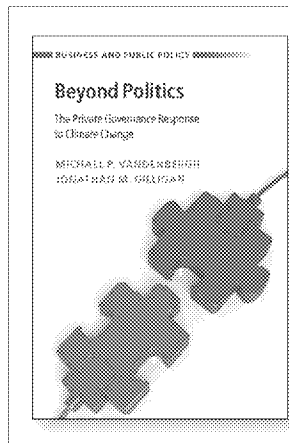
Given the state of environmental protection today, with many problems dispersed throughout society, the landscape, the air- and watershed, involving numerous small sources or causes of harm, all within the control of private

(1997). They noted the value of keeping pace with the important elements of “institutional realignment that are occurring in society. Notably, the role of government is narrowing, the private sector’s responsibilities are broadening, and nongovernmental organizations, from think tanks to activist groups, are increasingly important policy actors.”

Michael P. Vandenberg and Jonathan M. Gilligan, respectively, professors of law and engineering at Vanderbilt University, argue strenuously for private action and governance specifically, in the context of the climate change and the flagging efforts of governments, especially the United States, to take meaningful action. They are not anti-governmental action. But they believe that time is flying and private action provides a realistic, interim strategy until an effective political consensus develops before catastrophe befalls the world. Their *Beyond Politics: The Private Governance Response to Climate Change*

is an imposing work of academic scholarship (e.g., over 200 footnotes in one chapter alone). But their engaging, accessible writing style makes the slog a pleasant one for the diligent reader. It might have been subtitled *Making a Virtue of Necessity* given the realities of climate politics, global aspirations for economic growth, and the complexity of the science.

In the very first line of their preface, Vandenberg and Gilligan cite Gallup for the proposition that two thirds of Americans believe that big government is the greatest threat facing the United States. So any systematic regulation to mitigate climate change faces predictable resistance. The authors seem to believe that the Trump administration’s rollback on carbon regulation is a temporary phenomenon, but they astutely observe that the 2009 Waxman-Markey cap-and-trade bill failed “even though the party that espouses support for climate mitigation controlled the White House and



Beyond Politics. The Private Governance Response to Climate Change. By Michael P. Vandenberg and Jonathan M. Gilligan. Cambridge University Press; 467 pages; \$99.99 (Amazon Prime).

parties, households, farms and institutions, the old top-down, hierarchical model, driven by a federal government much less revered now than in the 1970s, seems inadequate.

Writing in 1997, Daniel Esty and Marian R. Chertow of Yale, called for the “next generation” of environmental policies “that are not confrontational but cooperative, less fragmented and more comprehensive, not inflexible but rather capable of being tailored to fit varying circumstances.” See introduction to *Thinking Ecologically: The Next Generation of Environmental Policy*

both bodies of Congress — a failure that seems remarkable until it is viewed against the backdrop of two decades with only one major new pollution control statute.”

“Only in the past several years have scholars begun to recognize that a fundamental shift has occurred away from federal legislation as a social response to environmental threats, a shift that became much more apparent with the 2016 elections,” write the authors. They might also have noted the 1997 vote of 95-0 in favor of the Byrd-Hagel Resolution in the U.S. Senate against signing onto the Kyoto Protocol.

Vandenbergh and Gilligan make a sincere, passionate, even eloquent case to both conservative and liberal skeptics, the former skeptical as to climate policy in general and big government in particular, the latter concerned about undermining the case of strong governmental action on climate.

Essentially, these authors see zero chance of the community of nations meeting the goal of stabilizing global temperature at 2 degrees Celsius as called for in the Paris Agreement. “In fact, the Paris Agreement, even if all commitments are fulfilled, will allow an increase in global emissions of roughly 34 to 46 percent in 2025 over 1990 levels.” Even with full implementation of all Paris commitments, the globe is likely to see temperatures of more than 3 degrees Celsius above pre-industrial ones.

The Vanderbilt professors look to private action to achieve “a significant fraction of the necessary reductions — carbon dioxide emissions equivalent to roughly 1 billion tons out of the 5.5 billion tons per year of reductions necessary over the next decade to close the Paris Gap.” They view this strategy as “buying time for a more comprehensive government response” at some indeterminate point in the future, presumably post-Trump. They do not posit “an all-or-nothing argument that the world must choose between

public and private governance. In our view, they are complementary, and we should pursue both.”

The authors cite many instances of effective private action, notably major institutions and corporations such as Walmart, Microsoft, Google, and the like, corporate giants which can lean on their suppliers for emission reductions, practices that could be scaled up nationally and internationally. They take heart in Elinor Ostrom’s concept of “polycentric governance to reduce GHG emissions” which she first applied to the management of water resources and the provision of municipal services. This refers to the use of multiple scales of government and nongovernmental organizations to address collective action problems, such as managing common pool resources.

Readers of THE ENVIRONMENTAL FORUM may recall Professor Vandenbergh’s article, “The Drivers of Corporate Climate Mitigation,” in the January/February issue, providing a succinct statement of the case for private action in that realm.

Big fans of Pope Francis and his 2016 encyclical addressing the moral dimension of climate change, they view the Catholic Church as not just an influencer on government, but also “a private regulator of its energy suppliers and emissions in and of itself.” Based on their back-of-the-envelope calculations, Catholicism, with its many churches, schools, hospitals, orphanages, and missions, would be among the top 50 largest emitters in the world if it were a country. Whether or not such a vast collection of bishoprics, dioceses, religious orders, lay institutions, and the like could ever be subject to such centralized management, not withstanding its unity of doctrine and practice, it is an interesting thought experiment, as the Germans say.

Vandenbergh and Gilligan aim to ground their optimism on sound reasoning, to wit: “Our view that many households and corporations will respond to private initiatives by reducing emissions does not require unrealistic assumptions about altruism. Instead, the opportunity arises because private initiatives can stimulate efficiency improvements that have not yet been exploited because of market and behavioral failures. Private initiatives also can draw on existing levels of support for climate mitigation in ways that governments cannot. These initiatives also can address solution aversion among moderates and conservatives, bypassing resistance to government climate efforts that arises from concerns about big government. At the international level, private governance initiatives can supplement the slow and cumbersome international negotiations process. Private initiatives also can harness supply chains to transfer pressure for lower-carbon goods and services across international boundaries, circumventing sovereignty and free-trade concerns and increasing support for mitigation in developed and developing countries.”

The “principal barrier” is “conceptual,” i.e., “the need for opinion leaders, corporate and NGO leaders, and philanthropists to grasp the magnitude of the opportunities available to them.”

Beyond Politics is provocative and challenging, well-sourced and full of insights as to motivational approaches to household and institutional behavior. Yet, no where in the dozen or so pages of the book’s index will the reader find any references to either adaptation or resilience in the face of climate change. The authors chose to focus exclusively on mitigation. Society, however, may be forced to consider other options given the stark political and economic realities of climate policy.

G. Tracy Mehan III is an adjunct professor at the Antonin Scalia Law School, George Mason University, and executive director for government affairs at the American Water Works Association. He may be reached at tmehan@awwa.org.

Filling the gap between what government can achieve and a realistic temperature goal

Message

From: Tracy Mehan [tmehan@awwa.org]
Sent: 12/21/2017 6:44:25 PM
To: Tracy Mehan [tmehan@awwa.org]
Subject: AWWA Whiteboard Animation on Farm Bill Reauthorization and Source Water Protection

https://www.youtube.com/watch?v=kPEdoWgc4Gg&feature=em-share_video_user

Feel free to post this as appropriate. Thank you.

GTM

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Message

From: Sam Wade [sam@nrwa.org]
Sent: 12/20/2017 1:29:54 PM
To: Greenwalt, Sarah [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6c13775b8f424e90802669b87b135024-Greenwalt,]
Subject: Just a note

Just a note Sarah:

To wish you and yours a blessed Holiday Season and Merry Christmas. 2017 has been an interesting year and I suspect 2018 will be as well. I hope you get some time back in Okie Land to relax. Thanks for making the train run in the right direction. .

Sincerely,

Sam Wade

Message

From: Kelly Craft Ex. 6
Sent: 12/9/2017 3:48:25 AM
To: Ford, Hayley [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=4748a9029cf74453a20ee8ac9527830c-Ford, Hayle]
CC: joe.craft@arlp.com; Greenwalt, Sarah [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6c13775b8f424e90802669b87b135024-Greenwalt,]
Subject: Re: The Great Lakes Restoration Initiative - timeline of funding

Thank you Hayley!

Kelly Craft
US Ambassador to Canada

On Dec 8, 2017, at 5:44 PM, Ford, Hayley <ford.hayley@epa.gov> wrote:

Ambassador Craft,

Per your conversation with the Administrator earlier, I wanted to send along a timeline of funding for the Great Lakes Restoration Initiative. The funding process is quite convoluted, but what you can take away is that it's still funded at the same level as last year.

I also copied Sarah Greenwalt on this message who was on the conference call today. She is the Administrator's Senior Advisor for Water and has been very involved in Great Lakes issues.

Please let us know if you need anything else. Thanks!

Hayley Ford

Deputy White House Liaison and Personal Aide to the Administrator
Environmental Protection Agency

ford.hayley@epa.gov

Phone: 202-564-2022

Cell: Ex. 6

From: Greaves, Holly
Sent: Friday, December 8, 2017 1:40 PM
To: Ford, Hayley <ford.hayley@epa.gov>
Subject: The Great Lakes Restoration Initiative - timeline of funding

Hayley, please see attached.

Thanks,
Holly

<The Great Lakes Restoration Initiative.docx>

Message

From: Joseph Craft [Joseph.Craft@arlp.com]
Sent: 12/9/2017 12:56:53 AM
To: Ford, Hayley [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=4748a9029cf74453a20ee8ac9527830c-Ford, Hayle]
CC: kelly@kellycraft.com; Greenwalt, Sarah [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6c13775b8f424e90802669b87b135024-Greenwalt,]
Subject: Re: The Great Lakes Restoration Initiative - timeline of funding

Thank you!!

Sent from my iPhone powered by Coal!

On Dec 8, 2017, at 5:44 PM, Ford, Hayley <ford.hayley@epa.gov> wrote:

CAUTION: This is an email from an external sender. Use caution when clicking on links, opening attachments or responding.

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Please let us know if you need anything else. Thanks!

Hayley Ford

Deputy White House Liaison and Personal Aide to the Administrator
Environmental Protection Agency

ford.hayley@epa.gov

Phone: 202-564-2022

Cell: Ex. 6

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Sent: Friday, December 8, 2017 1:40 PM
To: Ford, Hayley <ford.hayley@epa.gov>
Subject: The Great Lakes Restoration Initiative - timeline of funding

Hayley, please see attached.

Thanks,
Holly

<The Great Lakes Restoration Initiative.docx>

Message

From: Ford, Hayley [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=4748A9029CF74453A20EE8AC9527830C-FORD, HAYLE]
Sent: 12/8/2017 10:44:07 PM
To: Ex. 6
CC: joe.craft@arlp.com; Greenwalt, Sarah [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6c13775b8f424e90802669b87b135024-Greenwalt,]
Subject: FW: The Great Lakes Restoration Initiative - timeline of funding
Attachments: The Great Lakes Restoration Initiative.docx

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Please let us know if you need anything else. Thanks!

Hayley Ford

Deputy White House Liaison and Personal Aide to the Administrator
Environmental Protection Agency

ford.hayley@epa.gov

Phone: 202-564-2022

Cell: Ex. 6

From: Greaves, Holly
Sent: Friday, December 8, 2017 1:40 PM
To: Ford, Hayley <ford.hayley@epa.gov>
Subject: The Great Lakes Restoration Initiative - timeline of funding

Hayley, please see attached.

Thanks,
Holly

The Great Lakes Restoration Initiative (GLRI)

- The FY 2017 Enacted budget funded the Great Lakes Restoration Initiative (GLRI) at \$300 million. On May 4, 2017, Congress passed the bill (H.R. 244) into law, and on May 5, 2017, the President signed the bill into law (P.L. 115-31).
- The President's proposed budget for FY 2018 was released publicly on May 23, 2017, which provided no funding for the GLRI.
- Congress is ultimately responsible for appropriating funds to EPA's programs, including the GLRI. To date, Congress has not passed the FY 2018 Enacted budget.
- Congressional mark-ups of the President's proposed budget for FY 2018 have occurred in both the House and Senate. The mark-ups of the House and Senate bills provide some indication of final funding levels for the GLRI in the FY 2018 Enacted budget.
- Details of the House and Senate funding levels for the GLRI in the FY 2018 budget are presented below:
 - On September 14, 2017-The House passed a bill funding the GLRI at \$300 million.
 - On November 20, 2017- The Chairman's Recommendation for the Senate proposed funding the GLRI at \$300 million.
- On December 7, 2017, both the House and Senate have passed a continuing resolution (CR) to continue funding the Federal government at funding levels approximating the FY 2017 budget through December 22, 2017.
 - Congress must either pass the FY 2018 Enacted budget, or pass another short-term CR after December 22, 2017, to continue funding for the Federal government.

Message

From: Tracy Mehan [tmehan@awwa.org]
Sent: 6/20/2018 3:15:59 PM
To: Tracy Mehan [tmehan@awwa.org]
Subject: San Diego P3 presentation at ACE '18
Attachments: Maureen Stapleton Presentation re San Diego P3 Project.pdf

Dear Colleague,

Given your interest in innovative infrastructure finance, I thought you might find the attachment of interest. It is a presentation by Maureen Stapleton, General Manager, San Diego County Water Authority, on their massive P3 (public-private partnership) initiative, a \$1 billion investment in the Carlsbad desalination project. This presentation was made at ACE '18 for a panel on "Everything You Wanted to Know About P3s but Were to Afraid to Ask."

Thank you for your interest.

Tracy

G. Tracy Mehan, III
Executive Director, Government Affairs
American Water Works Association

Ex. 6 (direct)
(cell)

Attachment

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AWWA ACE 18 Public-Private Partnerships

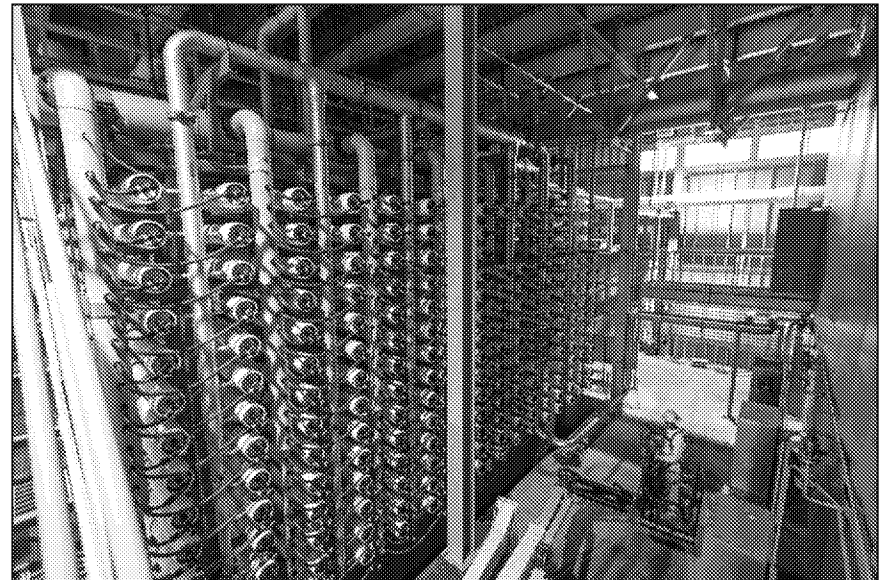
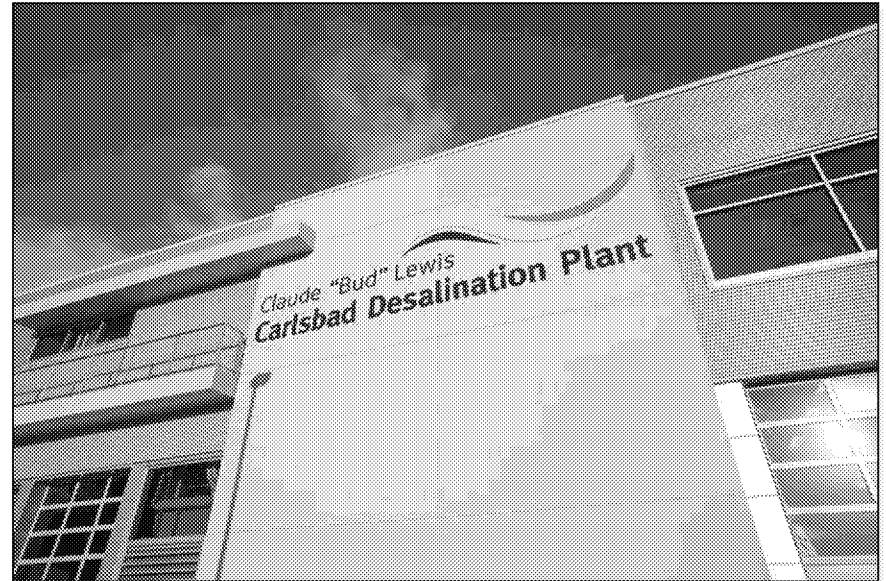
**Maureen A. Stapleton, General Manager
June 12, 2018**



**San Diego County
Water Authority**

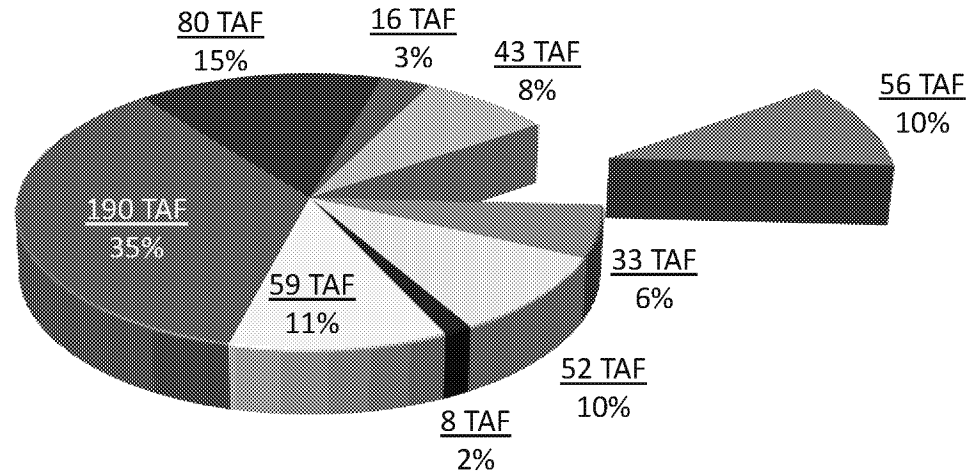
Carlsbad Desalination Project

- ▶ \$1 billion investment
- ▶ 50 MGD capacity – Up to 56,000 AF/year
- ▶ Designed, built, owned and operated by private developer (Poseidon Water)
- ▶ 30-year Water Purchase Agreement
- ▶ Water Authority takes ownership at end of agreement term.



Increasing San Diego County's Water Supply Reliability through Supply Diversification

2020



Metropolitan Water District

San Luis Rey Water Transfer

Groundwater

Imperial Irrigation District Transfer

Recycled Water

Local Surface Water

All American & Coachella Canal Lining

Seawater Desalination

Potable Reuse

(TAF=Thousand Acre-Feet)

Considerations in determining the project approach

- ▶ Who has the expertise to accomplish the project?
 - Public? Private? Both?

- ▶ What risk(s) is the agency willing to take?
 - Permitting
 - Legal challenges
 - Financing
 - Construction costs and potential overruns
 - Design, Operations and Performance



Challenges to the Desalination Project P3

- ▶ Resistance to a privately-owned base water supply project
- ▶ “Profiteer” issue
- ▶ Complexity of project and need to cover ALL aspects of project in the contract
- ▶ Impact on agency staff and workload
- ▶ Potential limitation of number of bidders
- ▶ Transparency, transparency, transparency



Deciding Factors for the Desalination Project P3

- ▶ Little in-house expertise in desalination within the agency
- ▶ Numerous permit risk and legal challenges
- ▶ Significant outside financial investment obtained and off-public balance sheet
- ▶ Quicker project delivery
- ▶ Relief from potential operational challenges
- ▶ Protection from financial impact of non-performance
- ▶ Guaranteed maintenance schedule per the contract

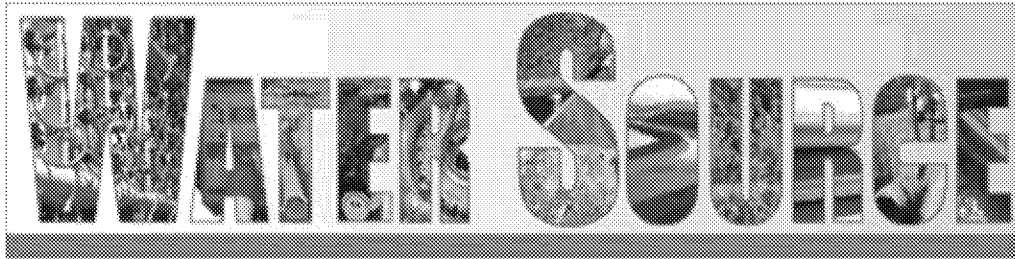


The Carlsbad Project: A Successful Public Private Partnership (P3)

- ▶ ***Risk Transfer*** to Poseidon/Contractor team
- ▶ ***Price certainty*** throughout Water Purchase Agreement term
- ▶ ***Buy-out provisions*** after 10 years of operation
- ▶ ***Transfer to public ownership*** at the end of the 30 year agreement



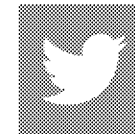
Stay in Touch with the Water Authority



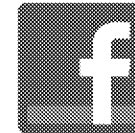
sdcwa.org/mobile-news-app



San Diego County Water Authority



@sdcwa



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SanDiegoCounty
WaterAuthority](https://facebook.com/SanDiegoCountyWaterAuthority)

www.sdcwa.org

Message

From: Tracy Mehan [tmehan@awwa.org]
Sent: 5/31/2018 4:02:22 PM
To: Tracy Mehan [tmehan@awwa.org]
Subject: Fracking, directional drilling, economics, environment and diplomacy
Attachments: Windfall Review.pdf

Dear Colleague,

Attached please find my review of Meghan O'Sullivan's new book, *Windfall: How the New Energy Abundance Upends Global Politics and Strengthens America's Power*. This review will appear in an upcoming issue of *The Environmental Forum* (Environmental Law Institute).

I hope you find it of interest. All the best.

Tracy

G. Tracy Mehan, III
Executive Director, Government Affairs
American Water Works Association

Ex. 6 (direct)
(cell)

Attachment

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Fracking Files

Mixing Energy, Economics, and Geopolitics

By G. Tracy Mehan III

Meghan L. O'Sullivan tells the story of how, on one hazy Sunday in late February 2016, the 935-foot, 100,000-ton *Asia Vision* was maneuvered into position by four red, white and green tugboats so as to perfectly align this behemoth with the four loading arms of the jetty at Sabine Pass terminal, "part of a one-thousand-acre facility straddling the Texas-Louisiana border."

"With a wrench the size of a human arm, workers secured the ship to the jetty," writes O'Sullivan. "Natural gas, which had been cooled to -260 degrees Fahrenheit and liquefied over the course of traveling through more than a mile of steel pipe and refrigerating systems, flowed into the tanker." A few days later, the ship sailed on to Brazil with its three billion cubic feet of gas.

This historic event was the culmination of more than a decade of work by an American company, Cheniere Energy, at a cost of \$20 billion, to develop this extensive LNG operation — without ever turning a profit. Indeed, "the *Asia Vision* was the first vessel carrying LNG that shipped from the lower forty-eight states since the 1960s. After decades of fretting about its burgeoning dependency on imported energy, the United States had become an exporter of natural gas," observes O'Sullivan in her new Simon & Schuster book *Windfall*. *How the New Energy Abundance Upends Global Politics and Strengthens America's Power*.

The epiphany of the voyage of the *Asia Vision* illuminates the amazing developments in America's energy sector, developments not without controversy, showcasing entrepreneurial drive, technological innovation, and a boom in the nation's production of tight oil and shale gas through new techniques such as hydraulic fracturing and directional drilling. The impacts of this revolution in energy production encompassed everything from local land use battles to gross domestic product, international oil and gas markets, the climate change debate, geopolitics,

States into an exporter of natural gas, they convinced investors to support their efforts to convert these facilities from importing LNG to exporting it."

The "unconventional boom" in the production of shale gas and tight oil, the "windfall," was led by the estimable George Mitchell, the struggling petroleum engineer who pioneered hydraulic fracturing, or fracking, along with dozens of small and midsized American companies, transforming the world of energy. In 2006 the United States produced enough shale gas to heat 15 million homes a year. By 2014, it could, hypothetically heat 200 million homes. By 2015 more than half of all natural gas produced in the country came from shale, compared to just 6 percent a decade earlier.

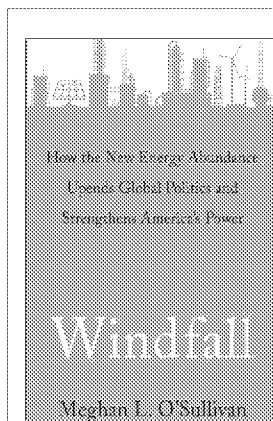
What worked for shale gas worked for tight oil, starting in the first decade of the 2000s.

Production from places like Eagle Ford in Texas and the Bakken fields in North Dakota resulted in American tight oil production surpassing Iraq's overall production by 2014.

"In the same year, burgeoning U.S. tight oil production pushed overall American crude output to be 10 percent of the world's supply," writes O'Sullivan, a professor at Harvard's Kennedy School of Government and formerly deputy national security advisor for Iraq and Afghanistan for President George W. Bush.

"Accounting for nearly half of overall U.S. crude oil production, tight oil was the driving force behind America's oil resurgence."

If the diligent reader were to scour O'Sullivan's 146 pages of notes, he or she would be rewarded with the following nuggets: the number of wells in the Barnett Shale (Texas) rose from 2,070 to 17,980, an increase of 750 percent. And this: nat-



Windfall: How the New Energy Abundance Upends Global Politics and Strengthens America's Power. By Meghan L. O'Sullivan. Simon & Schuster; 479 pages; \$29.00.

Hydraulic Fracturing for Oil and Gas: Impacts from the Hydraulic Fracturing Water Cycle on Drinking Water Resources in the United States. Environmental Protection Agency.

Water and Hydraulic Fracturing: A White Paper From the American Water Works Association.

and the rise and decline of nations across the globe.

The drastic reversal of the American energy situation, certainly since the 1973 OPEC embargo, is demonstrated by the fact that Cheniere "had gambled big in 2003 to build facilities on the U.S Gulf Coast to import expected waves of LNG," which O'Sullivan calls "a second multibillion dollar wager." She says, "Banking that this reversal of energy fortunes would turn the United

ural gas production in the Barnett grew from 834 million cubic feet a day in 2003 to 5,752 million cubic feet in 2012.

From O'Sullivan's perspective this explosive growth in domestic energy production resulted in nothing less than an "American Renaissance" of energy. "According to one study by the consultancy IHS, unconventional oil and gas production added almost 1 percent to GDP each year from 2008 to 2013, making it responsible for approximately 40 percent of all GDP growth during that period," spanning the Great Recession.

"A 2015 Harvard Business School/Boston Consulting Group report used a more inclusive methodology and calculated that oil and gas produced by fracking contributed \$430 billion — or just about 2.5 percent of GDP — to the U.S. economy in 2014 alone," O'Sullivan relates. "This amount translates into roughly \$1,400 for each American in a single calendar year and is equal to more than half the entire stimulus package passed in 2009 to fuel investments in infrastructure, education, renewable energy, and health over the course of the following decade."

According to *Windfall*, "Moody's Analytics . . . calculated that more than a quarter of a million jobs were directly created by oil- and gas-related industries between 2006 and early 2015, with most stemming from the shale gas and tight oil sectors." But the ultimate job growth was much larger than that, O'Sullivan notes. "Each of these directly created jobs was estimated to have spurred another 3.4 related jobs, making a total of over one million new jobs attributable to the boom. These new jobs were roughly equivalent to half the number of American manufacturing jobs lost from December 2007 to June 2009,

the official length of the recession, according to the National Bureau of Economic Research."

Readers should understand that the focus of *Windfall* is on the geopolitical consequences of the United States' unconventional energy boom, including the decline of Russian leverage over Europe and Ukraine, making China comfortable with energy markets rather than supporting rogue regimes to acquire energy, and the taming (somewhat) of OPEC.

Now that both shale gas and tight oil are part of a global energy market, the United States will still need to encourage more countries, especially China, to exploit their unconventional resources to keep prices in line and the supply flowing, while reducing carbon emissions in the case of gas. Europe's geology and environmental politics make it unlikely on the Continent. Yet, even as prices drop, OPEC, which can bring oil production on or off quickly, can impact prices in a global market. But the salient point of the book is the enhancement of the strategic position and leverage of the United States going forward.

O'Sullivan also seeks to justify fracking to environmentalists who see it as (a) producing just another fossil fuel, and (b) a mortal threat to renewables given its low costs and cheap price. Aside from some questionable claims that unconventional energy led to the 2015 climate pact between the United States and China as well as the Paris Agreement, she hits the mark when she notes that "the advent of shale gas enabled the United States to bring down its emissions to their lowest absolute level in twenty years. Between 2005 and 2015, U.S. CO₂ emissions related to the energy sector declined by 12 percent." She cites David Vic-

tor, a professor at the University of California, San Diego, regarding the switch from coal to natural gas in the power industry. The impact on U.S. emissions was "about twice the total effect of the Kyoto Protocol on carbon emissions in the rest of the world, including the European Union." She also argues that "there is not strong evidence to support fears that low fossil fuel prices will come at the expense of continued investment in renewables and other alternative energies."

Windfall does not delve into any water quality issues related to fracking and unconventional energy. So readers may want to consult publications by the Environmental Protection Agency and the American Water Works Association on the subject.

EPA's report "Hydraulic Fracturing for Oil and Gas," accessible at epa.gov/hfstudy, offers a review and synthesis of available scientific information concerning the relationship between hydraulic fracturing activities and drinking water resources in the United States. While recognizing that data gaps and uncertainties limit its ability to fully assess potential impacts locally and nationally, the report does outline conditions under which impacts from fracking can be frequent or severe — spills during the handling of hydraulic fracturing chemicals and discharge of inadequately treated wastewater to surface water.

AWWA's white paper "Water and Hydraulic Fracturing" is a concise, well-illustrated document providing an overview of the topic. It also provides information on the life cycle of oil and natural gas development that may present concerns to drinking water utilities and ways to mitigate risks. It is accessible at awwa.org.

G. Tracy Mehan III is an adjunct professor at the Antonin Scalia Law School, George Mason University, and executive director for government affairs at the American Water Works Association. He may be reached at tmehan@awwa.org.

Fracking spurred GDP growth while expanding American influence in foreign affairs

Message

From: Mike Keegan [keegan@ruralwater.org]
Sent: 10/6/2017 4:16:00 PM
To: Bob Freudenthal - TN [BobFreudenthal@taud.org]; Earl McKinney - WY [emckinney@daleweaver.us]; Gary Williams - FL [Gary.Williams@frwa.net]; George Crum [gcrum@prwa.com]; George Crum - PA [Ex. 6]; [Ex. 6]; George Hanson - MD [Ex. 6]; James Gammill [jgammill.orwa@gmail.com] [jgammill.orwa@gmail.com]; Jana Littlewood - AK [jana_littlewood@awps.com]; Jill Miller - SC [Jill@scrwa.org]; Jim Mackie - NJ [jamesjmackie@comcast.net]; John Sasur - MA [jsasur@hotmail.com]; Matt Holmes - NRW [Matt@nrwa.org]; Paul Fulgham [pfulgham@tremontoncny.com]; Randy Pleima - IA [h2opleima@mahaska.org]; Sam Wade [sam@nrwa.org]; [Ex. 6]; Tom Goulette - NE [Ex. 6]; Wilmer Melton - NC [wmelton@kannapolisnc.gov] [wmelton@kannapolisnc.gov]; Daniel Wilson [danielwilson@ncrwa.com]
Subject: Fwd: OIG Project: Public Notification of Drinking Water Quality

FYI - and minutes from Reno meetings should be distributed very soon.

----- Forwarded message -----

From: Mike Keegan <keegan@ruralwater.org>
Date: Fri, Oct 6, 2017 at 12:00 PM
Subject: Re: OIG Project: Public Notification of Drinking Water Quality
To: "Snyder, Gerry" <Snyder.Gerry@epa.gov>
Cc: "Hess, Kathryn" <Hess.Kathryn@epa.gov>, "Johnson-Davis, Tiffine" <Johnson-Davis.Tiffine@epa.gov>

Thank you for contacting us, and yes, a teleconference call would be welcome.

Mike Keegan, Analyst
National Rural Water Association
Washington, DC

As the Office of Inspector General reviews the public notification of drinking water quality as required under the Safe Drinking Water Act, small and rural communities urge you to examine the potential for EPA required public notifications to result in public confusion and unnecessary alarm.

We are concerned that the current EPA information is unnecessarily alarming the public regarding the safety of their drinking water. Many violations of EPA standards are not necessarily an indication of unsafe drinking water (i.e. a temporary exceedance for a small fraction of a part per million that is causing the public to stop drinking their water and begin to lose trust in their local government).

For fiscal year 2014, EPA lists 2,135 maximum contaminant level (MCL) violations of DBPs standards. This statistic is characterized by the following data: 477 of those exceedances include no recorded level of contaminant; 110 of the 416 violations for the haloacetic acids standards (HAA5) are for exceedances equal to or less than 5 parts per billion (PPB); and 174 of the total 1,252 violations for total trihalomethanes standards (TTHMs) are for violations equal to or less than 5 PPB. It is our understanding that this category of DBP violations requires a Tier 2 Public Notice (i.e. direct mailing of the violation to consumers with mandated language specified by EPA) which often results in alarming the public to the point they are afraid to drink the water. For example, after a DBP violation of two thousandths (.002) of a part per million, the local news station in Menominee, Michigan (WFRV, 4/3/2015) reported, "Residents in Menominee, Michigan are Questioning the Safety of their Drinking Water... Last week, [a consumer] got a notice in the mail saying the Menominee city water system recently violated a drinking water standard. The supply tested high for trihalomethane, a disinfection by-product. 'It was kind of a slap in the face when I got this and I thought, here I'm paying for a commodity and I'm not really sure that it's safe,' explained [the consumer]. 'I don't think I'm the only one in the city that feels that way... I'm actually looking into getting a whole house water filtration system,' she added. 'I don't trust our water anymore...'"

What the public wants to know most is whether there is a public health-related significant difference between 80 parts per billion and 82 parts per billion of THMs occurring in their water. Some states have been compelled to issue additional public notices to warn consumers of the significance of EPA mandated warnings (Kentucky Department for Environmental Protection, May 9, 2005, www.ruralwater.org/kydbps.pdf).

Regarding the public notice requirements for communities participating in Unregulated Contaminant Monitoring Rule (UCMR) sampling, many of these systems had detects found in each sample at every sampling point which in turn triggered numerous notifications. This also created a lengthy CCR despite the absence of violations in their routine monitoring and operations. Another example occurred in South Carolina during UCMR3 where all 70 of the PWSs sampled to date had UCMR detections, thereby requiring public notification. 68 of the 70 systems sampled had detects of strontium at a range of .31 – 1400 ug/L. No systems detected strontium under UCMR 3 at concentrations above the current HRL of 1500 ug/L; however, all of these systems were required to report strontium detects on their CCR.

The following statement was submitted by Chesterfield County Rural Water (SC) for consideration during the UCMR forum in June, 2014:

COMMENTS OF CHARLES GRAY
CEO, CHESTERFIELD COUNTY RURAL WATER, SOUTH CAROLINA
ON BEHALF OF
THE SOUTH CAROLINA RURAL WATER ASSOCIATION
THE NATIONAL RURAL WATER ASSOCIATION
U.S. ENVIRONMENTAL PROTECTION
FORUM ON UNREGULATED CONTAMINANT MONITORING RULE (UCMR)
JUNE 25, 2014

Good afternoon, I am Charles Gray, the chief executive office of Chesterfield County Rural Water in Chesterfield County in northeastern South Carolina. I appreciate the opportunity that the U.S. Environmental Protection has provided to address this forum on Unregulated Contaminant Monitoring Rule (UCMR) issues for all small and rural drinking water utilities. I am providing my comments on behalf of my water utility, the South Carolina Rural Water Association and the National Rural Water Association which represents over 28,000 communities.

Chesterfield County Rural Water has 900 miles of waterlines with 7,500 customers and additionally serves the Towns of Pageland, Chesterfield, Ruby, and Mount Croghan.

My utility has conducted two rounds of UCMR3 monitoring which was paid for by our state Department of Health & Environmental Control (SCDHEC). We found positive detects for the following substances: Hexavalent Chromium (.058 – 1.0 ug/l), 1, 4 Dioxane (0.123 – 0.589 ug/l), Strontium (12 – 47 ug/l), Vanadium (0.12 - 0.45 ug/l), Chlorate (100 – 130 ug/l) and 1, 1 Dichloroethane (38 – 38 ug/l).

On behalf of Chesterfield County Rural Water and thousands of other small water utilities, we urge the EPA to consider the following questions and modifications to the current and future Unregulated Contaminant Monitoring Rules:

One: These are, by definition, unregulated elements and/or compounds found in water samples. The term “contaminant” has a negative connotation for customers when another, less alarming and more accurate term could be used if a utility is going to be required to report findings.

Two: It is unclear and apparently undefined as to the concentration of the elements or compounds that may cause some detrimental impact on public health. As such, it seems reporting these findings without clear

determination of what accepted levels are considered unsafe concentrations is premature and unwarranted. It also leaves the public without the information they most want to know; what levels of these substances are safe or not safe. We don't think EPA should override the locally preferred public disclosure policy without providing this basic information to the public.

Three: Utilities were not informed as to how to address customer questions with regard to how any of these elements or compounds were determined to make the test list nor what, if any, detrimental health consequences might result from positive test results.

Four: Consumer Confidence Reports are intended to inform the public about the safety of their drinking water and system operation. A system can have flawless performance and meet all the guidelines of the Safe Drinking Water Act (SDWA), and yet have "hits" on unregulated contaminants and appear to consumers that issues exist with system operations.

Five: Does the SDWA mandate that unregulated contaminants be reported in CCRs? If not, why was this required? If this reporting is not required by EPA, water utilities should be allowed to publicly disclose the information in a manner more reflective of public health relevance.

Six: We urge EPA to better inform water utilities as to why these elements/compounds were selected and to address customer inquiries and public notifications on CCRs.

Thank you for your attention and consideration. Small and rural water utilities are eager to collaborate with the EPA on improving the current process. We are locally governed by the public and want to ensure that federal mandates don't conflict with the public's preferred disclosure policies. We appreciate the opportunity to comment today, thank you.

Also, EPA should declare that federally mandated "Tier 2" public notices (particularly Disinfectants and Disinfection Byproducts Rules - DBPs) issued under the Safe Drinking Water Act are eligible for e-reporting under EPA's January 3, 2013 policy for "CCR Rule Delivery Options." Adoption of this regulatory reform policy could save small and rural communities millions of dollars in public funding, provide more timely information to the public, and allow for enhanced availability of information to the public by archiving the disclosure material on the internet (as opposed to a one-time mailed notice). EPA's Safe Drinking Water Information System fiscal year 2016 database lists over 30,000,000 persons in communities with Tier 2-type maximum contaminant level (MCL) or treatment technique (TT) violations with EPA drinking water rules. A 2015 assessment by the Kansas Rural Water Association found that each Tier 2 public notice costs over \$1 per customer (printing, copying and mailing).

U.S. Senator Roger Wicker inquired about such regulatory relief to the EPA on June 11, 2015; but EPA did not directly answer the Senator's concern (the DBPs' Tier 2 notices) and the status quo remains in place ([Wicker letter and EPA reply](#)).

On Fri, Oct 6, 2017 at 10:55 AM, Snyder, Gerry <Snyder.Gerry@epa.gov> wrote:

Mr. Keegan,

EPA's Office of Inspector General is conducting an evaluation to determine whether the EPA adequately ensures that public drinking water systems notify the public as required by the public notification rule promulgated under the Safe Drinking Water Act, such as when the systems identify contamination at unsafe levels. The attached notification memo provides additional information about our review.

On September 7, 2017, we met with Alan Roberson, Director of the Association of State Drinking Water Administrators, to discuss our evaluation. He suggested we talk to you regarding the standard language used

in public notifications. Would you be available to talk with our team? We could set up a teleconference call at your convenience preferably within the next two weeks.

Our evaluation team looks forward to your input into our evaluation.

Gerry Snyder

EPA, Office of Inspector General

303.312.6623

From: Tracy Mehan [tmehan@awwa.org]
Sent: 10/10/2017 8:23:04 PM
To: Tracy Mehan [tmehan@awwa.org]
Subject: AWWA on Farm Bill

AWWA PRESS RELEASE

AWWA calls for Farm Bill measures that protect drinking water sources, encourage partnerships

October 10, 2017

(WASHINGTON, DC) – With excess nutrients impacting water quality nationwide, the American Water Works Association (AWWA) today urged U.S. Congress to use the upcoming Farm Bill reauthorization to help farmers and water utilities work together to protect the nation’s drinking water.

Large algal blooms resulting from nutrients have threatened water quality throughout the country, including shutting down the drinking water supply for the entire city of Toledo, Ohio, in 2014.

“Water utilities and farmers are eager to collaborate on projects that protect public health and the environment, reduce the cost of water treatment and help farmers succeed,” said Tracy Mehan, AWWA executive director of government affairs. “Our nation’s farmers do heroic work to put food on the tables of Americans every day. There’s an opportunity through the Farm Bill to encourage partnerships that allow them to meet their production goals while protecting our nation’s drinking water.”

The U.S. Department of Agriculture provides funding to encourage implementing conservation practices on agricultural land. While these programs have been effective at addressing a host of environmental issues, historically they have been under-utilized in tackling drinking water concerns. AWWA is advocating that the reauthorized Farm Bill:

- Provide robust overall funding for the conservation title.
- Emphasize protecting water to safeguard public health.
- Expand opportunities for the Natural Resources Conservation Service (NRCS) to work with water systems to prioritize activities in each state.
- Increase benefits for farmers who employ practices that benefit downstream water quality.
- Ensure at least 10 percent of conservation program funds, Title 2 in the Farm Bill, is focused on the protection of drinking water.

“As we work to complete a new Farm Bill in the coming year, we need to identify and provide financial and technical resources to landowners and land managers to protect and conserve our natural resources,” said John Larson, Senior Vice President of Policy and Programs at American Farmland Trust. “Collaboration with the American Water Works Association to identify opportunities for farmers and ranchers to protect drinking water for communities helps to build a larger coalition of supporters for conservation and the Farm Bill.”

Innovative water utilities are already partnering with farming operations to protect their water supplies using programs such as the Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), Agricultural Conservation Easement Program (ACEP) and the Regional Conservation Partnership Program (RCPP). In Northwest Arkansas, an alliance of agricultural, water and environmental stakeholders received \$4.3 million from NRCS and provided another \$4.3 million in local and state contributions – both cash and in-kind – to rehabilitate a river and implement on-farm conservation practices.

“The Farm Bill currently provides the best opportunity to bring significant resources to the table to protect drinking water,” said Alan Fortenberry, CEO of Beaver Water District, Ark., a key leader in the Arkansas alliance.

In Cedar Rapids, Iowa, the utility is working with 15 partners – including the Iowa Soybean Association – to adopt practices that protect the city’s water supply. The partners are contributing \$2.3 million in technical and financial assistance and the NRCS is providing another \$2.1 million.

AWWA, the largest association of water professionals in the world, is sharing case studies that highlight agriculture-utility collaborations through its publications, conferences and other learning opportunities. The Farm Bill work – and the broader issue of protecting water supplies – will be among the key issues AWWA members bring to Capitol Hill next spring during the 2018 Water Matters! Fly In.

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Established in 1881, the American Water Works Association is the largest nonprofit, scientific and educational association dedicated to managing and treating water, the world's most important resource. With approximately 50,000 members, AWWA provides solutions to improve public health, protect the environment, strengthen the economy and enhance our quality of life.

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American Water Works Association
Dedicated to the World's Most Important Resource ®

Message

From: Tracy Mehan [tmehan@awwa.org]
Sent: 10/2/2017 5:52:23 PM
To: Tracy Mehan [tmehan@awwa.org]
Subject: Affordability as an Essential Element of Full-Cost Pricing
Attachments: Affordability and Full-Cost Pricing JAWWA Oct 2017.pdf

Dear Colleagues,

Attached please find our article which appears in the current issue of the Journal AWWA (American Water Works Association). It makes the case that affordability or customer assistance programs (CAPs) are essential in the furtherance of full-cost pricing in the water utility sector. It is both a humanitarian and political imperative. The article also reviews recent reports by EPA and the University of North Carolina on the matter.

I welcome your comments-good, bad or otherwise.

Thanks so much.

Tracy

G. Tracy Mehan, III
Executive Director, Government Affairs
American Water Works Association

Ex. 6 (direct)
(cell)

Attachment

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G. TRACY MEHAN III AND IAN D. GANSLER

Addressing Affordability as a Necessary Element of Full-Cost Pricing

TO RECONCILE THE NEED TO ADEQUATELY FUND INFRASTRUCTURE WHILE NOT OVERBURDENING THOSE WHO CANNOT AFFORD RATE INCREASES, WATER UTILITIES ARE IMPLEMENTING CUSTOMER ASSISTANCE PROGRAMS.

In its most recent strategic assessment of the water industry, Black & Veatch (2016) observed that “those working in the water industry have realized a truth that is now reaching a broader audience: Water is woefully underpriced.” As readers of *Journal AWWA* will recall, AWWA published its report, *Buried No Longer: Confronting America’s Water Infrastructure Challenge* (AWWA Water Utility Council 2012), identifying a trillion dollars of investments needed for both replacement and expansion of drinking water infrastructure over two-and-a-half decades.

Yet the sector faces a paradox: water is underpriced, but it’s still expensive (Grigg 2016). As the Black & Veatch report (2016) notes, “issues of affordability” have made rate increases problematic in many communities, requiring water utilities to address “challenging social issues around this matter,” thrusting the issue into the political arena as well. This is entirely understandable given that, on average, water rates are increasing several times the rate of inflation, sometimes astronomically, especially in communities under a consent decree to compel an overhaul of their legacy combined sewer overflow systems. It does not matter if the cost drivers come from the wastewater,

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Droganex, Azawer, Macrovector, iStock, Johnwei

drinking water, or stormwater side of the cycle—the ratepayers who bear these costs typically see them as a single water bill, and a rising one at that.

STAGNANT PERSONAL INCOMES

The challenge of affordability in the face of increasing water rates is even more compelling in light of overall macroeconomic trends in the United States. A recent article by William Galston in *The Wall Street Journal* (Galston 2017) noted that the acting commissioner of the Bureau of Labor Statistics issued a report with some disturbing news for workers: “Over the past year average hourly earnings have risen by 2.5%. Unfortunately, the consumer-price index, a standard measure of inflation, rose by 2.4%, meaning the average worker’s purchasing power hardly grew at all.”

This is no aberration but rather part of a disturbing trend. “Since 2010 hourly wages corrected for inflation have risen barely 0.5% a year,” writes Galston. “The official statistics back up reports that Americans are working harder than ever just to stay even.” While incomes have increased since the Great Recession, it is not due to rising wages. Americans are simply working more hours. “Nearly eight years after the official end of the recession, median household incomes aren’t much higher than they were when the recession began, and they remain a bit lower than in January 2000.” In sum, we are looking at a lost two decades. No wonder water customers, middle-income as well as lower-income, are edgy about the very necessary rate increases that they are experiencing.

The water and wastewater utility sector has realized the humanitarian and political consequences of the distributional impacts of inevitable price increases—i.e., the disproportionate impact on low-income customers, seniors or the disabled—so it must address affordability issues as a necessary component of its drive for more robust and fair rates.

This is an important development, one that must be encouraged if utilities are to cope with a situation that has passed the Dawn of the Replacement Era and is now approaching high noon.

Fortunately, there is a movement in the water sector to adopt affordability or customer assistance programs (CAPs). Gas and electric

Again from the Black & Veatch report (2016), “Water utilities . . . are leveraging a combination of payment and discount plan options.” Of the utilities included in this survey that have deployed programs “to help those in need,” 35.9% use short-term and long-term payment plan options, and 20.7% have adopted low-income

The sector faces a paradox: water is underpriced, but it’s still expensive.

utilities commonly solicit support for fuel or winter funds for low-income customers usually in partnership with other nonprofits (e.g., the Salvation Army) or other local businesses or media outlets. While perhaps not as common in the water industry, requests for customers to contribute to an equivalent fund for low-income water customers are gaining traction and will likely become more common.

AFFORDABILITY PROGRAMS ADOPTED BY UTILITIES

The literature provides some guidance to address affordability concerns. AWWA was out in front on affordability issues when it published *Thinking Outside the Bill: A Utility Manager’s Guide to Assisting Low-Income Water Customers* (AWWA Water Utility Council 2014), “a concise guide to affordability” and “a snapshot of tools that utilities may use to help lower-income customers afford their water bills.” In this same vein, a report from the University of North Carolina at Chapel Hill (UNC) describes barriers at the state level that may need to be overcome to establish sustainable and robust programs that fully meet the needs of struggling ratepayers (UNC 2017). (Note that AWWA, along with other water associations, contributed to the financing of the UNC study and report.)

programs with discounts on fixed charges. The rest pursue a variety of other programs such as joint efforts with nonprofits (8.7%) or payment plans with principal forgiveness (5.4%).

In its 2016 report, *Drinking Water and Wastewater Utility Customer Assistance Programs*, the US Environmental Protection Agency (USEPA) conducted a survey of 795 utilities, finding that nearly 30% had some form of CAP (USEPA 2016). The survey found that of 365 identified CAPs, low-income residents were the beneficiaries of the most programs, with seniors, disabled individuals, military, and individuals facing specific hardships also eligible for some programs.

USEPA identified five types of CAPs:

- Bill discount—provides continuous assistance by giving customers a discount on monthly, quarterly, or annual bills. This was the most common type of CAP in the survey.
- Flexible terms—relaxes requirements for bill payment, including waived penalties, lower interest, or more flexible payment timelines.
- Lifeline rate—offers a reduced rate for a set quantity of water per pay period. After that amount has been exceeded, rates increase.
- Temporary assistance—gives customers one-time assistance

to help with an unexpected difficulty. Sometimes a simple courtesy notice that a customer is nearing service termination is enough to avoid a shut-off.

- Water efficiency—helps homes save water by installing low-flow appliances or repairing leaky pipes, thereby reducing water use and saving money.

Funding is often the biggest challenge for a utility in setting up a CAP. The USEPA's review found that nonprofit organizations were the most common source of funding for CAPs. USEPA recommends reaching out to nonprofit charities for utilities with tight budgets. As mentioned previously, some utilities ask customers directly for voluntary contributions, sometimes offering "round-up" programs, allowing customers to automatically round up their bill to the next dollar in order to make a donation. Soliciting donations through fundraising is also an option. Funding CAPs through the regular utility budget or adding a surcharge to customers not facing hardships are much less common funding mechanisms, often because of state-level limitations. Yet where they exist, they have generally been able to fund more comprehensive programs.

The USEPA report highlights several case studies of successful CAPs already in effect. The California Water Service Company (Cal Water), one of the largest private water service companies in the nation, created California's first CAP in 2006. The utility's Low Income Rate Assistance Program (LIRA) is a bill discount program that gives a 50% discount on the fixed portion of the customer's bill. Any customers who qualify for assistance from their local electric utility are automatically enrolled in LIRA, which enrolls about 20% of Cal Water's 478,000 customers. Cal Water also has a bathroom fixture replacement program, which provides new toilets, faucets, and showerheads for any customer enrolled in LIRA.

About 1,500 customers took advantage of the fixture replacement program in 2015.

The San Antonio Water System (SAWS) offers an array of eight distinct CAPs. The largest of its programs is the Affordability Discount Program, which offers a discount of

offers CAPs, where approved by state regulators, through emergency grants and discount payment programs. Again, where approved by state economic regulators (public utility commissions), American Water offers rebates for water-saving appliances, water audits, and even

Fortunately, there is a movement in the water sector to adopt affordability or consumer assistance programs.

as much as \$15/month to households under 120% of the federal poverty level. The program currently enrolls 18,000 of SAWS's 500,000 account holders, although 42,000 are eligible but not enrolled. SAWS is working to provide additional outreach to eligible households to increase enrollment in the program. SAWS's other programs include efforts to provide courtesy notifications and one-time assistance to customers close to having their service shut off, plumbing assistance to fix leaking pipes, and fee waivers for the elderly, disabled, and domestic violence survivors. The total cost of SAWS's assistance programs was \$3.2 million in 2016, almost 0.5% of its total revenue.

George Hawkins, chief executive officer and general manager of the District of Columbia Water and Sewer Authority, provided an overview of his utility's affordability or customer assistance programs that put to use many tools in the customer assistance toolbox: the first 4 ccf (1 ccf = 748 gal) of water and sewer service free for qualified customers; 50% discounts on stormwater or impervious surface charges; voluntary donations from customers administered by the Urban League; lifeline rates; and lower fees for smaller meters (Hawkins 2017).

American Water, an investor-owned company that owns and manages water and wastewater utilities throughout the country,

free water-saving devices to help customers reduce costs. It has seen a 349% increase in customer enrollment in its California CAP as the result of a ruling by the Utilities Commission. Enrollment has jumped from 5,477 to 19,130 (Duffy 2017).

OVERCOMING LEGAL BARRIERS

While there are many options to structure or finance a CAP, depending on the state, the legal barriers may be cumbersome. A new report by the Environmental Finance Center at UNC includes a snapshot summary of these barriers in every state and offers examples and strategies on how utilities can navigate this confusing framework (UNC 2017).

UNC found that states fit into four categories when it comes to statutes surrounding rate-revenue-funded CAPs. There are a small minority of states that either explicitly allow or explicitly prohibit utilities from setting up a CAP, while most states are more ambiguous. Some states have statutes that pose potential challenges to establishing a CAP without an explicit disallowance, while others do not explicitly forbid it but also have no language explicitly supporting it.

Unfortunately, there is little judicial interpretation to clarify this nebulous legal landscape. Many states' statutes require water service rates to be "reasonable," "uniform,"

“nondiscriminatory,” or “just.” Often the intent behind these terms is to require utilities to charge all customers the same rate rather than prohibiting the use of rate revenue to subsidize low-income customers; however, the latter is a side effect. In other cases, affordability programs may have to navigate rules that were established for entirely different purposes. For example, most state constitutions have “gift clauses” prohibiting government entities from giving grants, subsidies, or donations to specific individuals or corporations to ensure public funds are used only to promote public programs and public welfare. Some gift clauses are broad and may present an obstacle for CAPs, while others have exceptions for gifts that serve a public purpose, as CAPs certainly do.

Utilities interested in these programs should carefully review their state laws as they design their programs. National studies such as the UNC and USEPA affordability reports, while helpful in framing the major issues, are not a substitute for a utility seeking its own legal counsel in assessing its situation under relevant state law. Such reports should

Daryani v. Rich Prairie Sewer & Water (2006), the court ruled that “perfect equality in establishing a rate system [is not] expected . . . [and the] apportionment of utility rates among different classes of users may only be roughly equal.” Utilities might use this argument that differences in rates based on income are justified, not only because it is socially responsible but because it helps the utility operate more efficiently. However, this is a single case from one state.

Environmental finance expert Michael Curley has opined on the practical benefit of assisting low-income customers: “The benefit to the utility of having discounts or lower rates for low-income customers is the increased likelihood of collecting payment from these customers; the subsidy makes it possible for these customers to pay more of their bills more regularly and promptly” (Curley 2014).

In the face of legal challenges to funding CAP programs, UNC recommends three courses of action if there are statutory barriers to having a CAP. First, if there is strong support for these programs in the

are an “essential cost of running a utility.” Third, if the first two options do not prove successful, utilities should create a CAP without using rate revenue. For example, funding can come through non-profit partnerships, donations, or voluntary bill round-ups.

State laws disallowing or discouraging some types of CAP funding mechanisms may have been drafted with good intentions. Indeed, it seems fair that no one should have to pay more than anyone else for their water. In effect this principle means that too many people will be unable to afford safe water. In states that do not already allow or encourage CAPs, utilities could work with their state legislatures to convey the importance and successes of these programs.

CONCLUSION

Focusing on the distributional impacts of essential rate increases on ratepayers in need is both a humanitarian and a political imperative—the former because it is the right thing to do and the latter because ignoring these citizens’ concerns generates pushback from the community and elected officials. Affordability programs and CAPs must be viewed as an integral, even necessary, part of the financial plan for every water, wastewater, and stormwater utility. It is all the same ratepayer.

ABOUT THE AUTHORS



G. Tracy Mehan III is executive director for government affairs in AWWA's Washington, D.C., office, 1300 Eye

St. NW, Washington, DC 20005-3314 USA; tmehan@awwa.org. Ian D. Gansler was a legislative affairs intern for AWWA, Washington, D.C., at the time this article was written. He can be reached at igansler29@gmail.com.

<https://doi.org/10.5942/jawwa.2017.109.0132>

Frequent service shut-offs and resolving bad debt from customers who cannot afford their rates can be more expensive for a utility than instituting a CAP and assisting customers in paying their bills.

be used as a general introduction to the topic of legal barriers.

Utilities can argue that CAPs are necessary to run their operations when they are facing laws in the gray area. Frequent service shut-offs and resolving bad debt from customers who cannot afford their rates can be more expensive for a utility than instituting a CAP and assisting customers in paying their bills. One of the few cases providing legal precedent on this issue was heard by the Minnesota Court of Appeals. In

state, advocates should work to clarify the statutes and regulations in their state to expressly authorize these programs. Second, stakeholders should carefully review the exact problematic language in their state law and make sure their programs are designed to overcome those limits. For example, in states where the limitation relates to requirements that all customers only pay rates linked to the cost of service, utilities could argue, through a business case, in court if necessary, that CAPs

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These resources have been supplied by *Journal AWWA* staff. For information on these and other AWWA resources, visit www.awwa.org.

Journal AWWA welcomes comments and feedback at journal@awwa.org.

Message

From: Sam Wade [sam@nrwa.org]
Sent: 9/11/2017 1:09:47 PM
To: Greenwalt, Sarah [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6c13775b8f424e90802669b87b135024-Greenwalt,]
Subject: Low water pressure

Good morning Sarah:

I hope all is well in your part of the world and wish you were also coming to the annual conference in Reno. I wanted to follow up on the low water pressure. James thinks they may be on a private well as there are water districts, the city and a lot of private wells in the area. If you can find what system if they are on a system, we will check into it further.

Have a great week and thanks,

Sam Wade

Message

From: Tracy Mehan [tmehan@awwa.org]
Sent: 9/5/2017 8:47:06 PM
To: Tracy Mehan [tmehan@awwa.org]
Subject: The Second World War and the Environment
Attachments: Second World War and the Environment.pdf

I could not resist reviewing this book.

Tracy Mehan

Attachment

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American Water Works Association
Dedicated to the World's Most Important Resource ®

Hell on Earth

The Second World War and the Environment

By G. Tracy Mehan III

“Many people witnessed spectacles comparable with Renaissance painters’ conception of the inferno to which the damned were consigned; human beings torn to fragments of flesh and bone; cities blasted into rubble; ordered communities sundered into dispersed human particles,” writes British historian Max Hastings in his 2011 work *Inferno: The World At War, 1939-1945*. It was the “greatest and most terrible of all human experiences.”

Hastings reckons that “at least 60 million were terminated by death.” An average of 27,000 people perished each day between September 1939 and August 1945 and China, invaded by Japan two years earlier, lost 15 million lives.

It may seem unseemly, even disrespectful of the dead, to discuss the environmental consequences of World War II, given the immense carnage it inflicted on humanity (or humanity inflicted on itself). But the environment encompasses human beings who must rely on it. So it was inevitable, even necessary, that environmental historians would turn their attention to war in general and World War II in particular. This is, after all, the Epoch of the Anthropocene. And nothing is more quintessentially human, and destructive, than war.

Now Oregon University Press has given us what it deems to be “the first book-length work to offer global perspectives on the environmental history of World War II,” a collection of academic essays reflecting the latest research on a global scale encompassing Europe, North America, the Ca-

ribbean, Asia, Africa, and the Arctic. Edited by two Finns, Simo Laakkonen (University of Helsinki) and Timo Vuorisalo (University of Turku), and one American, Richard Tucker (University of Michigan), *The Long Shadows. A Global Environmental History of the Second World War* offers chapter-length essays by 16 authorities, including an introduction by the environmental historian John R. McNeill and a concluding chapter by the editors offering their own hypotheses.

While the book’s subtitle limits its scope to a history of World War II, it actually begins the story much earlier,

even before World War I, and continues it forward into the Cold War (in which military expenditures “sustain an unjust world order”) and beyond.

In truth, most of the contributors are criticizing industrialization, resource extraction (mining, forestry), intensive agriculture, colonialism, Stalinism, capitalism, and widespread reliance on chemicals, pesticides, and nuclear energy in war and peace. Evidently, one does not mine minerals but is “raiding” them. One does not farm, but engages in “agricultural colonization.” And, at least in the Arctic, “the

“extractive economy” is, at all times and places, the “excessive and unsustainable use of natural systems and natural resources in peripheral areas.”

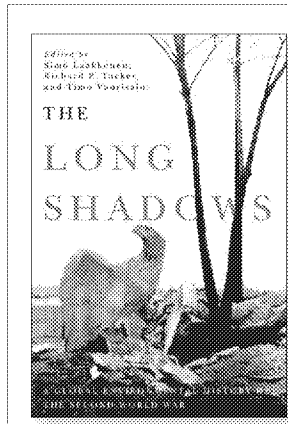
Evan Mawdsley, general editor of the *Cambridge History of the Second World War* (2015), and one of the contributors to *The Long Shadows*, gives the game away when he writes, “But I also find a considerable degree of truth in the proposition that the most deadly war in history (in human terms) had only limited environmental impact, especially if seen in comparative terms.” He makes an exception for China. He also cites Professor McNeill for the proposition that “most of the environmental changes wrought in combat proved fleeting” and “preparing and mobilizing for industrial warfare” brings more serious changes.

The historical research they present is impressive by any measure and merits careful attention by any student of war and the environment.

Also, the book’s global perspective (supply chains being just one example) will be most helpful to an Anglo-American audience, which tends to overlook, say, the war in China going back to 1937 or the Eastern Front, regarding which another British historian, Norman Davies, observed that for four years, more than 400 Red Army and German divisions fought over a front of 1,000 miles. Eighty-five percent of the German military dead fell there.

The costs of the war for the Soviet Union and Belarus, and the Stalinist ideology which mistreated the natural world as well as human beings, are exhaustively outlined in a chapter by Paul Josephson of Colby College. The 871-day Leningrad Blockade is described in excruciating detail. Again, this is an example where the human tragedy, quite obviously, dwarfs any concern with the environment.

Given the Finnish influence in and on this collection, the three wars



The Long Shadows: A Global Environmental History of the Second World War. Edited by Simo Laakkonen, Richard Tucker, and Timo Vuorisalo. Oregon State University Press; 346 pages; \$35.00.

involving Finland, the Soviet Union, and Nazi Germany are most interesting, given that the Finns had to fight on both sides of the war because of their geopolitical vulnerability. They were invaded in 1939 by the Soviets in the Winter War, launched a counter-attack in the Continuation War and, finally, had to fight the Germans in the Lapland War under the terms of its previous surrender to the Soviets. *The Long Shadows* highlights the destruction in Finland's Arctic regions, both human and environmental. However, true to form, it judges the Finnish government harshly for pushing economic development in the regions after its loss of so much territory to the Soviets.

The book also focuses on the Finnish army's non-chemical means of fighting lice and typhus: portable disinfection saunas for people as well as horses! This latter chapter, written by Helene Laurent, a medical doctor at the University of Helsinki, contrasts this approach with chemical treatments in Germany (Zyklon, also used in the gas chambers of concentration camps) and the United States and the United Kingdom (typhus vaccines, DDT).

Laurent sees the world wars as leading to environmental damage "by bringing together the interests of the state and the chemical industry." She does cite the successes in fighting typhus in World War II with DDT, etc., but also invokes Rachel Carson on the dangers of pesticides without discussing the benefits. She displays little sympathy for those actually fighting and surviving the war against Nazi Germany and Imperial Japan with the tools at their disposal.

One of the more curious essays is Simo Laakonen's on the "Environmental Policies of the Third Reich." It seems that the Nazis, at least in times of peace, were "radical environmentalists." They strove to promote nature conservation, but all of this gave way to industrialization once the war commenced. Unfortunately, this con-

servation ethic was grounded in the ideology of "blood and soil" (*Blut und Boden*) and was intertwined with anti-Semitism and various contradictory themes of "anticivilization, antiurbanism, anticapitalist and antiliberalist views into a potent, mystical notion of the rural as a revivifying force." The Reich did institute some resource-protection legislation and even supported animal welfare policies, again, until the shooting started. At the heart of the regime was "an ideological-political paradox," i.e., rejecting the rationalism of the Enlightenment while embracing, fully, modern technology.

When Chinese Nationalist General Chiang Kai-shek breached the Yellow River's dikes in Henan province in 1938, it flooded vast areas of land for nine years resulting in what Micha Muscolino of Oxford University calls "the single most environmentally damaging act of warfare in world history" killing over 800,000 people and making nearly 4 million refugees. This sounds like a human tragedy rather than environmental damage, another example of the definitional challenges in this area of environmental history.

One of the best chapters of the book, but confusing in its historical methodology, describes Japanese imperialism and the development of that nation's "pelagic empire" or dominance of marine resources and global fisheries starting in 1868. This is a classic case of government failure, or "industrial policy," causing environmental harm. Through subsidies, diplomacy, state-sponsored research, and numerous other techniques, Japan came to ruthlessly dominate and over-exploit marine fisheries throughout the globe. The primary goal, historically, was for export and foreign exchange. This is an excellent essay, but it is unclear how it supports the "long shadow" thesis in that the Japanese fishing industry was wiped out in World War II until the America occupation authorities found

it necessary to restore the industry for both domestic food supply and export.

There are also chapters in *The Long Shadows* on the war in Burma, including the Burma and Ledo roads and forests; the militarization of Hawaii, before and after Pearl Harbor, and its legacy of pollution and hazardous waste sites; and another interesting chapter on the "acoustic ecology of war" and "traumatic wartime sonic experiences" based on the experience of Finnish war veterans. In addition, there are chapters on the development of aluminum for aircraft in the Western Hemisphere, Mexican forests, food disruption in Tanganyika, the opening up of the circumpolar Arctic, Canadian resource development, and international conservation in the post-war years. Most of the authors take a pretty dim view of resource extraction and, understandably, heavy-handed colonialism in some cases.

War is hell. It is a catastrophe for human beings, animals, nature, and the environment. The contributors to *The Long Shadow* have marshalled impressive historical materials delineating the human and environmental tragedies stemming from World War II. They do, however, bring a good deal of ideological baggage with respect to their antagonism to industrialization and resource extraction, whether or not it is tethered to war-fighting.

They do not ask the hard questions as to when war, even brutal ones, are necessary or justified. Nor do they offer new ideas for international law or even ongoing military protocols to minimize damage in future conflicts. Fortunately, the contributors to this landmark book provide much historical substance with their ideology, which should be sufficient inducement for the prospective reader.

G. Tracy Mehan III is executive director for government affairs at the American Water Works Association and an adjunct professor at Antonin Scalia Law School, George Mason University. Email: tmehan@awwa.org.

Ideology aside, the book does offer a damning account of conflict resolution via arms

Message

From: Sam Wade [sam@nrwa.org]
Sent: 7/31/2017 2:15:50 PM
To: Greenwalt, Sarah [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6c13775b8f424e90802669b87b135024-Greenwalt,]
Subject: Thanks - Rural Water

Good morning Sarah:

It was great to see you again at the OKC meeting and I hope you are enjoying your week without appointments. We are very appreciative of Administrator reaching out to the local level and his commitments to clarity and simplify the WOTUS.

I also wanted to let you know that Mike Shapiro responded to an inquiry from Senator Barrasso regarding the allocation of the FY-17 technical assistance appropriation stating: "The EPA will use its authority under the Safe Drinking Water Act, as amended by the Grassroots Rural and Small Community Water Systems Assistance Act, to fund through the RFA non-profit organizations that can provide effective technical assistance for small and rural water systems." Hopefully the act will ensure the funding will go where it does the most good in assisting rural and small systems comply with the mandates of the SDWA, on-site technical assistance.

We appreciate your availability to discuss issue and anything we can do to support the Administrator's efforts, we are an e-mail or phone call away.

Sincerely,

Sam Wade
National Rural Water
Sam@nrwa.org
Cell: Ex. 6

Message

From: Binion, Thomas [Thomas.Binion@heritage.org]
Sent: 7/5/2017 6:28:31 PM
To: Lyons, Troy [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=15e4881c95044ab49c6c35a0f5eef67e-Lyons, Troy]
CC: Greenwalt, Sarah [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6c13775b8f424e90802669b87b135024-Greenwalt,]
Subject: Re: Heritage on WOTUS

Thanks Troy!

Hi Sarah-

Please let me know if there is anyway Heritage can help in your work. I hope that you find the legal memo useful.

Would you mind helping me identify someone at the Corps who I can reach out to?

Tommy

Thomas Binion
Director, Congressional and Executive Branch Relations
The Heritage Foundation
214 Massachusetts Avenue, NE
Washington, DC 20002

Ex. 6

heritage.org

From: "Lyons, Troy" <lyons.troy@epa.gov>
Date: Wednesday, July 5, 2017 at 2:15 PM
To: biniont <Thomas.Binion@heritage.org>
Cc: "Greenwalt, Sarah" <greenwalt.sarah@epa.gov>
Subject: Re: Heritage on WOTUS

Many thanks, Tommy!

I have copied Sarah Greenwalt, who is THE WOTUS expert.

Sent from my iPhone

On Jul 5, 2017, at 2:05 PM, Binion, Thomas <Thomas.Binion@heritage.org> wrote:

Hey Troy-

Hope everything is going great at EPA. I wanted to touch base on WOTUS. Exciting announcement last week.

I wanted to send along our legal memo which provides support for the Administrator's actions. http://www.heritage.org/sites/default/files/2017-06/LM-207_0.pdf

If you can help me get it to the right folks at EPA, I really do think it would help them. May even provide a useful citation.

Are you working closely with anyone at the Corps on this project? I haven't been able to trace any political appointees there.

Thanks for your help!

Tommy

Thomas Binion

Director, Congressional and Executive Branch Relations

The Heritage Foundation

214 Massachusetts Avenue, NE

Washington, DC 20002

Ex. 6

heritage.org

Message

From: Sam Wade [sam@nrwa.org]
Sent: 5/20/2017 3:23:36 PM
To: Greenwalt, Sarah [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6c13775b8f424e90802669b87b135024-Greenwalt,]
Subject: Re: Small and rural community EPA technical assistance

Thank you Sarah

Sent via the Samsung Galaxy S7, an AT&T 4G LTE smartphone

----- Original message -----

From: "Greenwalt, Sarah" <greenwalt.sarah@epa.gov>
Date: 5/19/17 10:05 PM (GMT-06:00)
To: Mike Keegan <keegan@ruralwater.org>
Cc: Sam Wade <sam@nrwa.org>, Matthew Holmes <Matt@nrwa.org>
Subject: Re: Small and rural community EPA technical assistance

This is helpful, thank you. Look forward to hearing your thoughts on the LCR, and will be sure to contact you will any questions.

Enjoy your weekend.
Sarah

Sent from my iPad

On May 17, 2017, at 12:08 PM, Mike Keegan <keegan@ruralwater.org> wrote:

Sarah, Thank you for the meeting. To clarify a few of the items we discussed:

1. Small and rural communities (all regulated by the EPA under the Safe Drinking Water Act) believe that the Congressional funding for technical assistance for compliance help would be much more helpful and beneficial if EPA were to dedicate all the \$12.7 million in the FY2017 appropriations bill to the recently authorized technical assistance in the Safe Drinking Water Act (42 U.S.C.300j-1(e)), and we believe that EPA has such discretion.
2. It is my understanding the sponsors of the recently enacted legislation (PL 114-98) that authorized technical assistance support such an EPA decision and may write the Administrator requesting such a decision - something similar to this draft.
3. We believe the criteria in the authorized technical assistance (42 U.S.C.300j-1(e)) would allow for EPA to have a more objective and easier assessment of competing applicants for the funding. It would be simpler for EPA to request applicants to demonstrate to what degree does their application show "*small community water systems find [it] to be the most beneficial and effective.*" For example, see previous demonstrations of small community findings in Mississippi and Georgia.
4. And, we urge the Administrator to adopt a new initiative to increase the technical assistance support to rural and small communities by, for the first time, exploiting the 2 percent set-aside provision of the Drinking Water State Revolving Fund to dedicate

upwards of \$16 million for additional "help" versus regulation for rural and small town America. Such a new initiative could come with specific and documented environmental improvements for drinking water safety or compliance.

I will also follow-up on our thoughts on the proposed revisions to the Lead and Copper Rule early next week.

Thank you again and please contact any of us if we can be of any assistance.

Mike Keegan, Analyst
National Rural Water Association
Washington, DC
IM & Cell: Ex. 6

Message

From: Matthew Holmes [Matt@nrwa.org]
Sent: 5/9/2017 1:40:34 PM
To: Greenwalt, Sarah [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6c13775b8f424e90802669b87b135024-Greenwalt,]
Subject: NRWA
Attachments: EPA Approps Request FY18.pdf

Hi Sarah,

Sorry, I realized that I sent you our FY17 fact sheet yesterday – attached is FY18. Not too many changes really, but I wanted you to have the latest.

Thanks,

Matt

From: Matthew Holmes
Sent: Monday, May 8, 2017 9:35 AM
To: 'greenwalt.sarah@epa.gov' <greenwalt.sarah@epa.gov>
Subject: Thanks from NRWA

Good morning Sarah,

Thank you and Administrator Pruitt for a great meeting last week – we appreciate the candid conversation and your willingness to listen! Our board leadership was very impressed and encouraged.

Sam and I will be in DC next week, from Monday around noon until Thursday morning. I will be attending the “Peer-to-Peer” meeting that is being held by OWM on Tuesday and Wednesday morning. We are open to meeting with you anytime, aside from Wednesday from 11:00 – 1:00pm when Sam has another commitment.

I thought I would include some follow-up information on the technical assistance grant topic that we discussed at our meeting. We are currently in final negotiations for our FY16 cooperative agreement. The Project Officer is very new – Leslie Temple. We have been working with Mike Finn in the past as the Project Officer, as well as Maria Lopez-Carbo of course. They are both supportive of our efforts, but haven’t really been open to addressing the structural problems with how the RFA is set up.

If things work as they have in the past, OGWDW will release the RFA for the new round of grants this summer. I’m sure you are aware of this, but additional information is online here: <https://www.epa.gov/dwcapacity/training-and-technical-assistance-small-systems-funding>.

I have attached our latest appropriations request fact sheet for the EPA program. This includes the language that Mike Keegan referred to in the meeting, the ***Grassroots Rural and Small Community Water Systems Assistance Act (Public Law 114-98)***. As I mentioned in the meeting, this program is essential for small water systems. When the program was eliminated in 2007 due to the new earmark rules, Rural Water delivered 15,000 letters of support to EPA to retain this program. Unfortunately, the effort was continually watered down with many different organizations providing online tools, webinars, surveys, planning efforts, etc. While this looks good on paper, it is not effective for rural and small system personnel. I know I’m not telling you anything you don’t already know!

Thank you again for what you and Administrator Pruitt are doing for this Agency. EPA has a critically important mission, and every one of our 30,000+ members recognizes this. We are long-standing partners, and we are eager to help get things back on track. My cell number is below – please feel free to call or email at any hour if we can be of help.

Sincerely,

Matt

Matthew Holmes
Deputy CEO
National Rural Water Association

Ex. 6 www.nrwa.org

FYI – here Keegan’s contact info:

	<p>Mike Keegan National Rural Water Associa... Analyst</p>
Ex. 6	<p>Work Mobile keegan@ruralwater.org 101 Constitution Ave, NW Suite 850, East Washington, DC 20001</p>

**NATIONAL RURAL WATER ASSOCIATION
FY2018 APPROPRIATIONS REQUEST SUMMARY**

Name of program: **EPA Technical Assistance Competitive Grant Program**

Appropriations bill: Interior, Environment, and Related Agencies

Senate subcommittee chairman: Senator Lisa Murkowski

Senate subcommittee ranking member: Senator Tom Udall

House subcommittee chairman: Representative Ken Calvert

House subcommittee ranking member: Representative Betty McCollum

Agency: Environmental Protection Agency

Appropriations account: Environmental Programs and Management

Authorization: Safe Drinking Water Act (42 USC 300j-1(e))

President's budget request: TBD

Funding History

FY2013	\$12,700,000
FY2014	\$12,700,000
FY2015	\$12,700,000
FY2016	\$12,700,000
FY2017	House and Senate reported level was \$15,000,000 (However, Congress is currently operating under a CR at FY2016 enacted levels until April 28, 2017)

FY2018 request: \$15,000,000

The National Rural Water Association requests bill language (see below) appropriating \$15 million to fund the provisions of PL 114-98, the Grassroots Rural and Small Community Water Systems Assistance Act, which continues a competitive grant program to provide rural communities with the technical assistance necessary to improve water quality and provide safe drinking water. Small and rural communities rely on local/on-site technical assistance and training for compliance with federal EPA regulations, avoiding EPA fines, and operating drinking and wastewater supplies.

Rural communities believe this is the most effective initiative to aid compliance with the Safe Drinking Water Act and the Clean Water Act. These communities want to ensure quality water and stay in compliance—this initiative provides them the technical resources to do so.

Bill Language

Provided further, That of the funds included under this heading, \$15,000,000 shall be for technical assistance as authorized by 42 U.S.C. 300j-1(e)

EPA Technical Assistance Justification: Retain the FY2017 House and Senate reported level of \$15,000,000 for FY2018

EPA Technical Assistance Authorization: The President signed the Grassroots Rural and Small Community Water Systems Assistance Act into law (Public Law 114-98) on December 11, 2015. The House of Representatives unanimously passed the bill on November 30, 2015 and the Senate on June 9, 2015 (also unanimously).

The purpose of the Act is to require the U.S. Environmental Protection Agency (EPA) follow Congressional intent in administering directed appropriations to assist small and rural communities comply with federal environmental mandates.

The Act authorizes the EPA to provide technical assistance to small and rural communities to assist them with: (1) compliance with the myriad of federal regulations under the Safe Drinking Water Act; (2) operation and maintenance of their water utilities; and (3) public health protection through the supply of safe public drinking water.

Technical Assistance Demand: Small and rural communities often have a difficult time, due to their limited customer base and technical capacities, providing safe water and complying with federal standards. This is compounded by the fact that small and rural communities often have lower median household incomes and higher water rates compared to larger communities. As a result, the cost of compliance is often dramatically higher per household.

The vast majority of U.S. drinking water supplies are small; 91% of community water systems serve a population of fewer than 10,000 people. Some communities are so small they rely on volunteers to operate their drinking water supply. Small communities in violation of the federal rules are subject to \$25,000 per-day civil penalties.

We are urging Congress to fully fund the Grassroots Rural and Small Community Water Systems Assistance Act at the \$15 million authorized level in the FY2018 Interior, Environment, and Related Agencies Act.

Experience: Since 1977, NRWA has assisted small communities in providing safe drinking water and ensure they have access to the expertise and technical assistance of an experienced technician they trust to teach them how to comply in a simple and affordable manner – and similarly, how to operate and maintain their treatment system.

The amount of funding through the EPA training and technical assistance program is not enough to provide full-time positions in state associations. Small and rural communities are struggling under new federal regulations, complex funding program applications, and continuing mandatory operator training requirements. The allocation for this initiative does not adequately address the needs of small and rural communities that need help as soon as possible.

Message

From: Hupp, Sydney [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=D50089FF1A5B4C83BAA0160AFE2C33CB-HUPP, SYDNE]
Sent: 4/28/2017 1:04:19 PM
To: Sam Wade [sam@nrwa.org]
CC: Greenwalt, Sarah [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6c13775b8f424e90802669b87b135024-Greenwalt,]
Subject: RE: Administrator Pruitt Invitation
Attachments: External Meeting Request Form.docx

Great! Not sure of the topic of the conversation but coffee or lunch on Friday might be good. I am looping in Sarah who will be accompanying the Administrator. If you wouldn't mind, could you please fill out the attached form so that I may populate the Administrator's calendar with the details?

Thank you!

Sydney Hupp
Executive Scheduler
Office of the Administrator
Ex. 6 (c)

From: Sam Wade [mailto:sam@nrwa.org]
Sent: Thursday, April 27, 2017 12:22 PM
To: Hupp, Sydney <hupp.sydney@epa.gov>
Subject: RE: Administrator Pruitt Invitation

Thanks Sydney

We can acquire a location if that is easier.

Thanks. Sam

Sent via the Samsung Galaxy S7, an AT&T 4G LTE smartphone

----- Original message -----

From: "Hupp, Sydney" <hupp.sydney@epa.gov>
Date: 4/27/17 11:08 AM (GMT-06:00)
To: Sam Wade <sam@nrwa.org>
Subject: RE: Administrator Pruitt Invitation

Got it. Working on that today and will get back with you ASAP.

Thanks!

Sydney Hupp
Executive Scheduler

Office of the Administrator

Ex. 6 (c)

From: Sam Wade [mailto:sam@nrwa.org]
Sent: Thursday, April 27, 2017 9:49 AM
To: Hupp, Sydney <hupp.sydney@epa.gov>
Subject: RE: Administrator Pruitt Invitation

Thank You, Sydney:

Yes, that would work great for us and we certainly appreciate your help. Just let me know the time and location and we will be there. Lunch is also an option. We are flexible.

Thanks

Sam Wade
CEO, National Rural Water
2915 S 13th
Duncan, Oklahoma 73533
Cell: Ex. 6

From: Hupp, Sydney [mailto:hupp.sydney@epa.gov]
Sent: Thursday, April 27, 2017 8:44 AM
To: Sam Wade <sam@nrwa.org>
Cc: Dickerson, Aaron <dickerson.aaron@epa.gov>
Subject: RE: Administrator Pruitt Invitation

Good afternoon Sam,

Thank you for reaching out! Ryan forwarded me your request and I am wondering if you might be available in Tulsa next Friday, the 5th, to meet with the administrator?

Thank you!

Sydney Hupp
Executive Scheduler
Office of the Administrator
Ex. 6 (c)

From: Jackson, Ryan
Sent: Friday, April 21, 2017 2:50 PM
To: Hupp, Sydney <hupp.sydney@epa.gov>
Subject: FW: Administrator Pruitt Invitation

From: Sam Wade [mailto:sam@nrwa.org]
Sent: Friday, April 21, 2017 2:30 PM
To: Jackson, Ryan <jackson.ryan@epa.gov>
Subject: RE: Administrator Pruitt Invitation

We will make our schedule fit your availability.

Sent via the Samsung Galaxy S7, an AT&T 4G LTE smartphone

----- Original message -----

From: "Jackson, Ryan" <jackson.ryan@epa.gov>
Date: 4/21/17 1:01 PM (GMT-06:00)
To: Sam Wade <sam@nrwa.org>
Subject: Re: Administrator Pruitt Invitation

When will you guys be here?

Ryan Jackson
Chief of Staff
U.S. EPA

Ex. 6

On Apr 21, 2017, at 10:52 AM, Sam Wade <sam@nrwa.org> wrote:

Good morning Ryan:

I hope all is well and you are enjoying the challenges in your new position which I am sure consist of quite a few. I wanted to forward the attached letter that request a meeting with the Administrator by our association officers. Any help is appreciated.

Also, as you know James at Oklahoma Rural Water and I are at your disposal if we can assist you in any way. Let us know when you are back in OK and James has already committed to buy.

Thanks for all you have done and do for rural water.

Sincerely,

Sam Wade
CEO, National Rural Water
2915 S. 13th
Duncan, Oklahoma 73533

Ex. 6

Cell: Ex. 6
sam@nrwa.org



[Click for More Information about the WaterPro Conference](#)

<Scott Pruitt Invitation.docx>

**External Meeting Request Form for
Administrator E. Scott Pruitt**

U.S. Environmental Protection Agency

To request the Administrator to attend and/or speak at your event, please complete and submit the following form.

Today's Date:

Meeting Date:

Meeting Time:

Requested Location (if offsite, please list address, parking instructions, etc.):

Requestor:

Purpose of the Meeting:

Background on the Meeting:

Role of the Administrator:

Attendees:

Point of Contact:

Message

From: Mike Keegan [keegan@ruralwater.org]
Sent: 5/25/2017 9:33:50 PM
To: Greenwalt, Sarah [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6c13775b8f424e90802669b87b135024-Greenwalt,]
CC: Sam Wade [sam@nrwa.org]; matt [matt@nrwa.org]
Subject: Re: Small and rural community EPA technical assistance
Attachments: EPA on-site technical assistance FY17_ DRAFT.docx

Hi Sarah, attached is the letter to the Administrator circulating in the Senate by Senators Wicker (MS) and Heitkamp (ND) urging the Administrator to adopt the policy we discussed last week. We will get the final signed version to you as soon as it is completed. We believe the leadership of the EPA authorizing and appropriations subcommittees will be cosigners.

On Wed, May 17, 2017 at 12:07 PM, Mike Keegan <keegan@ruralwater.org> wrote:

Sarah, Thank you for the meeting. To clarify a few of the items we discussed:

1. Small and rural communities (all regulated by the EPA under the Safe Drinking Water Act) believe that the Congressional funding for technical assistance for compliance help would be much more helpful and beneficial if EPA were to dedicate all the \$12.7 million in the FY2017 appropriations bill to the recently authorized technical assistance in the Safe Drinking Water Act (42 U.S.C.300j-1(e)), and we believe that EPA has such discretion.
2. It is my understanding the sponsors of the recently enacted legislation (PL 114-98) that authorized technical assistance support such an EPA decision and may write the Administrator requesting such a decision - something similar to this draft.
3. We believe the criteria in the authorized technical assistance (42 U.S.C.300j-1(e)) would allow for EPA to have a more objective and easier assessment of competing applicants for the funding. It would be simpler for EPA to request applicants to demonstrate to what degree does their application show "*small community water systems find [it] to be the most beneficial and effective.*" For example, see previous demonstrations of small community findings in Mississippi and Georgia.
4. And, we urge the Administrator to adopt a new initiative to increase the technical assistance support to rural and small communities by, for the first time, exploiting the 2 percent set-aside provision of the Drinking Water State Revolving Fund to dedicate upwards of \$16 million for additional "help" versus regulation for rural and small town America. Such a new initiative could come with specific and documented environmental improvements for drinking water safety or compliance.

I will also follow-up on our thoughts on the proposed revisions to the Lead and Copper Rule early next week.

Thank you again and please contact any of us if we can be of any assistance.

Mike Keegan, Analyst
National Rural Water Association
Washington, DC
IM & Cell: Ex. 6

May XX, 2017

The Honorable Scott Pruitt
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

Dear Administrator Pruitt:

We urge you to use your discretion to award technical assistance funding under the Environmental Protection Agency's (EPA) Environmental Protection/National Priorities provision of the fiscal year 2017 Consolidated Appropriations Act to those organizations authorized under the Grassroots Rural and Small Community Water Systems Assistance Act (PL 114-98).

In 2011, Congress provided the EPA discretion to allocate technical assistance funding under the Safe Drinking Water and Clean Water Acts. Since that time, funding for effective, on-site technical assistance, which helps small and rural communities in our states comply with federal EPA regulations and water operator certification requirements while also allowing for the effective operation of drinking water and wastewater supplies, has been reduced significantly.

On-site technical assistance can equip small and rural communities with the resources they need to provide safe water to residents and businesses while also meeting drinking water standards. We believe this assistance is most effective when it comes from a trusted individual who is willing to travel directly to the community, has technical expertise to remedy the specific issue with existing treatment and infrastructure, and can be available on-site at any time.

In December 2015, Congress unanimously passed and the president signed the Grassroots Rural and Small Community Water Systems Assistance Act, which directs the EPA to provide on-site technical assistance in a manner that is most effective to small and rural communities. By following the authorities under the Act, we are hopeful on-site technical assistance can be reestablished in our states and ultimately make the program more effective and easier for the EPA to implement.

Thank you for your assistance and attention to the needs of small and rural communities, and we look forward to your reply.

Sincerely,

Message

From: Tracy Mehan [tmehan@awwa.org]
Sent: 4/20/2017 3:27:50 PM
To: Lousberg, Macara [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=e589fdabe6374c5987d0184b43fb5c57-MLousber]
Subject: RE: Invitation to address AWWA's ACE '17 in Philadelphia on June 12th

I have not heard back. But, no, Macara, we would not look for a substitute for the Administrator.

Thanks.

Tracy

From: Lousberg, Macara [mailto:Lousberg.Macara@epa.gov]
Sent: Thursday, April 20, 2017 11:13 AM
To: Tracy Mehan <tmehan@awwa.org>
Cc: Threet, Derek <Threet.Derek@epa.gov>
Subject: Invitation to address AWWA's ACE '17 in Philadelphia on June 12th

Good morning Tracy. I understand that AWWA has invited Administrator Pruitt to speak at its upcoming conference in Philadelphia, but that he is not available and has suggested that perhaps someone from OW might be able to attend and speak on his behalf. I've been asked to reach out to you to see if this would be an acceptable alternative, or if you would prefer to consider other options for a plenary speaker.

Macara

Macara Lousberg
Director, Water Policy Staff
U.S. EPA
1200 Pennsylvania Avenue, NW
Washington, DC 20460

lousberg.macara@epa.gov
202-564-5576

From: Tracy Mehan [mailto:tmehan@awwa.org]
Sent: Tuesday, March 07, 2017 3:27 PM
To: Pruitt, Scott <Pruitt.Scott@epa.gov>
Cc: Jackson, Ryan <jackson.ryan@epa.gov>; Shapiro, Mike <Shapiro.Mike@epa.gov>; Grevatt, Peter <Grevatt.Peter@epa.gov>; Sawyers, Andrew <Sawyers.Andrew@epa.gov>
Subject: Invitation to address AWWA's ACE '17 in Philadelphia on June 12th

Dear Administrator Pruitt,

Attached please find a letter of invitation from David LaFrance, CEO of the American Water Works Association (AWWA), to address a plenary session of our Annual Conference & Exposition-ACE '17 in Philadelphia on June 12th. Normal attendance for this annual event is 12,000 of our members all of whom would be interested in hearing from you as you

take up your new responsibilities at EPA. We might mention that you could combine this address with a visit to your regional office.

AWWA is the largest and oldest water association in the world. Our 50,000 individual members and 4,000 utility members are on the front line in the delivery of safe drinking water to the American people.

Thank you for your consideration of our invitation. We would be honored to have you speak to ACE '17. We would also be pleased to conduct you on a tour of the exhibition hall which is truly a remarkable demonstration of American innovation and ingenuity in the realm of public health and environmental protection. We look forward to hearing from you at your earliest convenience.

Sincerely,

G. Tracy Mehan, III
Executive Director, Government Affairs
American Water Works Association
1300 Eye Street, N.W., Suite 701W
Washington, D.C. 20005-3314

Ex. 6 (direct)
(cell)

Attachment

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Message

From: Tracy Mehan [tmehan@awwa.org]
Sent: 5/4/2017 1:52:06 PM
To: Greenwalt, Sarah [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6c13775b8f424e90802669b87b135024-Greenwalt,]
Subject: FW: Invitation to Administrator Pruitt for ACE' 17
Attachments: Pruitt invitation.pdf

From: Tracy Mehan
Sent: Thursday, May 04, 2017 9:51 AM
To: 'jackson.ryan@epa.gov' <jackson.ryan@epa.gov>
Subject: Invitation to Administrator Pruitt for ACE' 17

See attachment.

Secure venue. 12,000 attendees. He can come in hit home runs on WIFIA, etc.

Tracy

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Government Affairs Office
1300 Eye Street NW
Suite 701W
Washington, DC 20005-3314
T 202.628.8303
F 202.628.2846

March 8, 2017

The Honorable Scott Pruitt
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Ave. NW
Mail Code: 1101A
Washington, DC 20460

Dear Administrator Pruitt,

The American Water Works Association (AWWA) would be honored to have you speak at the opening general session of our annual conference in Philadelphia this June. The opening session will be 8:30-10 a.m. June 12 in the Pennsylvania Convention Center. We would like for you to speak to our members for 15-20 minutes.

AWWA is the world's oldest and largest non-profit science and education association serving men and women working at drinking water utilities and related professionals across the country. Our annual conference typically attracts about 12,000 participants. You would be invited as well to visit the exhibit floor after the opening session, where manufacturers, consultants and related industries have on display the products and services that help make U.S. drinking water safe and readily available.

A key interest of our membership is water infrastructure finance, and we appreciate the words of support you have voiced in recent days for EPA programs that partner with water utilities in this area. Our annual conference extends through Wednesday and features several hundred technical sessions on drinking water treatment, finance, management and regulation. If you or your staff are interested in any of these sessions, we could talk further about this. Many of the staff in your Office of Ground Water and Drinking Water are familiar with the work of AWWA and could brief you further on who we are.

If you or your staff have any questions, please do not hesitate to contact us. Your key contact will be Tracy Mehan, AWWA Executive Director for Government Affairs, at Ex. 6 or tmehan@awwa.org.

Sincerely,

David B. LaFrance
CEO
American Water Works Association

From: Tracy Mehan [tmehan@awwa.org]
Sent: 4/5/2018 7:01:40 PM
To: Tracy Mehan [tmehan@awwa.org]
Subject: New round for WIFIA!

Funds now available for next round of WIFIA loans

Following enactment of the fiscal year 2018 federal budget a couple of weeks ago, the U.S. Environmental Protection Agency (EPA) issued a [notice of funding availability](#) Wednesday for the second round of loans under the Water Infrastructure Finance and Innovation Act (WIFIA) program. The agency [estimates](#) that the \$63 million Congress provided to the program will provide about \$5.5 billion in loan funds.

Because WIFIA funds up to 49 percent of a project's costs, that means the WIFIA program will be able to support about \$11 billion in water infrastructure projects with FY2018 funds. Acquiring a WIFIA loan is a two-step process. First utilities or entities send EPA a [letter of interest](#). That triggers a dialogue with EPA infrastructure finance staff. Then EPA invites select utilities or entities to proceed to the formal application phase. There are no fees for the letters of interest, but there are fees for the application. Therefore, EPA only invites utilities or entities to proceed to application that it feels they are certain to obtain the loan.

Deadline for submitting a letter of interest is noon July 6.

EPA's [WIFIA website](#) has materials such as a [WIFIA program handbook](#), [application materials](#) and [registration](#) for upcoming webinars on the program. The first webinar will be 2 p.m. EDT April 23.

With \$30 million in FY2017, EPA received 43 letters of interest and selected 12 of those submitting them to proceed to the application phase. Those 12 projects will be receiving \$2.3 billion in loans for \$5.1 billion in project investment.

G. Tracy Mehan, III
Executive Director, Government Affairs
American Water Works Association
[Ex. 6](#) (direct)

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From: Tracy Mehan [tmehan@awwa.org]
Sent: 6/19/2017 6:53:29 PM
To: Tracy Mehan [tmehan@awwa.org]
Subject: AWWA comments on TSCA in Inside EPA

Daily News

Environmentalists, Water Utilities Seek Changes In TSCA Framework Rules

June 16, 2017

Environmental groups and water utility officials are looking for changes in the framework rules due for finalization June 22 that will implement the reforms to the Toxic Substances Control Act (TSCA) as signed into law last summer, with environmentalists fearing industry influence and utilities looking for EPA to describe an approach to prioritization.

While the law requires EPA to consider proximity to drinking water sources when prioritizing chemicals for risk evaluation, the draft version of the prioritization rule released in January for public comment did not include implementation language. Such a provision in the final rule would be novel, an industry source tells *Inside EPA*.

"It's part of prioritization [in the TSCA reform law] but EPA never said how they'd do it," the source says. How to implement the concept is more challenging than it may appear, the source adds. "From a surface water perspective, you can do the geographic proximity . . . but how do you deal with aquifers? It becomes very complicated."

EPA staff have been working to meet a series of deadlines laid out in the TSCA reform act, which requires the agency to establish a process for and begin assessing existing chemicals, those that were on the market when the original TSCA was enacted in 1976. The three framework rules establishing how EPA will update the TSCA inventory of existing chemicals, prioritize those chemicals for assessment and evaluate them are statutorily required to be finalized by the reform law's first anniversary -- June 22.

The reform law's passage regarding prioritization, TSCA section 6(b)1(A), states that EPA must formulate by rule "a risk-based screening process, including criteria for designating chemical substances as high-priority substances for risk evaluations or low-priority substances for which risk evaluations are not warranted at the time."

The statute then lays out a series of conditions EPA must consider in the screening process, including "consideration of the hazard and exposure potential of a chemical substance or a category of chemical substances (including consideration of persistence and bioaccumulation, potentially exposed or susceptible subpopulations and storage near significant sources of drinking water), the conditions of use or significant changes in the conditions of use of the chemical substance, and the volume or significant changes in the volume of the chemical substance manufactured or processed."

The prioritization and evaluation rules are undergoing White House Office of Management and Budget (OMB) review before their final release. The third rule, the inventory update

rule, has been exempted from this review because it was deemed not significant. EPA officials say they are confident the rules will be finalized by June 22.

Source Water Protection

In comments on the draft prioritization and evaluation rules, the American Water Works Association (AWWA), which represents drinking water utilities, explains in March 13 comments the importance of protecting drinking water sources and suggests approaches EPA could take to address the proximity requirement.

“Accidental spills and releases into surface and groundwater sources are a continuing hazard for water systems. Even when water systems have access to high quality sources, chemical contamination through spill events and incremental contributions through chemical use and/or disposal place the public’s health at risk,” AWWA says. “To date, the burdens of removing harmful chemicals from drinking water rests on water utilities. Pollution prevention is a more sustainable long-term solution with a lower cost as compared to the high cost of treatment or contaminant removal.”

The group recommends that EPA use the opportunity provided by TSCA reform to “support source water protection to safeguard America’s drinking water supply.” The group urges the agency to consider defining the concept in the statute broadly, by, for example, including consideration of both groundwater and surface water sources and “the volumes of chemicals that are in transport via rail, barge and pipeline.”

AWWA also asks EPA to “consider” aquifers and water bodies that may in the future be drinking water sources, noting that “[f]resh water is an increasingly scarce resource.” The TSCA program should weigh the concerns managed through the Safe Drinking Water Act (SDWA) Underground Injection Control Program in both the prioritization and risk evaluation processes, AWWA says.

The group reminds EPA it will need to craft a way to collect information regarding chemical storage within source protection areas “to support chemical prioritization and subsequent chemical evaluation” but warns that collecting this data may be challenging. “At present consistent data is only available for petroleum products subject to risk management controls under the Clean Water Act section 311 Spill Prevention, Control, and Countermeasure (SPCC) requirements,” AWWA says.

Tier 2 reports required by the Emergency Planning and Community Right-to-Know Act (EPCRA) “may be the best available data for chemical prioritization,” the group adds. But because this data is held by states and is submitted to the state in multiple formats, aggregate analysis even at the local/regional level to support source water protection planning efforts is challenging, AWWA says.

Water Treatment

AWWA continues by recommending that EPA consider “source water protection criterion . . . throughout the risk evaluation process put forth in the proposed rule.” The group calls on EPA, among other things, to “remove chemicals in common water treatment processes from evaluation” because SDWA requirements already “assure that drinking water treatment safeguards the public from toxics.”

The group also asks that EPA “determine if there are any sampling methods available for the chemical in a water matrix. This would also include methods for remediation that could

be implemented to mitigate exposure during a potential response action. The absence of such information and methods was a significant limiting factor that impeded the timeliness of response to the Freedom Industries spill in Charleston, West Virginia [in 2014] that impacted the water supply of 300,000 residents. The risk evaluation process should take this into account when weighing the need to promulgate a risk management measure.” The National Association of Clean Water Agencies (NACWA), which represents wastewater utilities, raises similar concerns in its [March 20 comments](#) to EPA on the prioritization rule. The group suggests that EPA add to the final rule language “to address chemical risks that concern wastewater utilities. This language could be modeled on California’s Safer Consumer Product Regulations, which allows prioritization based on a chemical’s adverse effects on a utility’s effluent quality, wastewater treatment processes, and ability to reuse or recycle materials resulting from wastewater treatment, such as recycled water and biosolids. These factors could also be specifically addressed in the screening review process described in Section 702.7(c).” NACWA also encourages EPA’s toxics office to develop a process for collaborating with the agency’s water office when prioritizing chemicals.

OMB Meetings

Several stakeholders have already met with OMB staff to lay out their cases for the changes they would like to see to the rules under review, which involves interagency review as well.

Representatives of the Environmental Working Group (EWG) met with OMB staff June 7, largely to discuss points made in the group’s written comments, an EWG source says. “We’re all going to be watching very closely. We and the rest of the [non-governmental organization (NGO)] community are fairly happy with the rules as proposed. One thing we did say is that we’ll be looking closely at any changes, to see if any are significant [enough] to request re-proposal,” the source says.

The source adds that EWG is concerned specifically about changes regarding how chemicals’ conditions of use are evaluated, because of industry comments.

EWG and other NGOs consider it important that EPA consider all conditions of use in prioritization and evaluation, but many industry representatives have argued that such an all-encompassing approach is impractical and cannot be conducted in a reasonable amount of time.

Similarly, the American Chemistry Council (ACC) met with OMB June 6. “We met with OMB to reiterate points from the comments we submitted to EPA regarding its proposed rules for prioritization and risk evaluation processes under the [2016] amendments to TSCA,” an ACC spokesman says.

And the Environmental Defense Fund (EDF) met with OMB regarding the framework rules June 12. An EDF official declined to comment on the meeting. -- *Maria Hegstad* (mhegstad@iwppnews.com)

[Related News](#) | [Federal Facilities](#) | [Toxics](#) | [TSCA Tracker](#) |

202767

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Message

From: Tracy Mehan [tmehan@awwa.org]
Sent: 4/19/2017 2:52:46 PM
To: Greenwalt, Sarah [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6c13775b8f424e90802669b87b135024-Greenwalt,]
CC: Brent Fewell [brent.fewell@earthandwatergroup.com]
Subject: Invitation to Administrator Pruitt to speak to ACE '17 General Session in Philly
Attachments: Pruitt invitation.pdf

Sarah,

I am sorry that I will not be able to attend the meeting with Brent and others to visit with you in person. Happy to do so at your earliest convenience.

I did want to mention that we had sent the attached invitation of March 8th to Administrator Pruitt to speak to 11,000-12,000 AWWA members at our national meeting in Philadelphia in June. Anything you could do to encourage a positive and expeditious decision by his scheduler would be most welcome. We are beginning to publicize the June annual meeting and would love to include the Administrator in our promotion.

I think he could deliver a very positive and welcome message, say, on infrastructure finance and other matters.

Thank you for your consideration. I look forward to meeting you soon.

Tracy

G. Tracy Mehan, III
Executive Director, Government Affairs
American Water Works Association (AWWA)

Ex. 6 (direct)
(cell)
tmehan@awwa.org

Attachment

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F 202.628.2846

March 8, 2017

The Honorable Scott Pruitt
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Ave. NW
Mail Code: 1101A
Washington, DC 20460

Dear Administrator Pruitt,

The American Water Works Association (AWWA) would be honored to have you speak at the opening general session of our annual conference in Philadelphia this June. The opening session will be 8:30-10 a.m. June 12 in the Pennsylvania Convention Center. We would like for you to speak to our members for 15-20 minutes.

AWWA is the world's oldest and largest non-profit science and education association serving men and women working at drinking water utilities and related professionals across the country. Our annual conference typically attracts about 12,000 participants. You would be invited as well to visit the exhibit floor after the opening session, where manufacturers, consultants and related industries have on display the products and services that help make U.S. drinking water safe and readily available.

A key interest of our membership is water infrastructure finance, and we appreciate the words of support you have voiced in recent days for EPA programs that partner with water utilities in this area. Our annual conference extends through Wednesday and features several hundred technical sessions on drinking water treatment, finance, management and regulation. If you or your staff are interested in any of these sessions, we could talk further about this. Many of the staff in your Office of Ground Water and Drinking Water are familiar with the work of AWWA and could brief you further on who we are.

If you or your staff have any questions, please do not hesitate to contact us. Your key contact will be Tracy Mehan, AWWA Executive Director for Government Affairs, at **Ex. 6** or tmehan@awwa.org.

Sincerely,

David B. LaFrance
CEO
American Water Works Association

Message

From: Tracy Mehan [tmehan@awwa.org]
Sent: 4/18/2017 2:22:07 PM
To: Tracy Mehan [tmehan@awwa.org]
Subject: Blue Skies over Beijing
Attachments: Blue Skies over Beijing.pdf

Dear Colleague,

If you have any interest in Chinese environmental issues, you may find this review essay of mine of interest.

All the best.

Tracy

G. Tracy Mehan, III
Executive Director, Government Affairs
American Water Works Association

Ex. 6 (direct)
(cell)

Attachment

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China's New Urban Cohort

A Journey Up and Down the Kuznets Curve

By G. Tracy Mehan III

China, like the former Soviet Union, is plagued by environmental challenges experienced only by a country or society where the government technically and practically owns everything, fails to respect rights of private property, subsidizes industrial production, obliterates the distinction between regulated and regulator, and suppresses free and open elections and anything like a consistent rule of law, while harboring a brutalist view of natural resources and the environment. In such places government failure rivals market failure as the cause of many, if not most, environmental problems.

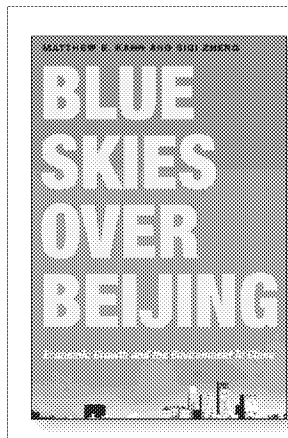
However, since its move toward economic, not political, liberalization of the economy in the 1980s, China has succeeded at least in producing wealth for its population. As described in Matthew E. Kahn and Siqi Zheng's impressive new book *Blue Skies over Beijing: Economic Growth and the Environment in China*, over the last 30 years, the nation's economy grew "at an amazing rate of 10 percent per year, and the share of people living below the poverty line fell from 84 percent to 13 percent.

"There are still hundreds of millions of poor households in rural China, but hundreds of millions have also escaped poverty," write Kahn and Zheng. "Over the last 30 years, the average life expectancy at birth has increased from 66 to 73 years."

Even with a draconian one-child policy, China's cities continue to grow massively and generate horrendous threats to human health, the environ-

ment, and the quality of life notwithstanding growing affluence for what these authors call the "new urban cohort." Upon these people Kahn and Zheng will depend for a happy ending to their story, as will be seen below.

Of course the book's title must be taken as aspirational rather than descriptive. In January 2013 particulate matter concentration in Beijing "reached levels of two, three, and even four times the public health emergency threshold of 250 micrograms per cubic meter — and up to 40 times what the World Health Organization considers a healthy level," report



Blue Skies Over Beijing: Economic Growth and the Environment in China. By Matthew E. Kahn and Siqi Zheng. Princeton University Press; 271 pages; \$32.95.

Kahn and Zheng. Also, 12 of the 20 most polluted cities in the world are in China.

China is also the world's largest emitter of greenhouse gases, with per capita GHG emissions growing by 186 percent between 1990 and 2010 versus the world's 16 percent. This represents 25 percent of the worldwide carbon dioxide pollution from fossil fuels.

57 percent of the groundwater in 198 cities was officially rated as "bad" or "extremely bad" in 2012 while more than 30 percent of China's major rivers

were found to be "polluted" or "seriously polluted." And who can forget the 16,000 dead pigs found in tributaries of Shanghai's river, the Hangpu, the source of its tapwater?

Pollution is widespread throughout China's farmland. Forty-four percent of rice samples contained poisonous levels of cadmium in Guangzhou, the capital city of Guangdong Province. According to Kahn and Zheng, "It is estimated that the country loses US\$3 billion per year to soil pollution, and that between 40 percent and 70 percent of China's soil is already contaminated with heavy metals and toxic fertilizers."

But Kahn and Zheng are optimists as well as realists and bring economists' eyes and sensibilities to the quest for environmental progress in China. Fundamentally, they are trying to provide empirical, granular evidence for the application of an economic theory heralding positive environmental change by and for 1.357 billion Chinese.

Many economists, seeing the environmental degradation and ultimate renewal of Western Europe, North America, Japan, and other countries, detect a link between economic growth and a demand for or a willingness to pay for environmental improvements, over the medium or long term, at least for some parameters. The policy scholar Steven F. Hayward offered a succinct description of the theory in a provocative essay entitled "The China Syndrome and the Environmental Kuznets Curve."

According to Hayward, the Kuznets Curve "holds that the relationship between economic growth and environmental quality is an inverted U-shape, according to which environmental conditions deteriorate during early stages of economic growth but begin to improve after a certain threshold of wealth is achieved. The original Kuznets Curve was named for Nobel laureate Simon Kuznets, who postulated in the 1950s that income inequality

first increases and then declines with economic growth. In 1991 economists Gene M. Grossman and Alan B. Krueger suggested the Kuznets Curve applied to the environment.”

Kahn and Zheng build on this hypothesis (they cite Grossman and Krueger in their notes) that suggests, again, an inverse-U association exists between per capita income and pollution: “Intuitively, this hypothesis posits that as poor cities grow wealthier, such economic growth causes environmental degradation, but that as middle-income cities grow wealthier, such economic growth contributes to environmental improvements.” They look carefully at the relationship between particulate matter air pollution and per capita income, estimating that Chinese cities whose per capita gross domestic product is greater than \$13,000 are past the turning point, so that economic growth is positively associated with improvements to the environment.

“Our city-level results suggest that 33 out of 85 cities in China (where 140 million people live) are already experiencing a lowering” of particulate matter. As incomes rise the authors expect that the number of urbanites enjoying better air quality will increase to 368 million after 2020. This is significant because of the estimated 300,000 to 500,000 premature deaths in China caused by particulate matter each year in 2003–13.

Regarding the Kuznets Curve, “This is not esoteric academic debate,” write Kahn and Zheng. The hypothesis assumes that economic growth is both a foe and a friend to the environment in that order. “The evidence we have reported in this book suggests that young Chinese people’s conception of the ‘good life’ is very similar to that of their U.S. and western European peers. Rising educational attainment and per capita income in China will stimulate an increased demand for a cleaner urban environment.”

They foresee major cities, especially

in coastal areas, continuing to “deindustrialize as improvements in transportation networks, high land prices, high wages, and increasing environmental regulation encourage dirty factories to relocate to secondary cities. This industrial migration could cause increased pollution levels in the cities where heavy manufacturing grows, but this pessimistic view implicitly assumes that the new factories opening up will be just as dirty as the old factories that are closing.”

Assuming the Kuznets Curve is a valid concept, how does a country or society translate economic growth into environmental improvements without democratic elections and the rule of law, as has been the case in most of the countries tripping along the curve over the last forty years? In some of the more interesting parts of the book, Kahn and Zheng describe the role of social media, microblogs, blogs, documentary films posted on line and, from time to time, riots and civil insurrection. They present case after case, along with the observation that the central Chinese government

seems to be tolerating more environmental activism as a means of pressuring local governments, mayors, and even state-owned enterprises to clean up their act.

Without using the term, the authors seem to argue that the current regime in China is as much concerned with its legitimacy as is any government. And no longer do they have an absolute monopoly on information as it relates to environmental spills, accidents, dead pigs, and clean air. The air monitoring station at the U.S. embassy in Beijing makes several star turns throughout the book. Evidently, the daily smog alerts are fed into the ether and picked up by cell phones, websites, and conversationalists throughout the city almost instantaneously.

There is also the question as to whether or not the Kuznets magic works for other environmental matters such as water quality, Panda habitat, massive dam building, fisheries, biodiversity, forestry, solid waste, and greenhouse gases (Hayward noted progress in some of these areas of resource management.). Nevertheless, the hypothesis seems to be plausible directionally.

Nothing is predestined in governmental policy, and the authors outline seven different kinds of evidence that, over time, might contradict their “core claim that many major cities will experience environmental improvement in the medium term,” such as the Chinese central government’s returning to a monomaniacal focus on local GDP growth or the Communist Party’s insisting on low energy prices or suppressing media coverage of environmental matters. It is disturbing to note that when citing their many interviews with Chinese citizens or local elected officials, the authors only use aliases or pseudonyms.

Matthew Kahn and Siqi Zheng provide a wealth of data, information, and analysis of the many aspects of the Chinese urban environment. They also provide a menu of market-based approaches which might help the Chinese on their journey up and down the Kuznets Curve. They offer a rich, nuanced, and sophisticated view of the current state of environmental play in China and a reasonable case for cautious optimism. American readers may recall our own history of environmental degradation when assessing the chances of success in China. See, for instance, Chapter 9 of Upton Sinclair’s *The Jungle* on the horrible state of Bubbly Creek, a tributary of the Chicago River circa 1906.

G. Tracy Mehan III is executive director for government affairs at the American Water Works Association and an adjunct professor at the Antonin Scalia School of Law, George Mason University. He may be contacted at tmehan@awwa.org.

Message

From: Mike Keegan [keegan@ruralwater.org]
Sent: 6/16/2017 6:08:01 PM
To: Greenwalt, Sarah [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6c13775b8f424e90802669b87b135024-Greenwalt,]
CC: Sam Wade [sam@nrwa.org]; matt [matt@nrwa.org]
Subject: Re: Small and rural community EPA technical assistance
Attachments: EPA on-site technical assistance letter FINAL.PDF

Hello Sarah, Attached is the Senators' letter to the Administrator that we discussed, urging him to use his discretion to help small and rural communities with EPA technical assistance. The letter clearly explains the request. Thank you again for the consideration and we are eager to answer any questions.

Mike Keegan, Analyst
National Rural Water Association
Washington, DC

On Wed, May 17, 2017 at 12:07 PM, Mike Keegan <keegan@ruralwater.org> wrote:

Sarah, Thank you for the meeting. To clarify a few of the items we discussed:

1. Small and rural communities (all regulated by the EPA under the Safe Drinking Water Act) believe that the Congressional funding for technical assistance for compliance help would be much more helpful and beneficial if EPA were to dedicate all the \$12.7 million in the FY2017 appropriations bill to the recently authorized technical assistance in the Safe Drinking Water Act (42 U.S.C.300j-1(e)), and we believe that EPA has such discretion.
2. It is my understanding the sponsors of the recently enacted legislation (PL 114-98) that authorized technical assistance support such an EPA decision and may write the Administrator requesting such a decision - something similar to this draft.
3. We believe the criteria in the authorized technical assistance (42 U.S.C.300j-1(e)) would allow for EPA to have a more objective and easier assessment of competing applicants for the funding. It would be simpler for EPA to request applicants to demonstrate to what degree does their application show "*small community water systems find [it] to be the most beneficial and effective.*" For example, see previous demonstrations of small community findings in Mississippi and Georgia.
4. And, we urge the Administrator to adopt a new initiative to increase the technical assistance support to rural and small communities by, for the first time, exploiting the 2 percent set-aside provision of the Drinking Water State Revolving Fund to dedicate upwards of \$16 million for additional "help" versus regulation for rural and small town America. Such a new initiative could come with specific and documented environmental improvements for drinking water safety or compliance.

I will also follow-up on our thoughts on the proposed revisions to the Lead and Copper Rule early next week.

Thank you again and please contact any of us if we can be of any assistance.

Mike Keegan, Analyst
National Rural Water Association
Washington, DC
IM & Cell:

United States Senate

WASHINGTON, DC 20510

June 9, 2017

The Honorable Scott Pruitt
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

Dear Administrator Pruitt:

We urge you to use your discretion to award technical assistance funding under the Environmental Protection Agency's (EPA) Environmental Protection/National Priorities provision of the fiscal year 2017 Consolidated Appropriations Act to those organizations authorized under the Grassroots Rural and Small Community Water Systems Assistance Act (PL 114-98).

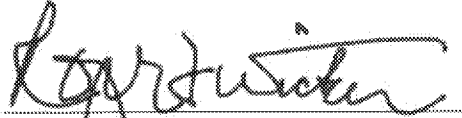
In 2011, Congress provided the EPA discretion to allocate technical assistance funding under the Safe Drinking Water and Clean Water Acts. Since that time, funding for effective, on-site technical assistance, which helps small and rural communities in our states comply with federal EPA regulations and water operator certification requirements while also allowing for the effective operation of drinking water and wastewater supplies, has been reduced significantly.

On-site technical assistance can equip small and rural communities with the resources they need to provide safe water to residents and businesses while also meeting drinking water standards. We believe this assistance is most effective when it comes from a trusted individual who is willing to travel directly to the community, has technical expertise to remedy the specific issue with existing treatment and infrastructure, and can be available on-site at any time.

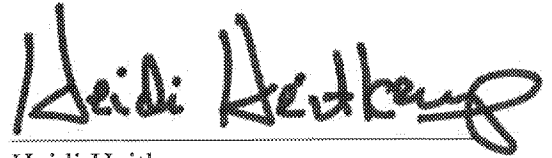
In December 2015, Congress unanimously passed and the president signed the Grassroots Rural and Small Community Water Systems Assistance Act, which directs the EPA to provide on-site technical assistance in a manner that is most effective to small and rural communities. By following the authorities under the Act, we are hopeful on-site technical assistance can be reestablished in our states and ultimately make the program more effective and easier for the EPA to implement.

Thank you for your assistance and attention to the needs of small and rural communities, and we look forward to your reply.

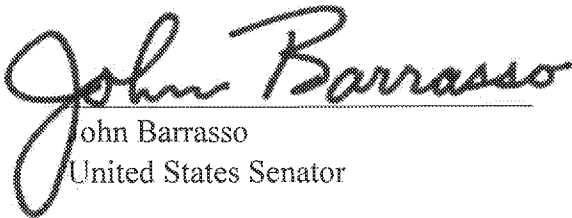
Sincerely,



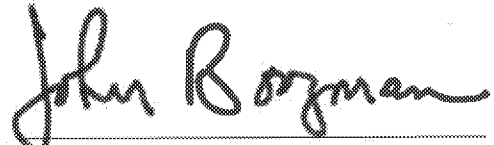
Roger F. Wicker
United States Senator



Heidi Heitkamp
United States Senator



John Barrasso
United States Senator



John Boozman
United States Senator



Mike Enzi
United States Senator



Tammy Duckworth
United States Senator

Message

From: Matthew Holmes [Matt@nrwa.org]
Sent: 5/8/2017 2:35:26 PM
To: Greenwalt, Sarah [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6c13775b8f424e90802669b87b135024-Greenwalt,]
Subject: Thanks from NRWA
Attachments: EPA Approps Request.pdf; Mike Keegan.vcf

Good morning Sarah,

Thank you and Administrator Pruitt for a great meeting last week – we appreciate the candid conversation and your willingness to listen! Our board leadership was very impressed and encouraged.

Sam and I will be in DC next week, from Monday around noon until Thursday morning. I will be attending the “Peer-to-Peer” meeting that is being held by OWM on Tuesday and Wednesday morning. We are open to meeting with you anytime, aside from Wednesday from 11:00 – 1:00pm when Sam has another commitment.

I thought I would include some follow-up information on the technical assistance grant topic that we discussed at our meeting. We are currently in final negotiations for our FY16 cooperative agreement. The Project Officer is very new – Leslie Temple. We have been working with Mike Finn in the past as the Project Officer, as well as Maria Lopez-Carbo of course. They are both supportive of our efforts, but haven’t really been open to addressing the structural problems with how the RFA is set up.

If things work as they have in the past, OGWDW will release the RFA for the new round of grants this summer. I’m sure you are aware of this, but additional information is online here: <https://www.epa.gov/dwcapacity/training-and-technical-assistance-small-systems-funding>.

I have attached our latest appropriations request fact sheet for the EPA program. This includes the language that Mike Keegan referred to in the meeting, the ***Grassroots Rural and Small Community Water Systems Assistance Act (Public Law 114-98)***. As I mentioned in the meeting, this program is essential for small water systems. When the program was eliminated in 2007 due to the new earmark rules, Rural Water delivered 15,000 letters of support to EPA to retain this program. Unfortunately, the effort was continually watered down with many different organizations providing online tools, webinars, surveys, planning efforts, etc. While this looks good on paper, it is not effective for rural and small system personnel. I know I’m not telling you anything you don’t already know!

Thank you again for what you and Administrator Pruitt are doing for this Agency. EPA has a critically important mission, and every one of our 30,000+ members recognizes this. We are long-standing partners, and we are eager to help get things back on track. My cell number is below – please feel free to call or email at any hour if we can be of help.

Sincerely,

Matt

Matthew Holmes
Deputy CEO
National Rural Water Association

Ex. 6

| www.nrwa.org

FYI – here Keegan’s contact info:



Mike Keegan
National Rural Water Associa...
Analyst

Ex. 6

Work
Mobile
keegan@ruralwater.org
101 Constitution Ave, NW
Suite 850, East
Washington, DC 20001

**NATIONAL RURAL WATER ASSOCIATION
FY2017 APPROPRIATIONS REQUEST SUMMARY**

Name of program: **EPA technical assistance competitive grant program**

Appropriations bill: Interior, Environment, and Related Agencies

Senate subcommittee chairman: Senator Lisa Murkowski

Senate subcommittee ranking member: Senator Tom Udall

House subcommittee chairman: Representative Ken Calvert

House subcommittee ranking member: Representative Betty McCollum

Agency: Environmental Protection Agency

Appropriations account: Environmental Programs and Management

Authorization: Safe Drinking Water Act (42 USC 300j-1(e))

President's budget request: \$0

Funding History

FY2012	15,000,000
FY2013	12,700,000
FY2014	12,700,000
FY2015	12,700,000
FY2016	12,700,000

FY2017 request: \$15,000,000

The National Rural Water Association requests bill language (see below) appropriating \$15 million to fund the provisions of PL 114-98, the Grassroots Rural and Small Community Water Systems Assistance Act, which continues a competitive grant program to provide rural communities with the technical assistance necessary to improve water quality and provide safe drinking water. Small and rural communities rely on local/on-site technical assistance and training for compliance with federal EPA regulations, avoiding EPA fines, and operating drinking and wastewater supplies.

Rural communities believe this is the most effective initiative to aid compliance with the Safe Drinking Water Act and the Clean Water Act. These communities want to ensure quality water and stay in compliance—this initiative provides them the technical resources to do so.

Bill Language

Provided further, That of the funds included under this heading, \$15,000,000 shall be for technical assistance as authorized by 42 U.S.C. 300j-1(e)

EPA Technical Assistance Justification: Increase from \$12,700,000 to \$15,000,000

EPA Technical Assistance Authorization: The President signed the Grassroots Rural and Small Community Water Systems Assistance Act into law (Public Law 114-98) on December 11, 2015. The House of Representatives unanimously passed the bill on November 30, 2015 and the Senate on June 9, 2015 (also unanimously).

The purpose of the Act is to require the U.S. Environmental Protection Agency (EPA) follow Congressional intent in administering directed appropriations to assist small and rural communities comply with federal environmental mandates.

The Act authorizes the EPA to provide technical assistance to small and rural communities to assist them with: (1) compliance with the myriad of federal regulations under the Safe Drinking Water Act; (2) operation and maintenance of their water utilities; and (3) public health protection through the supply of safe public drinking water.

Technical Assistance Demand: Small and rural communities often have a difficult time, due to their limited customer base and technical capacities, providing safe water and complying with federal standards. This is compounded by the fact that small and rural communities often have lower median household incomes and higher water rates compared to larger communities. As a result, the cost of compliance is often dramatically higher per household.

The vast majority of U.S. drinking water supplies are small; 94 percent of community water systems serve a population of fewer than 10,000 people. Some communities are so small they rely on volunteers to operate their drinking water supply. Small communities in violation of the federal rules are subject to \$25,000 per-day civil penalties.

We are urging Congress to fully fund the Grassroots Rural and Small Community Water Systems Assistance Act at the \$15 million authorized level in the fiscal year 2017 Interior, Environment, and Related Agencies Act.

Experience: Since 1977, NRWA has assisted small communities in providing safe drinking water and ensure they have access to the expertise and technical assistance of an experienced technician they trust to teach them how to comply in a simple and affordable manner – and similarly, how to operate and maintain their treatment system.

Currently, the small and rural communities are struggling under new federal regulations, complex funding program applications, and continuing mandatory operator training requirements. Small and rural communities need help as soon as possible.

Contact

Full Name: Mike Keegan
Last Name: Keegan
First Name: Mike
Company: National Rural Water Association

Business Address: 101 Constitution Ave, NW Suite 850, East Washington, DC 20001

Business Phone:
Mobile Phone:

E-mail: keegan@ruralwater.org

Message

From: Chris Hornback [CHornback@nacwa.org]
Sent: 5/12/2017 3:05:44 PM
To: Greenwalt, Sarah [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6c13775b8f424e90802669b87b135024-Greenwalt,]
Subject: Wastewater Blending/Bypass
Attachments: WRAP Concept Paper.pdf

Sarah – We missed you on Tuesday’s call, but understand from Byron you were pulled in another direction. Attached is a paper we shared with Byron after the call on the concept of a federally-supported water ratepayer assistance program (we mentioned this back at our first meeting).

Also, in talking with some of the water office staff, we understand that you have been hearing some about wastewater blending/bypass. We have a long history of working on this issue (I’ve personally been working on it for 15 years now) and would like to share our perspective with you if you have time/interest.

Let me know and I’ll set something up.

Have a great weekend.

-Chris

Chris Hornback | Chief Technical Officer | National Association of Clean Water Agencies (NACWA)
(O) Ex. 6 (M) Ex. 6 chornback@nacwa.org



An Evaluation of a Federal Water Ratepayers Assistance
Program

National Association of Clean Water Agencies

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AN EVALUATION OF ISSUES RELATED TO A FEDERAL LOW-INCOME WATER RATEPAYER ASSISTANCE PROGRAM

I. INTRODUCTION

This paper outlines issues for consideration by the National Association of Clean Water Agencies (NACWA) related to the creation of a program to provide federal assistance to help low-income households pay water utility bills. Such a Water Ratepayer Assistance Program (WRAP) could remove one of the greatest impediments to expanded water infrastructure investment. The analysis provides background on the issue, including a set of principles for the development of a WRAP initiative, examines a model for the creation of a WRAP, offers an initial issue advocacy campaign plan, and makes additional recommendations for action.

Current Challenge

Incentivize a financial environment that facilitates significant on-going infrastructure investment at the local level by the water utility sector through rate-setting that reflects the true cost of providing water treatment and yet remains affordable for low-income customers.

Proposed Solution

Establish a federal incentive program of assistance to low-income customers to help pay for the true cost of water treatment services, as is the case for other household essentials such as energy and food.

Background

The challenges facing the water sector are great. The Environmental Protection Agency (EPA) has estimated that the country faces a backlog of hundreds of billions of dollars in unmet water infrastructure needs. Building these projects could also create hundreds of thousands of jobs spread across every state. However, generating the necessary capital for these projects at affordable rates is becoming increasingly difficult, especially due to the burden on low-income ratepayers.

The first phase of federal support for water infrastructure in the U.S. took the form of construction grants, which in the second phase was converted into a construction loan program through the EPA's State Revolving Funds (SRFs). The WRAP initiative would add a phase-three financing tool for infrastructure centered on ratepayer assistance instead of relying on more utility debt. A ratepayer-centric approach to financing that incentivizes true-cost pricing while ensuring affordability for low-income customers will help ensure continuous investments in water treatment infrastructure by local communities, thereby creating jobs and improving quality of life opportunities for local residents.

The Trump administration has promised a trillion-dollar infrastructure initiative, including water projects, that would rely mainly on a package of tax credits to promote the necessary investment. President Trump has also called for tripling funding for the SRFs. These proposals have included a commitment to involve state and local water sector leaders in the development of a long-term plan for the use of these funds and the creation of an interagency task force as part of the planning.

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If possible, relying on an existing program as a model for WRAP is desirable since existing programs usually have addressed in practice many of the difficult questions of administration of a new initiative. In addition, familiarity with the existing program can make it easier to gain legislative acceptance of new proposals modelled after it.

Principles for a Water Rate-Payer Assistance Program

Having a set of general principles can be useful in evaluating different policy proposals. Based on input from NACWA members, the following is a set of 10 principles that can be used to help guide the creation of a federal WRAP initiative.

Low-Income Needs:

- Establish a ratepayer-centered model of financing that meets affordability needs by helping low-income customers pay for the cost of water services; and
- Design a program that properly serves all eligible populations including low-income water customers in public housing and multi-family dwellings.

Water Sector Role:

- Remove impediments to water utilities' ability to make water infrastructure investments through the rate-setting process;
- Make progress toward speeding up capital replacement cycles;
- Provide for state and local control over implementation and rate-setting;
- Encourage true-value of water pricing for the services utilities provide; and
- Do not require utilities to incur additional debt.

Economic and Administrative Considerations:

- Ensure continuous and sufficient investment in local economies thereby creating jobs and improving quality of life opportunities for local residents;
- Use a manageable administrative structure relying on or adapted from similar programs; and
- Maintain the current federal funding mechanism of the SRFs to complement WRAP.

Principal Finding

Based on these principles and other analysis this evaluation recommends using the Low-Income Home Energy Assistance Program (LIHEAP) as a model for a WRAP initiative. LIHEAP, with its long history and record of success providing assistance to low-income utility ratepayers, has a great deal of similarity to what is needed in WRAP. An outline of legislation modelled after LIHEPA is available in Appendix 1. Other possibilities as models that were also considered as part of this review included the Supplemental Nutrition Assistance Program (or SNAP, formerly known as food stamps), a revised and expanded SRF grant program, and a Treasury supported bond program similar to the Obama administration's Build America Better bonds (BABs). Additional information on SNAP and BABs is included respectively in Appendix 2 and 3 of this paper.

For various reasons, none of the other alternatives were recommended as models for WRAP. SNAP came closest to being such a model since an entitlement program that provided assistance directly to

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low-income water ratepayers in the same way that food assistance is provided could be very useful in addressing concerns about the impact of rising water utility rates on the needy. In the end, however, it was concluded that enactment of a major, new entitlement program for low-income households was not practical in the foreseeable future. Furthermore, the policy differences between food assistance and help in paying water bills made the use of SNAP as a model much more complicated than modelling after LIHEAP.

Neither a revised SRF grant program nor a new borrowing authority was recommended for this purpose either. In the end the policy preference was for a program that made the ratepayer the focus of the assistance instead of the water utility, even if the ratepayer might indirectly benefit from the assistance provided to the utility. Furthermore, regarding the possibility of a revised BABs program, the view of the water sector is that many financial options for borrowing already exist making additional borrowing authorities a low priority compared to direct rate-payer assistance where needed.

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II. LIHEAP AS A MODEL FOR WRAP

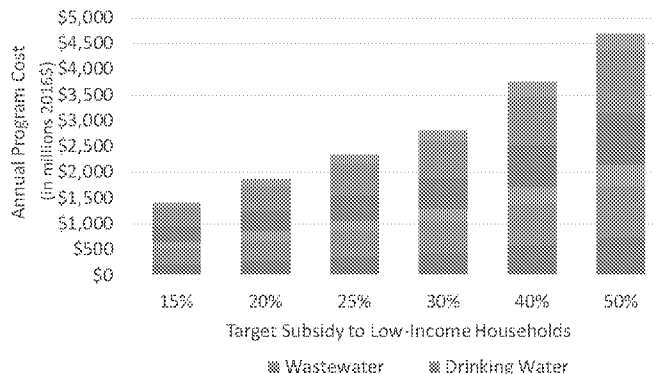
LIHEAP is a federal block grant program administered by the Department of Health and Human Services (HHS) that provides financial assistance to low and fixed-income individuals for fuel and utility bills, as well as gives support to low-cost weatherization and energy-related home repairs. Congress funds LIHEAP through the annual appropriations process.

The LIHEAP statute provides two types of program funding — regular funds and emergency contingency funds. Regular funds are allotted to states in accordance with a formula prescribed in the statute. Contingency funds can be released state by state at the discretion of the President and the Secretary of HHS in response to an emergency, such as a natural disaster or unexpected price spike, after submitting a formal budget request to Congress.

LIHEAP is administered by the states, with the states having considerable flexibility in directing program funds. In addition to this federal LIHEAP assistance, state and local governments also provide their own assistance to those in need and are joined by charitable groups funded by donations. Many utilities also provide assistance to their customers outside of LIHEAP through actions paid for by their own revenues, including offering discounts, fee waivers, arrearage forgiveness, and efficiency/weatherization programs.

If structured similarly to LIHEAP, a WRAP initiative would be funded in the range of \$1.5 billion a year to \$5.1 billion a year (the range of LIHEAP’s household energy cost assistance experience). At \$4 billion WRAP would cover 43% of the average cost of water and wastewater for all low-income households across America, although that percentage would vary considerably from state to state.

It is worth noting that Congressional funding for LIHEAP has substantially declined in recent years, falling from \$5.1 billion in FY2010 to \$3.4 billion in FY2016. Even at the higher level of funding, which assisted 8.9 million households, the money was only sufficient to serve 1 in 5 eligible Americans.



Key Features of LIHEAP:

1. States administer the program in accordance with individual state plans which must be federally approved. In administering benefits, states decide the mix and dollar range of benefits, choose how benefits are provided (e.g. either to utilities or directly to households) and decide which state agencies will administer the program.
2. Funds are allocated to states by a formula that factor in energy costs, typical weather, and the number of households in need.
3. States use the funds in several ways:

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- a. States help eligible households generally to meet heating and cooling costs;
 - b. States are also required to reserve funds to assist when households face an energy crisis (states determine the circumstances under which they will provide assistance, such as when a household is in danger of losing their heating or cooling due to problems with equipment or exhaustion of a fuel supply);
 - c. Funds may be used for low-cost weatherization projects (limited to 15% of their allotment, with waivers from HHS for up to 25%);
 - d. Funds can be used to provide services to reduce the need for energy assistance (e.g. needs assessments and counseling, limited to 5% of the allotment); and
 - e. Funds may be used for program administration, limited to 10% of the allotment.
4. Income guidelines determine household eligibility, and qualifying households receiving assistance can receive it for as long as appropriated funds are available. However, because the overall amount of money is limited, not all eligible households in fact receive funding.
 5. LIHEAP statutes establish 150% of the poverty level as the maximum income level allowed in determining LIHEAP income eligibility, except where 60% of the state median income is higher. State income eligibility criteria for LIHEAP may not be set lower than 100% of the poverty level.
 6. States have points of contacts, called community action agencies, to which potential recipients apply for funding. Applicants must provide certain documentation to qualify for benefits, including recent copies of utility bills, payroll stubs and other income documentation, and proof of residency and citizenship.
 - a. The LIHEAP statute does not impose an asset test in establishing eligibility, but states may choose to limit eligibility based on client assets.
 - b. Statute requires that states conduct outreach to eligible households, especially those with elderly individuals or individuals with disabilities.
 - c. States must also ensure that households with the lowest incomes, together with the highest home energy need in relation to income, receive the highest level of assistance.
 - d. LIHEAP acknowledges that renters, for whom energy payments may be included in their rent, differ from homeowners in this respect and requires that renters and homeowners be treated equitably.

Benefits and Limitations of LIHEAP as a Model

- *Impact* — An adequately funded WRAP based on LIHEAP would remove a serious impediment to utilities making water infrastructure investments that are both substantial and based on true cost-of-service rate making. Additional analysis will be necessary, however, to determine what specific federal guidelines should be included in any WRAP legislative to ensure this outcome.

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- *Administration* — LIHEAP is a successful program with a rationale and structure that could be logically adapted for the water sector. Energy utility bills for low-income households are similar in size to their water utility bills, and help for the latter is as reasonable as help for the former. LIHEAP has operated for decades with a tested administrative system. WRAP eligibility for recipients could mirror those for LIHEAP, and either EPA or HHS could administer it. However, some issues such as the design of the state distribution formula could not be adapted as easily and would still require additional work.
- *Budget* — The authority for WRAP could be created through the legislative process as a free-standing bill or as an amendment to laws on related subjects such as those for the SRFs. Because legislation would take the form of an authorization for an appropriation, meaning the actual level of funding would be determined through the annual appropriations process, no offsetting budget cuts or new sources of revenue would be required for enactment of the authorizing legislation. Of course, relying on annual Congressional appropriations would introduce a measure of uncertainty into the process from one year to the next.
- *Politics* — The administration’s proposals on infrastructure and increased SRF spending provide an obvious point of entry for a WRAP plan to be made part of the administration’s infrastructure policy review process.

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III. SUMMARY OF KEY CONCLUSIONS AND RECOMMENDATIONS

The following is a list of key recommendations and conclusions based on the analysis contained in this review. The key conclusions are a combination of recommended actions to be taken and suggested next steps where additional work may be needed.

- (1) The idea of a federal program designed to help low-income ratepayers pay their water bills makes sense as a way of facilitating state and local investment in the water sector, thereby reducing the nation's clean water needs while creating jobs through economic activity.
- (2) The best model to use for the design of a water ratepayer assistance program (WRAP) would be the Low Income Home Energy Assistance Program known as LIHEAP. LIHEAP is a federal program that provides financial assistance to low-income households to help them pay their energy bills, such as electric and gas utilities and home heating oil. Home energy bills are similar in size to home water and sewer charges, and for most people both are housing necessities.
- (3) Instead of Health and Human Services, it is recommended that the administrating agency for WRAP be the Environmental Protection Agency, and that WRAP be drafted as a free-standing measure that can be converted into an amendment to the existing EPA State Revolving Fund authorities. This approach keeps the measure within the jurisdiction of experts knowledgeable about the challenges of the water sector and would encourage an integrated approach to planning around a wider set of existing federal financial resources for water infrastructure.
- (4) Much of the existing LIHEAP statute could be directly adapted into a form suitable for a WRAP bill. However, because of differences between the water sector and the energy sector, there are a few outstanding issues that would require additional research or policy decisions to appropriately fill in those blanks. Although there are numerous smaller issues, the major six questions are:
 - a. Will the bill cover both wastewater and drinking water?
 - b. What federal guidelines specific to the water sector need to be included in the requirement for state plans to ensure that proper ratemaking and infrastructure investment will occur as a result of the low-income ratepayer assistance?
 - c. How will the distribution formula to allocate money among the states and other recipients be designed?
 - d. How will renters and multi-unit dwellings be dealt with effectively and equitably?
 - e. Should water efficiency measures and home repairs be encouraged as an option for states to offer low-income households?
 - f. Should incentives be included that encourage leveraging of funds from non-federal sources to provide additional assistance to low-income ratepayers?
- (5) The prospects for the enactment of WRAP legislation should be rated as plausible but difficult. Presently in Washington, the general outlook for funding for both low-income and

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environmental programs is negative. However, WRAP is in a special situation because President Trump has identified both increased infrastructure spending, including water projects, and expanded SRF money as priorities. This provides an opportunity to insert the concept of a WRAP proposal into the national debate and budget negotiations on Capitol Hill.

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Appendix 1

OUTLINE OF DRAFT WRAP LEGISLATION

Bold Language indicates more review necessary of policy issues

Italics indicate water efficiency provisions

Brackets [] indicate Win With Green annotation

Sec. 1. Title

The Water Ratepayer Assistance Program of 2017

Sec. 2. Grants

- (a) Authorization for Administrator to make grants
- (b) **Authorization for Appropriations** [amounts TBD]
- (c) Appropriations obligated in succeeding fiscal year
- (d) **Authorization for leveraging incentive program** [Are leveraging incentives desired?]
- (e) Authorization for appropriation for natural disaster or other emergency

Sec. 3. **Definitions** [Main question is whether both wastewater and drinking water are included]

- (1) Emergency
- (2) **Water Burden**
- (3) **Water Crisis**
- (4) Highest Home Water Needs
- (5) Household
- (6) **Home Water**
- (7) Natural Disaster
- (8) Poverty Level
- (9) Administrator
- (10) State
- (11) State Median Income

Sec. 4. **State Allotments**

[Much of the language in this section of LIHEAP can be transferred to WRAP but this is also the section that determines the allocation formula so more thought needs to be given to how to structure that.]

Sec. 5. Applications and Requirements

- (a) State application to receive funds
- (b) State certification

(1) Uses of funds

(A) Outreach activities

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- (B) Intervention in water crises
- (C) **Water efficiency and other home repairs**
- (D) Plan, develop and administer the program

(2) Make payments only for

- (A) Households receiving assistance from certain other programs or
- (B) Meeting certain income limits

(3) Outreach activities for eligible households

(4) Coordination with similar Federal and State programs

(5) Providing the greatest assistance to households with the greatest need

(6) Designating local administrative agency

(7) Procedures for making payments directly to water suppliers

(8) Provide assurances

- (A) That income eligible households will not be excluded and

- (B) **That owners and renters are treated equitably**

(9) Provide that not more than 10% of funds are used for planning and administration except from non-Federal sources

10) Fiscal control and fund accounting procedures

(11) Allow and cooperate with Federal investigations

(12) Public participation in plan development

(13) Administrative hearings for denied claims

(14) Data collecting and reporting

(15) **Crisis situations** [LIHEAP language requires clarification as to what is a water crisis]

(16) *Up to 5% of funds for household water efficiency*

(17) Miscellaneous Provisions — State flexibility. Prevention of fraud, waste and abuse. Administrator to provide model performance goals and measures.

(c) State Plans

(1) **State plan provided as part of application.** [Much of the LIHEAP language can be incorporated into a WRAP bill, but water-sector specific language still needs to be developed]

(2) Plans made publicly available

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(3) Model state plan format to be provided

- (d) Funds spent in accordance with plan
- (e) Financial and compliance audits
- (f) Treatment of assistance
 - (1) Assistance not considered income for State or Federal purposes
 - (2) Determining excess shelter expense deduction
- (g) State must repay funds not spent in accordance with this title
- (h) Comptroller General evaluation of State grant expenditures
- (i) Additional household eligibility specifications
- (j) The relationship to other Federal statutes of State procedures for verifying income
- (k) ***Up to 15% of funds for water efficiency/home repair or 25% of funds if waiver is provided***
- (l) **Funds may be used for State tax credits for water suppliers who provide rate discounts**

Sec. 6. Nondiscrimination Provisions

- (a) No discrimination on basis of race, color, national origin, sex, age or handicap.
- (b) In case of noncompliance the Administrator should notify the State and refer the matter to the Attorney General for possible civil action
- (c) Civil action may be brought in any appropriate U.S. district court

Sec. 7. Payments to States

- (a) Provides process for obligating an allotment in a subsequent fiscal year
- (b) **Incentive program for leveraging non-Federal resources**
- (c) ***Water Assistance Challenge Option*** [This is another innovative efficiency program that could serve as a model for the water sector]

Sec. 8. Withholding

- (a) Administrator may withhold funds if State does not comply with this title.
- (b) Administrator may investigate uses of funds

Sec. 9. Limitations on the Use of Grants

- (a) Grants may not be used to improve land or to purchase, construct or improve any facility
- (b) Up to \$300,000 may be reserved by the Administrator to provide training and technical assistance and to conduct onsite reviews of programs

Sec. 10 Studies

- (a) **The Administrator shall provide for the collection of data** [what type for water sector needs to be specified]
- (b) Annual report to Congress

Sec. 11. Repealers and other Statutory Provisions

[A review is needed of whether this new authority requires other statutory authorities to be modified or repealed]

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Appendix 2

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)

The Supplemental Nutrition Assistance Program (SNAP) is a U.S Department of Agriculture entitlement program designed to help eligible low-income households buy food. SNAP is the contemporary version of a food assistance program first created under the New Deal and was formerly known as the Food Stamp Program. This forerunner of SNAP was substantially overhauled as part of welfare reform in 1996 and renamed SNAP as part of the Food and Nutrition Act of 2008.

SNAP was reauthorized most recently in 2014 in the farm bill (P.L. 113-79), as is the historical practice for food assistance programs. In FY2016 SNAP's budget of nearly \$71 billion provided over 44 million Americans with an average of \$125.51 in food assistance every month.

ADMINISTRATION OF SNAP

The Food and Nutrition Service (FNS), an agency of the USDA, is responsible for administration of federal nutrition programs including SNAP. One of the major changes made to SNAP as part of welfare reform was its conversion into a state block grant program. This gives states considerable leeway in the administration of the program, but they still must meet certain federal guidelines to qualify for support. SNAP is typically administered by the state's social services agency, which in most cases contracts with local providers to offer services. Each state designs its own application process within federal guidelines and specifies documentation requirements regarding residency, citizenship, household status, income and other financial resources.

Generally edible foodstuffs and drinks qualify for purchase, as well as seeds or plants to grow food, but not alcohol, tobacco, or non-food household items. Payments are received through an Electronic Benefit Transfer card that works like a bank debit card. Benefit amounts account for the size of the household, the maximum benefit for the fiscal year, and the household's net income. Benefits are automatically loaded into the household's account each month on the designated date as provided in the SNAP benefit issuance schedule at <http://www.fns.usda.gov/snap/snap-monthly-benefit-issuance-schedule>.

ELIGIBILITY FOR ASSISTANCE

SNAP eligibility and benefits are calculated on a household basis. Typically, a group of people who live together and purchase and prepare meals together is considered a household, although spouses and most children under age 22 are included in the same household even if they purchase and prepare meals separately. People are not usually eligible for SNAP benefits if an institution gives them their meals, although there are exceptions for elderly or disabled persons.

Financial eligibility is determined through a categorical or a traditional eligibility path. Under *categorical eligibility* an automatic determination of eligibility is made if applicant participates in other means-tested programs such as Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF) or General Assistance (GA).

Under federal rules for *traditional eligibility*, applicant households must meet a three-fold financial test (although states have some flexibility to adjust):

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- Household gross monthly income must be at or below 130% of the poverty level;
- Household net monthly income must at or below the poverty level; and
- Asset limits are set at \$2250 per household (or \$3250 if it contains an elderly or disabled member).

Certain resources are not counted towards these asset limits such as most pensions plans, a house and lot, or in many cases a car. In addition, the resources of people who receive assistance under SSI or TANF are not counted at all. (An important exception is in California where SSI recipients are not eligible for SNAP benefits because they receive a State supplement to their SSI benefits in lieu of SNAP benefits.) Eligibility is limited to five years and requires employment seeking efforts on the part of many of the recipients.

OTHER ISSUES OF NOTE

- **The 2014 Farm Bill changed treatment of LIHEAP in the calculation of SNAP benefits.** The 2014 Farm Bill (P.L. 113-79) requires a minimum payment of LIHEAP before such assistance can impact the calculation of a household's excess shelter deduction.
- **SNAP makes grant accommodations to conduct research/studies on how to improve their program to continue to increase the number of low-income individuals who receive assistance.** <https://www.fns.usda.gov/snap/supplemental-nutrition-assistance-program-snap>
- **Food Stamp drug testing is currently impermissible as a result of restrictions written in federal law, but this could change.** Wisconsin Governor Scott Walker called on then President-Elect Trump to make changes to allow for drug testing to ensure individuals receiving government benefits and seeking employment are not abusing drugs. <http://www.wisconsinrapidtribune.com/story/news/politics/2017/01/11/official-food-stamp-drug-tests-would-violate-federal-law/96438832/>

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Appendix 3

FEDERALLY ASSISTED WATER INFRASTRUCTURE BONDS (LIWIBs)

Another tool for helping water utilities meet the needs of low-income individuals and communities could be capitalization bonds that are given special federal financial incentives. Such low-income water infrastructure bonds (LIWIBs) could be complementary to grants from a low-income household water assistance program (LIHWAP) by lowering the cost of borrowing to utilities when they make investments that provide services to low-income customers.

LIWIBs could take several forms. However, they all share the trait of being paired with a federal incentive payment, either to the issuer or the purchaser. This payment improves the appeal of the bond to investors by allowing the utility to offer the investment at a more attractive effective rate of return but at a lower cost to itself. The savings in the cost of borrowing to the utility allows it to make capital improvements with a smaller impact on rates.

Other than tax-exempt bonds, there are primarily two types of federally assisted municipal bonds: (1) tax credit bonds where the tax credit is paid directly to the purchaser; and (2) direct pay bonds where a subsidy is paid instead to the issuer. Both types of bonds were included in the stimulus bill passed in the first year of the Obama administration and were known as Build America Bonds (BABs). A proposal for LIWIBs could be modeled after BABs while being improved in key respects. In addition President Trump has committed to a major, \$1 trillion infrastructure tax credit plan, and, although the details are still forthcoming, it could offer a vehicle for some type of LIWIB.

Obama administration BABs were available for nearly two year from April 2009 until the end of 2010. The Treasury Department estimates that over \$180 billion of bonds were issued over the lifetime of the program with costs savings to state and local governments of about \$20 billion (in present value). Other federally assisted bonds for different purposes have been proposed in the past. For example, Better America Bonds to promote smart growth were included in the Clinton Administration's FY 2001 budget, although they were not enacted into law.

ADMINISTRATION OF LIWIBs

Like BABs, LIWIBs would be administered through the Department of Treasury. For **tax credit bonds**, the payment would be made through the tax code to the purchaser and would not be subject to the annual budget process. In theory the bond could either be interest-bearing or interest-free, as long as the size of the tax credit was large enough to make it appealing to investors. BABs were taxable, interest-bearing bonds with a 35 percent tax credit for the purchaser. By contrast, Clinton's Better American Bonds were interest-free with the federal government providing a tax credit against the investor's other tax liabilities. In effect Better America Bonds would have allowed states and localities to borrow for free, while the return to the investor was paid by the federal government.

With **direct payment bonds**, the Treasury payment could also be tied to the taxable interest paid on the bond, but in this case the issuer would receive the payment directly. This subsidy would lower the costs of borrowing to the bonding authority, who could offer a rate that was both affordable and competitive even though the bonds were not tax-exempt. (Direct pay BABs provided a payment equal to 35 percent of the interest that was paid on the bond.) Unfortunately, direct pay bonds can be subject to the annual appropriations process, and direct pay BABs fell victim to budget sequestration cuts starting in 2013.

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Options for a direct pay LIWIB should consider whether the payments could be authorized as a mandatory payment like Treasury bonds to avoid the uncertainty of appropriations.

The Congressional committees of authorizing jurisdiction are the Ways and Means Committee in the House and the Finance Committee in the Senate. In addition any major plan to create federally assisted bonds or other tax credits (including the Trump infrastructure proposal) would most likely have to go first through the Budget Committee and be included in a Budget Resolution and a subsequent Budget Reconciliation package. Within the executive branch, tax policy measures are usually led by Treasury with a supporting role for the Office of Management and Budget.

ELIGIBILITY FOR ASSISTANCE

Unlike assistance programs that make payments directly to the needy, the recipients of the payments under LIWIBs would be the investor or the utility. Nevertheless, the customer or ratepayer would still stand to gain financially if the savings in borrowing expenses to the utility results in lower costs to go into the rate base than would have resulted without the program.

Under BABs state and local governments could issue such bonds for any of the purposes for which they could issue a tax-exempt bond. However, LIWIBs would have to be more narrowly targeted to ensure that the federal assistance was promoting investments that would aid the individuals in greatest need. One way to do this might be to adapt criteria similar to those for Recovery Zone Economic Development bonds, also included in the stimulus act, which listed among its qualifying communities those with significant poverty, unemployment, high rate of home foreclosures, or general distress.

BENEFITS OF LIWIBS

LIWIBs would not be meant to take the place of authorizing new grant programs or entitlement payments that would go to needy customers to help them pay for the cost of water services. Instead they would be intended as a complementary policy to advance the same result. One consideration is that no new federal grant program may be large enough by itself to cover all the expenses necessary to provide water services to needy communities and some borrowing may still be required. If so, LIWIBs could offer some benefits compared to traditional tax-exempt state and local bonds.

First, the appeal of tax-exempt bonds is greatest for those classes of investors who have tax liabilities, limiting their reach. By contrast tax credit bonds would also appeal to those classes of investors with low or deferred tax liabilities, since they would both earn interest and get a federal tax credit payment whether or not they owe taxes. This expanded class brings in institutional investors, such as pension funds, greatly enlarging potential demand for the bonds and further lowering borrowing costs. Treasury estimates that the traditional tax-exempt bond market at about \$2.8 trillion, whereas the conventional taxable bond market is a much bigger \$30 trillion.

Second, because LIWIBs would not need to go to the tax-exempt market, it would take pressure off that market where other water infrastructure bonds would still need to go. This could result in additional savings in the cost of borrowing for water service ratepayers, although the benefits would be indirect.

Finally, trying to get LIWIBs into the administration's infrastructure tax credit plan could offer the best possibility in the near-term for any action on the issue. Even if LIWIBs were not included in the final plan, proposing it could get the conversation going on the need for federal assistance for this purpose.

Message

From: Tracy Mehan [tmehan@awwa.org]
Sent: 4/17/2017 3:34:04 PM
To: Tracy Mehan [tmehan@awwa.org]
Subject: A Hopeful Perspective on the Colorado River
Attachments: A HOPEFUL PERSPECTIVE ON THE COLORADO RIVER JAWWA.pdf

Dear Colleague,

Attached please find my review of *Water Is for Fighting Over-and Other Myths About Water in the West* by John Fleck. It offers an different, upbeat perspective on water management in the Colorado River basin. It appears in the April issue of Journal AWWA.

I hope you find it of interest.

Tracy Mehan

G. Tracy Mehan, III
Executive Director, Government Affairs
American Water Works Association

Ex. 6 (direct)
(cell)

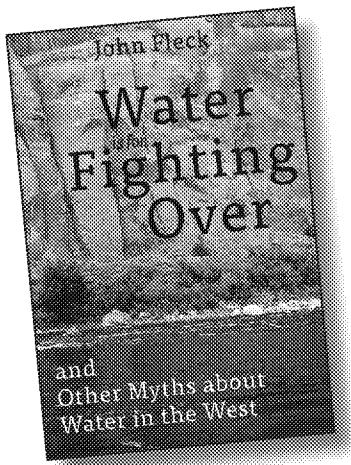
Attachment

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American Water Works Association
Dedicated to the World's Most Important Resource ®

A Hopeful Perspective on the Colorado River: Exploding Myths About Western Water

A review of *Water Is for Fighting Over—and Other Myths About Water in the West* by John Fleck.
Published in 2016 by Island Press (ISBN-13: 978-1-610-91679-0, 246 pp., \$30.00).



Among political scientists you will hear it said that no longer is governance just about government. With regard to water supply, this is particularly true in connection with the daunting challenges of both water quantity and quality offered by large-scale watershed or basin management. In a democratic society with constitutional checks and balances, not even the federal

government—surely a major player—can simply wave a magic wand and just “make it so” in terms of a desired policy or outcome.

Consider the numerous levels of government and multiplicity of societal interests, both domestic and international, with an interest in managing the waters, say, of the Chesapeake Bay, Great Lakes, Gulf of Mexico, and, most notably, the Colorado River watersheds. Stakeholders include federal, state, tribal, and municipal governments; foreign nations and their provinces or states; agricultural organizations and irrigation districts; navigation interests; drinking water and wastewater utilities; conservation and environmental organizations; and media organizations and the citizens whose opinions are, for better or worse, formed by them.

With government and civil society joined at the hip, friction and conflict are inevitable, causing many to quote a statement (incorrectly) attributed to Mark Twain: “Whiskey is for drinking, water is for fighting over.” John Fleck, a former journalist with the *Albuquerque Journal*, challenges this lazy assumption given the progress made in the Colorado River basin. He is upbeat on its prospects for overcoming future challenges of economic and population growth, variable climate, and drought. In *Water Is for Fighting Over and Other Myths About Water in the West*, he

categorically rejects the “genre of apocalyptic prophecy,” a journalistic narrative that he once embraced but has now abandoned in the face of facts, those troublesome things.

Although Fleck “grew up with the expectation of catastrophe,” the droughts of the first decades of the 21st century forced him “to grapple with a contradiction”—i.e., “people’s faucets were still running. Their farms were not drying up. No city was left abandoned.” Indeed, he found instead “a remarkable adaptability.”

“When people have less water, I realized, they use less water,” declares Fleck.

Yuma County, Ariz., used to consume 967,000 acre-ft of water in the mid-1970s, about the same quantity diverted to Los Angeles to the west. Half of the county’s farmland was planted in alfalfa or cotton, lower-value, or water-intensive crops. By the early 2010s, that acreage was nearly cut in half and the amount of water consumed dropped by nearly a third. However, total agricultural sales rose from \$900 million to \$1.2 billion in the same period.

His own town of Albuquerque “cut its per capita water use nearly in half, and the great aquifer beneath the city actually began rising as a result of a shift in supply and reduced demand.” Farmers idled fields of alfalfa and cotton, “crops that bring in low returns of each gallon of water,” and shifted to higher-valued pecan orchards.

Las Vegas, Nev., “a model of progressive water management,” saw its population grow by 34% from 2002 to 2013, while its use of Colorado River water dropped by 26%, reducing per capita water consumption by 40%.

Fleck, now a writer-in-residence and adjunct professor at the University of New Mexico, does not gloss over past conflicts, especially those between Arizona and California (do not skip the section in his book on the “Arizona Navy”), or decades of litigation and the endless posturing of politicians playing to the hometown crowd. He provides excruciating detail on the operation of the “Law of the River,” an incredible configuration of federal and state law, an interstate compact, international treaties and agreements, local irrigation rules, and court decisions spanning decades governing the basin. But in Fleck’s long view, these are epiphenomena, a distraction from the basin community’s general movement toward more water efficiency, conservation, fledgling water markets, and more inclusiveness of tribal, Mexican, and environmental interests in the overall management of the Colorado River.

Still, Fleck is not a believer in the inevitability of progress. He is a believer in the efficacy of human agency, “the network” of public and private officials who have



worked collaboratively to reconcile the inevitable tensions between the Upper and Lower Basins, as well as the region's economic and environmental interests. He embraces the teachings and research of Elinor Ostrom, the first woman to win the Nobel Prize in economics and a proponent of community-based management of common resources, a concept that offers a solution to the "tragedy of the commons" and an alternative to the strictly binary choices between government regulation or outright privatization.

Fleck believes that "place-specific solutions" and numerous informal meetings and conversations between stakeholders—"cheap talk," according to Ostrom—create movement or critical mass for broader, more formal solutions across the basin. He cites several successful examples of this "network governance" that sets the stage for traditional governance—i.e., governmental or legal solutions. The resolution of the problem of groundwater intrusion in the West Basin of Los Angeles started with a voluntary association of "forward-thinking individuals"—the West Basin Water Association.

For anyone not conversant in the history of water policy and development in the Colorado River Basin, Fleck's slim volume covers the big-ticket items from the development of the 1922 interstate compact, to Hoover Dam, Lakes Mead and Powell, the Central Arizona Project, Salton Sea environmental issues, and, of course, Las Vegas. He describes the 80-mi-long All-American Canal, a big artificial river delivering irrigation water to the Imperial Valley as "a spiderweb of some 1,600 miles of irrigation ditches." California's State Water Project, with 701 miles of pipelines and canals, 21 reservoirs, the ability to irrigate 750,000 acres of farmland, and serving 25 million people, Fleck calls "a staggering hydraulic achievement." The ancient Egyptian pyramids pale in comparison with these creations.

The Byzantine complexity of the legal and hydrological system is presented, warts and all, without succumbing to a fashionable hopelessness. On the contrary, the author believes that "the network" continues to generate the needed "social capital—the shared knowledge, understandings, norms, rules, and expectations about

patterns of interactions that groups of individuals bring to a recurrent activity,” as defined by Ostrom, to move the basin forward to even greater efficiency, conservation, and environmental justice.

Fleck opens and closes his book with the story of the despoliation and modest efforts to restore the Colorado River Delta, an area of more than 3,000 mi², now supplied by a mere trickle of water. A 1905 visitor from New York, Daniel Trembley MacDougal, found it to be a verdant jungle “sufficient to support a vast amount of native animal life.”

“The countless millions of young willows and poplar shoots supply food for the beaver, which bids well to hold out long in the impassable bayous and swamps against the trapper foe,” wrote MacDougal.

Aldo Leopold, writing in the 1920s, before the big dams were built, saw “a hundred green lagoons” teeming with life. “For the last word in procrastination, go travel with a river reluctant to lose his freedom to the sea.”

What the trappers could not accomplish, water development did. The willows, poplars, and beavers were obliterated. Its present predicament is the resultant vector of massive engineering and excessive consumption by upstream users driven, at least in part, by the “use it or lose it” principle inherent in western water law’s Prior Appropriation Doctrine (“first in time, first in right”).

Yet Fleck finds hope in the 2014 “pulse” or temporary release of more water for the benefit of the delta and the lower reaches of the river, an experiment resulting from new science on seasonal hydrologic flows; i.e., water released at the right time of year can yield extraordinary ecological benefits even with a low base flow, as well as collaborative discussions by “the network” and between the US and Mexican governments.

A new US–Mexico agreement, “Minute 319,” pledges further dialogue on letting more of the river run to the sea without being completely sucked dry.

Despite all the dire apocalyptic predictions, the American West and the Colorado River community thrive in spite of the challenges of climate, drought, and growth. So Fleck views optimism as realistic if we discard or abandon our beliefs in the inevitability of conflict and crisis. He concludes his fine book quoting a 1960 headline from the *Los Angeles Times*: “Southland’s Water Safety Margin Placed at 10 Years.” How often have we read similar headlines over the past half-century?

“It is possible to apply a simple arithmetic wave of the arm and say, for example, that we could bring the system into balance if everyone used 20 percent less water than they are consuming today,” writes Fleck. “We know from experience from Yuma to Las Vegas to Albuquerque, that such reductions are possible, that water-using communities are capable of surviving and even thriving with substantially less water than they use today. But no one will voluntarily take such a step without changes in the rules governing basin water use as a whole to ensure that everyone else shares the reductions as well—that any pain is truly shared.”

“We need new rules,” argues Fleck. “Absent that, we simply end up with a tragedy of the commons.”

John Fleck understands that “cheap talk” can be priceless and invaluable as the Colorado River community aspires to govern its commons rather than fight about it. He agrees with Winston Churchill: “To jaw-jaw is always better than to war-war.”

—G. Tracy Mehan III is executive director of government affairs at AWWA in Washington, D.C.; tmehan@awwa.org.

STANDARDS OFFICIAL NOTICE

This shall constitute official notice of the availability of the following new or revised AWWA standards.

The effective date of these standards shall be the first day of the month following notification of the availability in *Journal - American Water Works Association*. To obtain copies of these or any AWWA standards, contact the AWWA Customer Service Group at (800) 926-7337.

These standards have been designated American National Standards by the American National Standards Institute. The date of ANSI approval is shown in parentheses.

ANSI/AWWA B200-17

Standard for Sodium
Chloride
(Jan. 24, 2017)

ANSI/AWWA C224-17

Standard for
Nylon-11-Based Polyamide
Coatings and Linings for
Steel Water Pipe and Fittings
(Jan. 3, 2017)

ANSI/AWWA C602-17

Standard for
Cement–Mortar Lining
of Water Pipelines
in Place—4 In. (100 mm)
and Larger
(Jan. 24, 2017)

ANSI/AWWA G520-17

Standard for Wastewater
Collection System
Operation and
Management
(Mar. 2, 2017)



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Denver, Colorado 80235
(303) 794-7711
www.awwa.org

Message

From: Fotouhi, David [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=FEBAF0D56AAB43F8A9174B18218C1182-FOTOUHI, DA]
Sent: 5/24/2017 5:50:12 PM
To: Chris Hornback [CHornback@nacwa.org]
CC: Greenwalt, Sarah [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6c13775b8f424e90802669b87b135024-Greenwalt,]
Subject: RE: Wastewater Blending/Bypass

Thank you for your flexibility on this.

David Fotouhi

Deputy General Counsel
Office of General Counsel
U.S. Environmental Protection Agency
Tel: +1 202.564.1976
fotouhi.david@epa.gov

From: Chris Hornback [mailto:CHornback@nacwa.org]
Sent: Wednesday, May 24, 2017 1:41 PM
To: Fotouhi, David <fotouhi.david@epa.gov>
Cc: Greenwalt, Sarah <greenwalt.sarah@epa.gov>
Subject: RE: Wastewater Blending/Bypass

Sure. We'll have to keep it to 30 minutes, but that should be enough time. I'll update the calendar appt.

From: Fotouhi, David [mailto:fotouhi.david@epa.gov]
Sent: Wednesday, May 24, 2017 1:32 PM
To: Chris Hornback <CHornback@nacwa.org>
Cc: Greenwalt, Sarah <greenwalt.sarah@epa.gov>
Subject: Re: Wastewater Blending/Bypass

Chris,

Would it be possible to push our call to 4:30pm this afternoon?

Best,

David

Sent from my iPhone

On May 23, 2017, at 9:55 PM, Chris Hornback <CHornback@nacwa.org> wrote:

Yes, that should still work. I'll confirm in the morning and send around a dial in number.

Sent from my iPhone

On May 23, 2017, at 9:38 PM, Greenwalt, Sarah <greenwalt.sarah@epa.gov> wrote:

Hi Chris, sorry for the delay. Does 4pm tomorrow still work for you?

Sent from my iPad

On May 22, 2017, at 9:24 AM, Chris Hornback <CHornback@nacwa.org> wrote:

Sarah - 4pm on Wednesday would work for us. If that time is ok, I can send around a dial in.

Sent from my iPhone

On May 19, 2017, at 10:51 PM, Greenwalt, Sarah <greenwalt.sarah@epa.gov> wrote:

Chris,

I was sorry to miss the conversation. Thank you for the follow up email.

I'd be grateful to hear your perspective on blending. I'm cc'ing David Fotouhi, our Deputy General Council, who has been working with me on this issue. I have some availability next week on Wednesday after 2:30. Would you guys be available then?

Sent from my iPad

On May 12, 2017, at 11:06 AM, Chris Hornback <CHornback@nacwa.org> wrote:

Sarah – We missed you on Tuesday's call, but understand from Byron you were pulled in another direction. Attached is a paper we shared with Byron after the call on the concept of a federally-supported water ratepayer assistance program (we mentioned this back at our first meeting).

Also, in talking with some of the water office staff, we understand that you have been hearing some about wastewater blending/bypass. We have a long history of working on this issue (I've personally been working on it for 15 years now) and would like to share our perspective with you if you have time/interest.

Let me know and I'll set something up.

Have a great weekend.

-Chris

Chris Hornback | Chief Technical Officer | National
Association of Clean Water Agencies (NACWA)
(O) [Ex. 6] (M) [Ex. 6]
chornback@nacwa.org

<WRAP Concept Paper.pdf>

Message

From: Hupp, Sydney [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=D50089FF1A5B4C83BAA0160AFE2C33CB-HUPP, SYDNE]
Sent: 5/1/2017 1:58:51 PM
To: Sam Wade [sam@nrwa.org]
CC: Greenwalt, Sarah [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6c13775b8f424e90802669b87b135024-Greenwalt,]
Subject: RE: Rural Water Meeting in Tulsa

We can confirm! We have a private room at SMOKE Restaurant booked for noon on Friday. Address is 1542 E. 15th Street. The Administrator will be accompanied by a staff member, Sarah Greenwalt, who is CC'ed on this email. We are getting their flights to Tulsa booked this afternoon.

Thank you!

Sydney Hupp
Executive Scheduler
Office of the Administrator

Ex. 6 (c)

From: Sam Wade [mailto:sam@nrwa.org]
Sent: Monday, May 1, 2017 8:03 AM
To: Hupp, Sydney <hupp.sydney@epa.gov>
Subject: Rural Water Meeting in Tulsa

Good morning Sydney:

Do you think we can confirm today? I have board members who need to make plane reservations.

Have a great week and thanks - Sam

Message

From: Tracy Mehan [tmehan@awwa.org]
Sent: 6/6/2017 9:40:28 PM
To: Tracy Mehan [tmehan@awwa.org]
Subject: Programs and bios for ACE Infrastructure Finance Panels
Attachments: 5891 DC Bios ACE17.pdf

If you have time at ACE, stop by on June 13. Two panels in the AM and one in the PM.

GTM

This communication is the property of the American Water Works Association and may contain confidential or privileged information. Unauthorized use of this communication is strictly prohibited and may be unlawful. If you have received this communication in error, please immediately notify the sender by reply email and destroy all copies of the communication and any attachments.

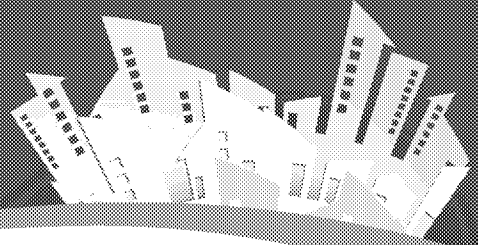
American Water Works Association
Dedicated to the World's Most Important Resource ®



ACE¹⁷
ANNUAL CONFERENCE & EXHIBITION

PENNSYLVANIA CONVENTION CENTER
PHILADELPHIA, PA

TUESDAY-JUNE 13, 2017



“Uniting the World of Water: Financing Options and Opportunities”
A Three Session Track for Water Professionals

Survey after survey of the water sector confirms that the two top concerns are aging infrastructure and how to fund capital needs. During these three Sessions experts will cover a range of topics including an examination of current financial trends, providing a perspective from the credit agencies, exploring public-private partnerships (P3s), tackling affordability issues within water utilities, and demonstrating how to successfully navigate funding for infrastructure projects.

MODERATORS, KEYNOTERS & PANELISTS

Session #1 (8:30 a.m.–10:00 a.m.)

MODERATOR

G. Tracy Mehan, III—Executive Director of Government Affairs—AWWA

G. Tracy Mehan, III is Executive Director, Government Affairs, for the American Water Works Association (AWWA). He was an independent consultant and served as Interim President of the U.S. Water Alliance and national Source Water Protection Coordinator for the U.S. Endowment for Forestry and Communities. He is also an Adjunct Professor at George Mason University School of Law and Carnegie Mellon University's Heinz College.



He was Principal with The Cadmus Group, Inc., an environmental consulting firm, from 2004 to 2014. Mehan served as Assistant Administrator for Water at the U.S.

Environmental Protection Agency from 2001-2003. He served as Environmental Stewardship Counselor to the 2004 G-8 Summit Planning Organization (2004). Mehan also served as director of the Michigan Office of the Great Lakes (1993-2001) and as Associate Deputy Administrator of EPA in 1992. He was director of the Missouri Department of Natural Resources from 1989 to 1992. Mehan is a graduate of Saint Louis University and its School of Law.

Mehan served on the Water Science and Technology Board and now the Committee on the Mississippi River and the Clean Water Act for the National Research Council of the National Academies. He was also an independent expert judge for the City Water Conservation Achievement Award program (2006 & 2011) sponsored by The U.S. Conference of Mayors and its Urban Water Council.

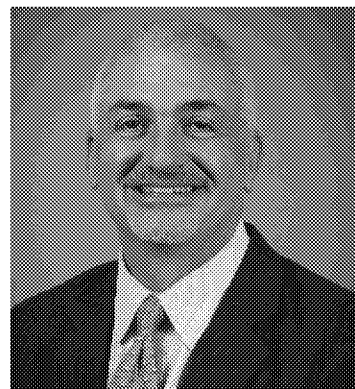
Mehan is a member of the Environmental Law Institute (ELI) and a regular book reviewer for ELI's flagship publication, *The Environmental Forum*.

Mehan serves on EPA's Environmental Financial Advisory Board as well as the boards of the U.S. Water Alliance and the Great Lakes Observing System. He is also a member of the Advisory Board of the Center for Environmental Policy, School of Public Affairs, American University and a past member of the board of the Potomac Conservancy (2006-2014).

OPENING KEYNOTER AND LEAD PANELIST

Anthony B. Bouchard, North American Unit President—CDM Smith

Anthony B. Bouchard is the North America Unit President at CDM Smith, a global engineering and construction firm, based in the firm's Chicago office. He has overall responsibility for the \$850M Unit that includes 100 offices in the US and Canada. This Unit provides the full range of services for the Water, Transportation, Industrial, Environmental, and Energy markets, including fully integrated Alternative Project Delivery.



Bouchard has 32 years of experience in the consulting industry, serving in progressive levels of management. Most recently, he was the Executive Vice President of AECOM's Americas Water business. Prior to this, he served in successive regional management roles within AECOM directing all business line activities.

Bouchard earned a BS in civil engineering from Clarkson University, an MS in environmental engineering from Loyola Marymount University, and an MBA from Pepperdine University. He is a registered professional engineer in eight states and a board certified environmental engineer in the American Academy of Environmental Engineers and Scientists. He is on the Board of Aerix Industries and is a founding member of the Clarkson University School of Engineering Dean's Leadership Council.

PANELIST

David E. Rager, Principal—Rager Management Consulting LLC and President-Elect (2017-2018), American Water Works Association

David is the Principal of Rager Management Consulting, LLC following 40 years of experience at the local government level. Prior to consulting, David was CEO of SD1, the wastewater and storm water utility for three counties of Northern Kentucky.



Prior to his position at SD1, David served for 17 years as the CEO of the Greater Cincinnati Water Works. While at Cincinnati, he worked to create a high performance organization using strategic business planning processes that included employee work teams, regular customer surveys, and focus groups for insight into service delivery.

David has served on the Board of Directors for the American Water Works Association (AWWA) in a

variety of roles. From June 2012 to June 2016, David served as AWWA Treasurer. He has also served as chair of the Water Utility Council, chair of the Board of Trustees for the Water Research Foundation, a member of the International Council, and President of the Board of Directors for the Association of Metropolitan Water Agencies. He has served on the board of the National Association of Clean Water Agencies and is a member of the Water Environment Federation.

David received his BS from University of Cincinnati and his MBA from Xavier University.

PANELIST

Alexander Seleznyov—Deal Advisory Infrastructure—KPMG LLP

Alex is an experienced consultant and manager with KPMG’s infrastructure advisory practice. For over a decade, he has consulted public sector clients in the US and around the world, specializing in infrastructure finance, public-private partnerships, and economic development. Alex



is providing advisory service for public sector clients on complex infrastructure projects across a variety of infrastructure asset classes. Alex’s work in water and wastewater sector includes advising the Baltimore Department of Public Works on alternative project delivery across their capital program and working on a range of issues with Michigan’s Office of the Great Lakes.

Prior to joining KPMG, Alex was one of the founding leaders of Deloitte’s P3 integrated market

offering, where he played a key role in developing the practice and growing the business. He started his career in economic development, serving public sector clients around the world for KPMG’s Barents Group and later BearingPoint. Alex is a FINRA licensed Investment Banking Representative (Series 79) and Uniform Securities Agent (Series 63) and completed his MBA at Georgetown University.

MODERATORS, KEYNOTERS & PANELISTS

Session #2 (10:00 a.m.–11:30 a.m.)

MODERATOR G. Tracy M. Mehan, III—Executive Director of Government Affairs— AWWA

OPENING KEYNOTER AND LEAD PANELIST

Helen Cregger, Vice President of Public Finance—Moody’s Investor Services

Helen Cregger is a vice president, senior credit officer with Moody’s Investors Service covering local government credits within California. As a senior credit officer at Moody’s, Ms. Cregger also serves on rating committees for utility, local government, states, transportation and other credits nationally. Prior to Moody’s, Ms. Cregger spent nine years as an investment banker with Piper Jaffray’s Denver office, serving state and local governments in planning and marketing their financings. Her clients included the Cities of Aurora, Littleton, Longmont, Greeley, Westminster and Steamboat, Denver Water, and Arapahoe County Water and Wastewater Authority. She also worked with the State



of Colorado for its BEST K12 capital construction program, Denver Public Schools and Pueblo 70 School Districts.

Before joining Piper Jaffray, Ms. Cregger previously spent nine years with Moody’s. In her earlier work, Ms. Cregger served as the lead analyst for issuers in states including Arizona, Colorado, Florida and New York. Her credit work and written reports included water and sewer, transportation and special districts along with state revolving loan funds as well as evaluations of lease-backed, revenue and general obligation credits for cities and school districts.

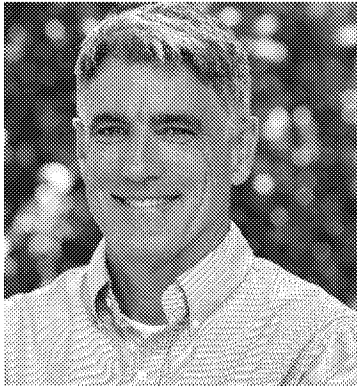
Earlier in her career, Ms. Cregger worked as an analyst with the U.S. General Accountability Office in the International Trade, Finance and Competitiveness Division.

Ms. Cregger earned a Bachelor’s degree from Northwestern University and a Master’s degree from Columbia University.

PANELIST

Jeffrey Hughes, Director-Environmental Finance Center, University of North Carolina

Jeff Hughes is a faculty member at the School of Government at the University of North Carolina at Chapel Hill and is Director of the UNC



Environmental Finance Center. He provides environmental finance research, educational programs, and advising services to local governments, non-profits, private companies, utilities, and state and federal agencies.

Jeff has extensive experience as a researcher, policy analyst, consultant, and practitioner. His current research focus areas include alternative project delivery models; capital finance strategies; service affordability, and rate setting.

Jeff is a member of the American Water Works Association and the Council of Infrastructure Financing Authorities. Prior to joining UNC, Jeff worked as an international advisor for RTI International and as the Public Works and Utility Director for Chatham County, North Carolina.

He is currently a member of the United States Environmental Protection Agency Environmental Financial Advisory Board (EFAB).

PANELIST

Daniel Sugarman, Managing Director-KWP Capital (the water arm of KKR)

Since July 2014 Mr. Sugarman has served as Managing Director for KWP Capital LLC. He led efforts to close a P3 transaction in Middletown, PA (December 2014) with private capital provided by both KKR's Infra-



structure Fund and Suez. Mr. Sugarman has over 30 years of experience in the environmental services sector and has spent the last 20 years negotiating, developing and analyzing projects for regulated utility and P3 water and wastewater opportunities. Mr. Sugarman has hands-on experience in water utility engineering, operations, finance, and business development.

Prior to joining KWP Capital, Mr. Sugarman was a Suez Water (formerly United Water) employee for over 25 years and - as Vice President of Marketing & Strategy - led the company's efforts to close a P3 transaction in the City of Bayonne, NJ with KKR as a private equity partner. Mr. Sugarman also served as a representative on a steering committee for the R+I Alliance - an entity where Suez pools resources among its subsidiaries to conduct commercially relevant research.

Mr. Sugarman holds a B.S. in Biology and B.S.M.E. (Mechanical Engineering) from Tufts University and a MBA from Columbia University's Graduate School of Business with concentrations in Finance as well as Business Economics and Public Policy.

MODERATORS, KEYNOTERS & PANELISTS

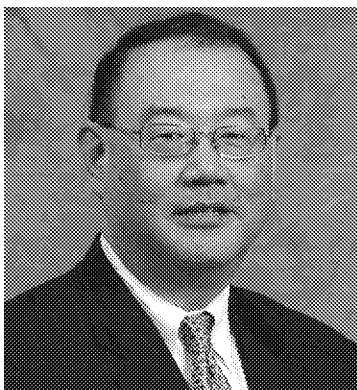
Session #3 (1:30-3:00 P.m.)

MODERATOR G. Tracy M. Mehan, III-Executive Director of Government Affairs- AWWA

OPENING KEYNOTER AND LEAD PANELIST

Thomas Liu, Managing Partner-Bank of America/Merrill Lynch

Mr. Liu is the Manager of Bank of America Merrill Lynch's Water and Wastewater/SRF Group, which is consistently top-ranked in the water/wastewater and state revolving fund ("SRF") industry. Prior to joining the firm in 2008, he served in the same role at UBS Investment Bank. For most of his 27 year career, Mr. Liu has specialized in water and wastewater financings and has served numerous municipal issuers throughout the U.S. including the City of Chicago (wastewater), DC Water, Massachusetts Water Resources Authority, Metropolitan St. Louis Sewer District, New York City Municipal Water Finance Authority, City of Philadelphia Water and the Puerto Rico Aqueduct and



Sewer Authority. Additionally, Mr. Liu is a well-recognized expert in SRF (leveraged wastewater and drinking water) financings who has specialized in this area since the inception of SRF financings and has served as senior

manager on over 189 financings totaling over \$20 billion for 24 SRF programs throughout the U.S. He has also advised water issuers on various matters including public-private partnerships, program start-ups, asset loan sales, consolidations and divestitures.

Mr. Liu has also been a featured speaker or moderator at various national and regional water conferences. He was recently named as the Interim Chairman of U.S. EPA's Environmental Financial Advisory Board and previously served as a board member to the Council of Infrastructure Financing Authorities.

Mr. Liu received his MBA from the University of Chicago Booth School of Business in Finance and Economics and his B.S. from the University of Maryland in Accounting and Economics. Additionally, he holds a Certified Public Accountant license (inactive status) as well as the NASD Series 7, 63 and 52 licenses.

PANELIST

Melissa LaBuda, Deputy Commissioner of Finance—City of Philadelphia, PA

Melissa LaBuda joined the City of Philadelphia, Water Department in October, 2013 and was appointed Deputy Commissioner in August, 2014. Melissa has overall responsibility for the Water Department's financial management including: accounting operations and financial reporting; budget formulation and execution; and financial planning.

Ms. LaBuda joined the Water Department from a global financial institution where she was an investment banker to Public Power and Combined Utility systems. Previously, Ms. LaBuda worked for Public Financial Management, Inc. (now PFM Financial Advisors LLC) as both a financial advisor and a fixed income trader.

PANELIST

Usha Sharma, Treasurer—Denver Board of Water Commissioners, Denver, CO

Usha Sharma is the Treasurer of Denver Board of Water Commissioners. In her current role she is responsible for leading Denver Water's cash operation, debt and risk management programs, as well as retirement plan.



Prior to joining Denver Water Usha spent 15 years at Molson Coors. As a Global Treasury Manager, she was responsible for its cash operation, investment strategy, debt management, and financial oversight of Pension Plan.

Usha has an undergraduate degree in Psychology and an MBA and MS in Finance from University of Colorado. She speaks frequently at industry conferences on such topics as investment

strategies for public pension plan, financial management of water utilities, and enterprise risk management.

Message

From: Chris Hornback [CHornback@nacwa.org]
Sent: 4/12/2017 8:34:21 PM
To: Greenwalt, Sarah [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6c13775b8f424e90802669b87b135024-Greenwalt,]
Subject: Automatic reply: Meeting

Thank you for your message. I am out of the office until Monday, April 17. I will be checking email only periodically during this time. Please expect a delayed response.

Chris Hornback
NACWA

Message

From: Matthew Holmes [Matt@nrwa.org]
Sent: 5/16/2017 11:36:15 AM
To: Greenwalt, Sarah [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6c13775b8f424e90802669b87b135024-Greenwalt,]
CC: Washington, Valerie [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=9d031c02ce3a416dad0d421ee998d5a3-VWASHING]; Sam Wade [sam@nrwa.org]; Mike Keegan [keegan@ruralwater.org]
Subject: Re: Thanks from NRWA

Excellent Sarah, we will be there.

Thanks,

Matthew Holmes
Deputy CEO
National Rural Water Association

Ex. 6

www.nrwa.org

On May 16, 2017, at 7:33 AM, Greenwalt, Sarah <greenwalt.sarah@epa.gov> wrote:

Matt,

Thank you for reaching out again. I'm available at 1:30 if you guys can come over then.

Valerie, please give Matt the details on our location and getting through security.

Thanks!

Sent from my iPhone

On May 8, 2017, at 11:59 AM, Matthew Holmes <Matt@nrwa.org> wrote:

Right after lunch works well for us (alternatively we could meet somewhere for lunch). Another option would be to meet at our office at 101 Constitution, you are welcome there. I will leave it to you to decide and we will make it happen.

Matt

From: Greenwalt, Sarah [<mailto:greenwalt.sarah@epa.gov>]
Sent: Monday, May 8, 2017 10:37 AM
To: Matthew Holmes <Matt@nrwa.org>
Subject: RE: Thanks from NRWA

Matt,

Thank you for following up. As of now, Tuesday afternoon (the 16th) is wide open. Please let me know what time you guys would prefer to connect.

Sarah A. Greenwalt
Senior Advisor to the Administrator
for Water and Cross-Cutting Issues

U.S. Environmental Protection Agency

Work: 202-564-1722 | Cell: Ex. 6

Greenwalt.Sarah@epa.gov

From: Matthew Holmes [<mailto:Matt@nrwa.org>]

Sent: Monday, May 8, 2017 10:35 AM

To: Greenwalt, Sarah <greenwalt.sarah@epa.gov>

Subject: Thanks from NRWA

Good morning Sarah,

Thank you and Administrator Pruitt for a great meeting last week – we appreciate the candid conversation and your willingness to listen! Our board leadership was very impressed and encouraged.

Sam and I will be in DC next week, from Monday around noon until Thursday morning. I will be attending the “Peer-to-Peer” meeting that is being held by OWM on Tuesday and Wednesday morning. We are open to meeting with you anytime, aside from Wednesday from 11:00 – 1:00pm when Sam has another commitment.

I thought I would include some follow-up information on the technical assistance grant topic that we discussed at our meeting. We are currently in final negotiations for our FY16 cooperative agreement. The Project Officer is very new – Leslie Temple. We have been working with Mike Finn in the past as the Project Officer, as well as Maria Lopez-Carbo of course. They are both supportive of our efforts, but haven’t really been open to addressing the structural problems with how the RFA is set up.

If things work as they have in the past, OGWDW will release the RFA for the new round of grants this summer. I’m sure you are aware of this, but additional information is online here: <https://www.epa.gov/dwcapacity/training-and-technical-assistance-small-systems-funding>.

I have attached our latest appropriations request fact sheet for the EPA program. This includes the language that Mike Keegan referred to in the meeting, the ***Grassroots Rural and Small Community Water Systems Assistance Act (Public Law 114-98)***. As I mentioned in the meeting, this program is essential for small water systems. When the program was eliminated in 2007 due to the new earmark rules, Rural Water delivered 15,000 letters of support to EPA to retain this program. Unfortunately, the effort was continually watered down with many different organizations providing online tools, webinars, surveys, planning efforts, etc. While this looks good on paper, it is not effective for rural and small system personnel. I know I’m not telling you anything you don’t already know!

Thank you again for what you and Administrator Pruitt are doing for this Agency. EPA has a critically important mission, and every one of our 30,000+ members recognizes this. We are long-standing partners, and we are eager to help get things back on track. My cell number is below – please feel free to call or email at any hour if we can be of help.

Sincerely,

Matt

Matthew Holmes
Deputy CEO
National Rural Water Association
Ex. 6 | www.nrwa.org

FYI – here Keegan’s contact info:

<image001.jpg>

Message

From: Greenwalt, Sarah [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=6C13775B8F424E90802669B87B135024-GREENWALT,]
Sent: 5/26/2017 3:41:31 PM
To: Mike Keegan [keegan@ruralwater.org]
CC: Sam Wade [sam@nrwa.org]; matt [matt@nrwa.org]
Subject: RE: Small and rural community EPA technical assistance

Thank you, Mike. I look forward to seeing the final.

Sarah A. Greenwalt

Senior Advisor to the Administrator
for Water and Cross-Cutting Issues

U.S. Environmental Protection Agency

Work: 202-564-1722 | Cell: Ex. 6
Greenwalt.Sarah@epa.gov

From: Mike Keegan [mailto:keegan@ruralwater.org]
Sent: Thursday, May 25, 2017 5:34 PM
To: Greenwalt, Sarah <greenwalt.sarah@epa.gov>
Cc: Sam Wade <sam@nrwa.org>; matt <matt@nrwa.org>
Subject: Re: Small and rural community EPA technical assistance

Hi Sarah, attached is the letter to the Administrator circulating in the Senate by Senators Wicker (MS) and Heitkamp (ND) urging the Administrator to adopt the policy we discussed last week. We will get the final signed version to you as soon as it is completed. We believe the leadership of the EPA authorizing and appropriations subcommittees will be cosigners.

On Wed, May 17, 2017 at 12:07 PM, Mike Keegan <keegan@ruralwater.org> wrote:

Sarah, Thank you for the meeting. To clarify a few of the items we discussed:

1. Small and rural communities (all regulated by the EPA under the Safe Drinking Water Act) believe that the Congressional funding for technical assistance for compliance help would be much more helpful and beneficial if EPA were to dedicate all the \$12.7 million in the FY2017 appropriations bill to the recently authorized technical assistance in the Safe Drinking Water Act (42 U.S.C.300j-1(e)), and we believe that EPA has such discretion.
2. It is my understanding the sponsors of the recently enacted legislation (PL 114-98) that authorized technical assistance support such an EPA decision and may write the Administrator requesting such a decision - something similar to this draft.
3. We believe the criteria in the authorized technical assistance (42 U.S.C.300j-1(e)) would allow for EPA to have a more objective and easier assessment of competing applicants for the funding. It would be simpler for EPA to request applicants to demonstrate to what degree does their application show "*small community water systems find [it] to be the most beneficial and effective.*" For example, see previous demonstrations of small community findings in Mississippi and Georgia.
4. And, we urge the Administrator to adopt a new initiative to increase the technical assistance support to rural and small communities by, for the first time, exploiting the 2 percent set-aside provision of the Drinking Water State Revolving Fund to dedicate upwards of \$16 million for additional "help" versus

regulation for rural and small town America. Such a new initiative could come with specific and documented environmental improvements for drinking water safety or compliance.

I will also follow-up on our thoughts on the proposed revisions to the Lead and Copper Rule early next week.

Thank you again and please contact any of us if we can be of any assistance.

Mike Keegan, Analyst
National Rural Water Association
Washington, DC
IM & Cell: Ex. 6

Message

From: Greenwalt, Sarah [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=6C13775B8F424E90802669B87B135024-GREENWALT,]
Sent: 4/4/2017 2:15:50 PM
To: Chris Hornback [CHornback@nacwa.org]
Subject: RE: Meeting

Sorry for the delay. Checking on this now and will get something on the calendar today.

Sarah A. Greenwalt

Senior Advisor to the Administrator
for Water and Cross-Cutting Issues

U.S. Environmental Protection Agency

Work: 202-564-1722 | Cell: Ex. 6
Greenwalt.Sarah@epa.gov

From: Chris Hornback [mailto:CHornback@nacwa.org]
Sent: Tuesday, April 4, 2017 10:11 AM
To: Greenwalt, Sarah <greenwalt.sarah@epa.gov>
Subject: RE: Meeting

Thanks Sarah. We'd like to get this nailed down as soon as possible so our members can make their travel arrangements. Several of our key staff are out of the office next week, so if we can confirm this week that would be great.

-Chris

Chris Hornback | Chief Technical Officer | National Association of Clean Water Agencies (NACWA)
(O) Ex. 6 (M) Ex. 6 | chornback@nacwa.org

From: Greenwalt, Sarah [mailto:greenwalt.sarah@epa.gov]
Sent: Monday, April 3, 2017 9:13 AM
To: Chris Hornback <CHornback@nacwa.org>
Subject: RE: Meeting

I think those dates will work nicely. My assistant will schedule something concrete and confirm.

Thanks!

Sarah A. Greenwalt

Senior Advisor to the Administrator
for Water and Cross-Cutting Issues

U.S. Environmental Protection Agency

Work: 202-564-1722 | Cell: Ex. 6
Greenwalt.Sarah@epa.gov

From: Chris Hornback [mailto:CHornback@nacwa.org]
Sent: Tuesday, March 28, 2017 2:11 PM
To: Greenwalt, Sarah <greenwalt.sarah@epa.gov>
Cc: Hupp, Sydney <hupp.sydney@epa.gov>; Brown, Byron <brown.byron@epa.gov>; Washington, Valerie <Washington.Valerie@epa.gov>
Subject: RE: Meeting

Sarah –

Thank you for getting back to us. We plan to bring a couple of our key leaders into town to meet with the Administrator, so mid-April would be the earliest we could make work. Here are some potential days/times. We would request an hour for the meeting.

April 18 – 9am, 10 am, 12pm or 1pm
April 19 – Anytime
April 20 – 9, 10, 11, 12, 1 or 2
April 21 – Anytime

Let me know if any of these times might work.

-Chris

Chris Hornback | Chief Technical Officer | National Association of Clean Water Agencies (NACWA)
(O) [Ex. 6] | (M) [Ex. 6] | chornback@nacwa.org

From: Greenwalt, Sarah [mailto:greenwalt.sarah@epa.gov]
Sent: Tuesday, March 28, 2017 10:31 AM
To: Chris Hornback <CHornback@nacwa.org>
Cc: Hupp, Sydney <hupp.sydney@epa.gov>; Brown, Byron <brown.byron@epa.gov>; Washington, Valerie <Washington.Valerie@epa.gov>
Subject: Meeting

Mr. Hornback,

Thank you for reaching out. We would be delighted to get something on the calendar. Do you have a date in mind?

Best,

Sarah A. Greenwalt

Senior Advisor to the Administrator
for Water and Cross-Cutting Issues

U.S. Environmental Protection Agency
Work: 202-564-1722 | Cell: [Ex. 6]
Greenwalt.Sarah@epa.gov

Message

From: Greenwalt, Sarah [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=6C13775B8F424E90802669B87B135024-GREENWALT,]
Sent: 5/16/2017 11:32:58 AM
To: Matthew Holmes [Matt@nrwa.org]; Washington, Valerie [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=9d031c02ce3a416dad0d421ee998d5a3-VWASHING]
Subject: Re: Thanks from NRWA

Matt,

Thank you for reaching out again. I'm available at 1:30 if you guys can come over then.

Valerie, please give Matt the details on our location and getting through security.

Thanks!

Sent from my iPhone

On May 8, 2017, at 11:59 AM, Matthew Holmes <Matt@nrwa.org> wrote:

Right after lunch works well for us (alternatively we could meet somewhere for lunch). Another option would be to meet at our office at 101 Constitution, you are welcome there. I will leave it to you to decide and we will make it happen.

Matt

From: Greenwalt, Sarah [mailto:greenwalt.sarah@epa.gov]
Sent: Monday, May 8, 2017 10:37 AM
To: Matthew Holmes <Matt@nrwa.org>
Subject: RE: Thanks from NRWA

Matt,

Thank you for following up. As of now, Tuesday afternoon (the 16th) is wide open. Please let me know what time you guys would prefer to connect.

Sarah A. Greenwalt

Senior Advisor to the Administrator
for Water and Cross-Cutting Issues

U.S. Environmental Protection Agency

Work: 202-564-1722 | Cell: Ex. 6

Greenwalt.Sarah@epa.gov

From: Matthew Holmes [mailto:Matt@nrwa.org]
Sent: Monday, May 8, 2017 10:35 AM
To: Greenwalt, Sarah <greenwalt.sarah@epa.gov>
Subject: Thanks from NRWA

Good morning Sarah,

Thank you and Administrator Pruitt for a great meeting last week – we appreciate the candid conversation and your willingness to listen! Our board leadership was very impressed and encouraged.

Sam and I will be in DC next week, from Monday around noon until Thursday morning. I will be attending the “Peer-to-Peer” meeting that is being held by OWM on Tuesday and Wednesday morning. We are open to meeting with you anytime, aside from Wednesday from 11:00 – 1:00pm when Sam has another commitment.

I thought I would include some follow-up information on the technical assistance grant topic that we discussed at our meeting. We are currently in final negotiations for our FY16 cooperative agreement. The Project Officer is very new – Leslie Temple. We have been working with Mike Finn in the past as the Project Officer, as well as Maria Lopez-Carbo of course. They are both supportive of our efforts, but haven’t really been open to addressing the structural problems with how the RFA is set up.

If things work as they have in the past, OGWDW will release the RFA for the new round of grants this summer. I’m sure you are aware of this, but additional information is online here:
<https://www.epa.gov/dwcapacity/training-and-technical-assistance-small-systems-funding>.

I have attached our latest appropriations request fact sheet for the EPA program. This includes the language that Mike Keegan referred to in the meeting, the **Grassroots Rural and Small Community Water Systems Assistance Act (Public Law 114-98)**. As I mentioned in the meeting, this program is essential for small water systems. When the program was eliminated in 2007 due to the new earmark rules, Rural Water delivered 15,000 letters of support to EPA to retain this program. Unfortunately, the effort was continually watered down with many different organizations providing online tools, webinars, surveys, planning efforts, etc. While this looks good on paper, it is not effective for rural and small system personnel. I know I’m not telling you anything you don’t already know!

Thank you again for what you and Administrator Pruitt are doing for this Agency. EPA has a critically important mission, and every one of our 30,000+ members recognizes this. We are long-standing partners, and we are eager to help get things back on track. My cell number is below – please feel free to call or email at any hour if we can be of help.

Sincerely,

Matt

Matthew Holmes
Deputy CEO
National Rural Water Association

Ex. 6 | www.nrwa.org

FYI – here Keegan’s contact info:

<image001.jpg>