RWA
Regional Water Authority
BUILDING ALLIANCES IN NORTHERN CALIFORNIA

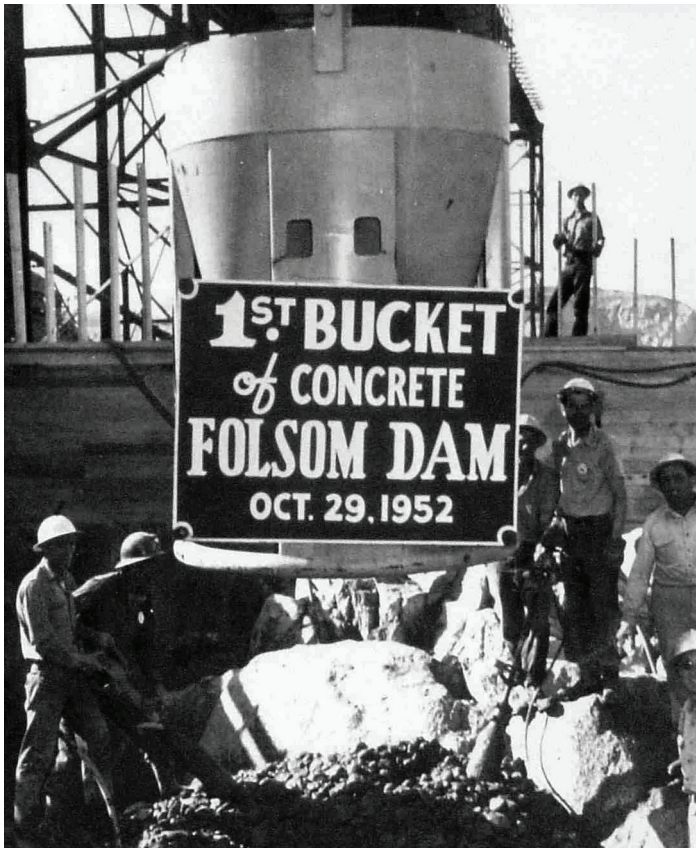




Now's the Time to Invest in Water

The need for increased investment in the infrastructure that supplies safe, clean, and reliable water has never been more critical.

Just as COVID-19 is the most severe and disruptive health crisis in generations, it is also threatening the financial stability of water suppliers providing an essential public health service. Water utilities are faced with an extraordinary combination of increasing costs to meet needs and falling revenues resulting from declining commercial use and personal financial strain on ratepayers, according to the American Water Works Association (AWWA), nationwide these unprecedented pressures are projected to cost water utilities in the range of $13 billion to $15 billion.[1]



Underfunded for Decades

The coronavirus emergency and the present threat to water suppliers follows decades of declining federal investment in the infrastructure needed for reliable water delivery to homes and businesses.

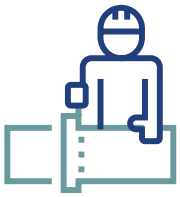
Much of the nation's water infrastructure was constructed 75 to 100 years ago and needs replacement now. According to the U.S. Environmental Protection Agency, $472.6 billion is necessary over the next 20 years to rehabilitate community drinking water systems nationwide, with California alone accounting for more than $50 billion of this need.[2] Other projections are as high as $720 billion for both water and wastewater systems, with estimates indicating as much as two-thirds of this amount currently unfunded.[3]

Climate change is expected to further strain water systems as warming temperatures and decreased snowpack cause more intense flood events and droughts, making new investment in more resilient water infrastructure even more imperative and urgent.

Consequently, it is critical to reverse the decline in federal funding for water infrastructure that has occurred over the past few decades according to the Congressional Budget Office. In 2017, the federal government spent $8 billion for water infrastructure, compared to $33 billion in spending by state and local governments.[4] COVID-19 will dramatically reduce the availability of that state and local capital funding.

The Opportunity to Create Jobs and Drive Economic Recovery

Now is the time to create jobs and opportunities for displaced workers by investing in the water infrastructure needed for the delivery and treatment of safe, clean, and reliable water supplies for the next generation.



Water sector jobs are accessible for displaced workers

- 53 percent of water workers have a high school diploma or less, compared to 32.5 percent of workers nationally.

Investment in the water sector can provide an immediate economic return

- Every $1 invested in water supply and sewer systems yields a $2.62 increase in private industry revenue in the initial year and a $6.35 increase in private sector output over the long-term.
- Every $1 million in capital spending on drinking water projects creates 15 to 18 jobs.[5]

Federal investment in economic recovery now can prevent further hardship

- Without increased federal support, up to $5 billion in annual capital expenditures are projected to be delayed or deferred by water utilities.
- Up to $32.7 billion in economic activity is projected to be reduced in affected communities due to deferred utility spending.
- Up to 90,000 private sector jobs could be lost or delayed.[6]

A Proven Return for the Sacramento Region

The Regional Water Authority (RWA) and its member agencies have a successful track record undertaking and managing projects fueled by federal funding.

After the 2013-2016 multi-year west-wide drought, the RWA helped secure and manage $10 million in grants, leveraging $26 million of investment as its member agencies broke ground on 16 projects within just six months.

Today, the RWA has identified 150 water, groundwater, recycled water, and wastewater projects that its members are ready to construct over the next year. These range in cost from hundreds of thousands to hundreds of millions of dollars, totaling $1.2 billion in vital public investment.

Projects would:

- Generate about 20,000 jobs
- Rehabilitate aging facilities and develop new infrastructure
- Implement pilot projects to demonstrate alternative "green" technologies
- Build resiliency and develop a more reliable water future for a growing Sacramento regional economy

1. Fiscal Impact of the COVID-19 Crisis on U.S. Drinking Water Utilities, American Water Works Association | 2. Drinking Water Infrastructure Needs Survey and Assessment, Sixth Report to Congress, U.S. EPA Office of Water, https://www.epa.gov/sites/production/files/2018-10/documents/corrected_sixth_drinking_water_infrastructure_needs_survey_and_assessment.pdf | 3. National Economic & Labor Impacts of the Water Utility Sector, Water Research Foundation, September 2014 | 4. Federal Investment, 1962 to 2018, Congressional Budget Office, June 2019, https://www.cbo.gov/system/files/2019-06/55375-Federal_Investment.pdf | 5. Fiscal Impact of the COVID-19 Crisis on U.S. Drinking Water Utilities, American Water Works Association | 6. Fiscal Impact of the COVID-19 Crisis on U.S. Drinking Water Utilities, American Water Works Association

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Support the Sacramento Region's Economic Recovery

Learn more at rwah2o.org or by contacting RWA Executive Director Jim Peifer at 916.967.7692.