Remarks to the Sustainable Water Infrastructure Task Force
Edward W. Wilson, 10,000 Friends of Pennsylvania
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Good evening. I'm Ed Wilson, Vice President for Policy and Research at 10,000 Friends of Pennsylvania. I'd like to thank the Task Force for giving me the opportunity to speak this evening.

As some of you know, 10,000 Friends of Pennsylvania promotes land use and development policies that help Pennsylvania strengthen its diverse communities and conserve natural resources. We support growth and development that revitalizes our cities and towns and at the same time protects our natural environment and our rural landscapes.

Over the past ten years, we've focused much of our attention on infrastructure policy, because we understand that few factors influence development patterns more than the way we invest in transportation and water-related infrastructure.

As all of you are aware, the challenge we face is not simply raising the billions of dollars needed to fix and improve our crumbling water and wastewater infrastructure. As we debate how to pay for these investments, we must also think carefully about how those investments are being made. Now that we've

woken up to our water infrastructure crisis, we have an unprecedented opportunity to rethink the policies and practices that got us into this mess.

As you consider recommendations to guide future infrastructure reinvestment policies, we urge you to keep in mind four common-sense principles:

- First, our investments should be **efficient**. That includes taking full advantage of past investments by focusing on repairing and upgrading existing infrastructure, and limiting the need for costly infrastructure extensions.
- Second, our reinvestment policies should be **equitable**. Older communities typically have the oldest infrastructure and the greatest need for upgrades, and many of them are facing expensive government mandates. These same communities typically have poorer populations and mounting fiscal problems. We should ensure that the costs of infrastructure improvements don't fall disproportionately on those least able to bear them.
- Third, our investments should be **financially sustainable**. To avert future funding crises like the one we're facing now, we must budget for the eventual replacement of worn out assets and adopt full-cost pricing policies that build future maintenance costs into current rate structures.
- And fourth, our reinvestment policies should be **environmentally sustainable**. To ensure that water remains clean and plentiful, we need to recognize that water infrastructure operates within natural

hydrological systems, and should be managed so as to respect and protect those systems.

10,000 Friends of Pennsylvania recently released a report on water supply infrastructure and its relationship to land use planning and development. The report is called *Water and Growth*, and although it focuses on the five counties of southeastern Pennsylvania, its findings are relevant to the entire state. (I have a summary version available for all of you.)

The report makes it clear that our current policies and practices don't always adhere to the four principles I just listed. In fact, our investments in water supply infrastructure have been anything but efficient, equitable and sustainable:

- During the 1990s, Southeastern Pennsylvania's population grew by just 3 percent, yet the area served by public water supply systems expanded by 23 percent. That means water supply infrastructure has been expanding nearly eight times faster than the population.
- As the public water infrastructure expands rapidly into previously undeveloped areas, it supports fewer people on more land. And low-density development patterns mean longer pipes and higher costs for building and maintaining infrastructure.
- Meanwhile, unused water capacity in older communities is going begging. Public water systems in southeastern Pennsylvania have enough unused capacity to serve more than a million new people. At a time when new water infrastructure is being built at a frenetic pace in

outlying areas, older communities are struggling to maintain aging water systems that have far more capacity then they actually need.

What accounts for this seemingly irrational pattern of investment? Our research suggests that it's largely the result of policies and institutional arrangements that encourage disjointed, uncoordinated decision-making and make it very difficult to manage water resources and infrastructure in ways that make sense. For example, Pennsylvania law delegates land use planning to local governments, but gives them little authority over the decisions of water purveyors.

Like our system of local government, our water infrastructure is highly fragmented, with responsibility divided among thousands of municipalities, municipal authorities and public utilities. This fragmentation is functional as well as geographical. Water infrastructure is governed by a complex set of laws and institutional arrangements that, for the most part, treat drinking water, wastewater, stormwater, surface water and groundwater as separate domains, none of which are well integrated with land use.

State-level policy reforms are needed to break down these silos and create incentives that encourage, rather than discourage, sound infrastructure planning and investment. We strongly support current steps toward more comprehensive approaches to water resource management, such as those contained in H.B. 2266, which would expand the current stormwater planning program to allow for the development of integrated water resource management plans.

But we recognize that, even in the absence of state legislative reforms, there's a lot communities can do to work across boundaries, both geographical and institutional, to manage water resources more efficiently and effectively.

Last week we cosponsored a conference, along with the Environmental Law Institute, on "Regional and Collaborative Approaches to Water, Sewer and Stormwater Management." The purpose of this conference was to highlight innovative ways in which local governments and authorities are working together to solve water infrastructure challenges. For example:

- We heard about the University Area Joint Authority in Centre County, which has been working with local governments and environmental organizations to come up with a plan for expanding their wastewater system in a way that is consistent with local land use planning, and also protects Spring Creek, a high quality fishery.
- We heard about a recent study in the Lehigh Valley that showed that consolidation of some 40 entities that currently provide water and wastewater services in the region could result in savings of $57 million – enough to pay for all the needed infrastructure upgrades without any rate increases.
- And we heard about regional efforts to deal with the severe infrastructure challenges in western Pennsylvania, such as
    - 3 Rivers Wet Weather, which is advancing inter-municipal partnerships for cost-effective solutions to sewer and stormwater problems;

- And the Regional Water Management Task Force, which has recommended the creation a new organization that would provide planning services and technical assistance to communities throughout the region to help them deal with water infrastructure challenges.

What we learned from this conference has reinforced our conviction that comprehensive solutions to our water infrastructure challenges – solutions that are efficient, equitable, and financially and environmentally sustainable – require overcoming our highly fragmented system for managing water resources. All around Pennsylvania, communities are already working together voluntarily to develop more coordinated approaches to water infrastructure management.

But they need help. In addition to money to pay for infrastructure improvements, our communities need resources, incentives, and technical assistance to help them work together across geographical and institutional boundaries so they can manage their water infrastructure in ways that make sense. We hope you'll consider the importance of inter-municipal and inter-agency coordination as you develop your recommendations.