

Recovering Stronger: State Innovations Building a One Water Recovery

Overview

In the beginning of 2021, the US Water Alliance launched a new initiative, <u>Recovering Stronger</u>, which seeks to address the structural problems that have led to decades of sub-optimal and inequitable outcomes in water. The Alliance believes that this time of great change comes with the opportunity to recover stronger from COVID-19 and the ensuing economic downturn.

As a part of this initiative, the Alliance set out to identify the state-level roles, policies, and projects lighting the ways the water sector can recover stronger. Through the <u>State Innovations Project</u>, the Alliance hosted six regional Listening Sessions and convened One Water leaders across the nation to learn about what policies and programs are giving changemakers hope in this moment of deep disruption and nascent transformation. Participants spotlighted existing policies and programs in their city, state, or region and shared new ideas and considerations to rethink water at this moment.

This summary document serves to spotlight key themes that resonate across regions as One Water leaders described what elements are critical to recovering stronger in a sustainable and equitable way. This information was gathered from listening deeply to our network through the regional Listening Sessions, as well as through an online survey. A more extensive compilation of policy and program examples can be found by topic and geography in the Alliance's complementary online <u>Knowledge Map</u>. State policymakers, staff, and One Water champions can use these ideas and examples as they work to address the challenges presented by the pandemic and by the structural inequities and flaws the sector faces.

Other key components of Recovering Stronger are the Alliance's Federal Policy Blueprint and five innovation pilots. The <u>Federal Policy Blueprint</u> outlines a policy agenda for the 117th Congress and the Biden Administration and showcases the water sector's best legislative, regulatory, and administrative policy ideas. The five innovation pilot projects address water access, affordability, utility collaboration and consolidation, scaling smart water, and using water as a pathway to address climate change.

ACKNOWLEDGEMENTS

Many thanks to Joya Banerjee, Senior Fellow at the US Water Alliance, for her leadership of the Recovering Stronger State Innovations Project. The Alliance also thanks Scott Berry, Sarah Huckins, Linda Le, Jessica Norriss, Emily Simonson, and Renée Willette for their work on this project. Support for this report was provided by the Robert Wood Johnson Foundation and the Water Table. Views expressed here are those of the authors and do not reflect the policy or positions of the Robert Wood Johnson Foundation and/or the Water Table.

The Alliance is deeply appreciative of all who participated in the State Innovations Regional Listening Sessions, completed the State Innovations survey, or provided other feedback. These contributions made this work possible from design to resulting deliverables and momentum.

Special gratitude goes to those who served as regional advisors, listed below, for sharing their time and expertise in developing the six regional State Innovations Listening Sessions.

- Cathy Bailey, Executive Director, Greater Cincinnati Water Works
- Colette Pichon Battle, Executive Director, Gulf Coast Center for Law and Policy
- Tad Bohannon, CEO, Central Arkansas Water
- Bevin Buchheister, Senior Policy Analyst, National Governors Association
- Elizabeth Cisar, Co-Director, Environment Program, The Joyce Foundation
- Clay Duffie, General Manager, Mount Pleasant Water Works

- Todd Gartner, Senior Associate & Natural Infrastructure for Water Manager, World Resources Institute
- Todd Hill, Deputy Commissioner, Atlanta Department of Watershed Management
- Jim Holoway, Director, Babbitt Center for Land and Water Policy, Lincoln Institute of Land Policy
- Kira Jacobs, Source Water Protection Specialist, EPA Region 1
- John Kmiec, Interim Director, Tucson Water
- Andrew Lee, Deputy Director of Drainage and Wastewater, Seattle Public Utilities
- Jim Lochhead, CEO & Manager, Denver Water
- Oluwole "OJ" McFoy, General Manager, Buffalo Sewer Authority
- Erik Meyers, Vice President, Climate and Water Sustainability, The Conservation Fund
- Rebecca Morley, Founder and CEO, Rebecca Morley Consulting
- Jonathan Nelson, Policy Director, Community Water Center
- Nathan Ohle, CEO, Rural Community Assistance Partnership (RCAP)
- Karyn Riley, Intergovernmental Relations Director, Washington Suburban Sanitary Commission (WSSC Water)
- Kyle Rorah, Director of Public Policy, Ducks Unlimited
- Pamela Russo, Senior Program Officer, Robert Wood Johnson Foundation
- John Linc Stine, Executive Director, Freshwater
- Leisa Thompson, General Manager, Metropolitan Council
- Jennifer Walker, Deputy Director, Texas Coast and Water Program, National Wildlife Federation
- Joe Whitworth, President, The Freshwater Trust
- Roger Wolf, Director of Innovation & Integrated Solutions Center for Conservation and Cropping Systems, Iowa Soybean Association

INTRODUCTION

The US Water Alliance began the State Innovations Project in the middle of the COVID-19 pandemic and found each region across the nation grappling with multiple challenges. States and municipalities are faced with an unprecedented public health crisis—a crisis putting deep systemic inequities into sharp relief. Meanwhile, several severe weather events were endured across the US, made more intense and frequent by climate change, threatening lives and livelihoods and putting additional stress on resources and systems. Each of these challenges—the pandemic and new economic reality, inequity, and climate stress-manifest in water.

Leaders are under immense pressure to help the nation recover. The challenges facing the nation also spotlight the critical importance of sustainable and resilient water systems—for washing hands, for protecting communities from wildfires, for addressing rising floodwaters, or adapting to dwindling aquifers. Water is becoming an increasingly visible issue both at the state and national level.

From local to state to federal levels, leaders are rising to these challenges and imagining new ways forward. During lockdowns, water professionals across the country put in heroic, unprecedented effort to keep essential public health infrastructure and systems running under immense financial pressures, and at significant risk to their individual health and safety. For the first time in history, the federal government provided billions of dollars in water utility bill assistance. After decades of disinvestment, the water sector is seeing renewed federal appetite to partner on water. Water infrastructure investment is featured in the 2021 Consolidated Appropriations Act, the

<u>American Rescue Plan Act of 2021</u>, and is also a central element of ongoing bipartisan infrastructure negotiations.

These historic investments represent an incredible opportunity for the water sector. At the same time, state and local leaders in each of the six regional Listening Sessions expressed overwhelm from the toll that managing compounding crises has taken, and from the prospect of navigating the barriers to accessing new funding. Federal funding travels a long, complex route to reach those on the ground. Listening Session participants expressed desire for more guidance on accessing funds and navigating different sources of funding. Under-resourced communities require support to translate new federal funding into real projects in their regions. Many utilities have limited capacity to apply for funding or to get bill assistance dollars out to customers. While the federal investments are promising, lawmakers need to provide additional resources for capacity building as state and local leaders seek to access and leverage federal funds—especially if these investments have a chance of addressing historic inequities.

Despite complexities, state and local leaders see the opportunity and are working to seize it to emerge better prepared and more resilient to future crises. Taking a One Water approach to address these challenges is critical to a strong recovery and lasting change. Characteristics of <u>One</u> <u>Water</u>—such as working across water silos, taking a whole of government approach, systems thinking, and a focus on achieving multiple benefits—surfaced in every Listening Session and nearly every promising policy or program cited in this process.

ONE WATER RECOVERY IN THE STATES

One Water leaders from across the country affirmed that with increased federal investment in water infrastructure and a climate "<u>code red for humanity</u>," the nation has a once-in-a-generation opportunity to build a more equitable and resilient water future.

Stakeholders across sectors and across levels of government need to collaborate for this change to be durable and meaningful. State policymakers can optimize the funding allocated to their states from federal pandemic relief and infrastructure legislation, especially by prioritizing grants over loans. Utilities and local governments can work collaboratively to rethink how they design and deliver infrastructure projects. Advocates can bring community voices to the table, encourage state and local partners to take bold action, and facilitate work across silos. Everyone has a part to play as states look to leverage this time of transition to advance a sustainable water future.

Over the course of six regional Listening Sessions, individuals from across the US Water Alliance network called out key elements necessary to successfully recover stronger and address deeply rooted water challenges. State policymakers in particular have the power and opportunity to establish targets and goals, create enabling conditions, and optimize funding and finance. In this moment of opportunity, state leaders should:

- Distribute resources efficiently and effectively, with a focus on underserved communities
- 2. Build trust with local communities and strengthen cultural competency
- 3. Ensure policies and programs address the intersection of water, climate, equity, and jobs
- Incorporate digital technology, lived experience, and traditional knowledge into programs
- 5. Adopt a whole government approach to policy and programs

The Alliance has plotted each of these examples, and many more, in an accompanying interactive <u>Recovering</u> <u>Stronger Knowledge Map</u>. The Alliance created this Knowledge Map to share the programs and policies highlighted by water leaders across the country. Leaders can use this tool to learn about policies and programs and connect with each other so that individual projects contribute insights and inspiration.

In Listening Session discussions of how to build a One Water future, participants lifted up strategies for recovering stronger and examples of success. To read more about each regional Listening Session, the six recaps are available to read on the <u>Recovering Stronger State Innovations</u> page.

This summary report outlines some suggestions for each of these strategies and offers some illustrative examples. These strategies and illustrative examples cut across the multiple areas of One Water work and are offered as recommendations for approaching recovery efforts broadly. 1. Distribute resources efficiently and effectively, with a focus on underserved communities. Listening Session participants agreed that despite the sense of urgency to take advantage of federal funding, time must be taken to disperse funds in an equitable way. Participants acknowledged that many water challenges are symptoms of wealth and capacity inequities and called for funding allocations to prioritize historically marginalized and underserved communities.

STRATEGIES:

1.1. Prioritize grants over loans. This has the benefit of getting funding to communities quickly, creating jobs and making near-term improvements to water systems, while also building capacity for future funding.

1.2. Develop shared, clear outcomes; promote community-centered decision making; and transparently monitor progress. New policies and programs need to be designed with, rather than for, communities, and recovery will not be successful without transparency and clarity about the efforts being undertaken.

1.3. Encourage partnerships and build capacity to navigate funding programs within underserved communities. Many underserved communities do not have the resources to navigate the complexity of competitive infrastructure programs. Without sufficient capacity, programs will continue to benefit communities and stakeholders with greater access to predevelopment funds.

EXAMPLES:

A stormwater program in Los Angeles County establishes <u>watershed committees</u> to review proposed projects and develop an annual investment plan and includes funding for community-level coordination capacity; the project also transparently monitors progress. Read the case study <u>here</u>.

The Project Readiness Bridge Loan

<u>Program</u> finances design, engineering, preconstruction, and advisory services needed for communities to demonstrate eligibility for longer-term funding for water infrastructure projects.

The Farmers Conservation Alliance (FCA) leads the Irrigation Modernization Program, which provides agricultural, environmental, and community benefits. FCA leverages funding from government and other sources to more efficiently move irrigation districts from concept to installed projects on the ground. Read the case study <u>here</u>.

In Virginia, Alexandria Renew Enterprises (AlexRenew) received a <u>\$321 million Water</u> <u>Infrastructure Finance and Innovation Act</u> (<u>WIFIA</u>) <u>loan</u> for the RiverRenew Tunnel System project. Remaining funds for the project will come from a Virginia Clean Water State Revolving Fund loan, state grants, and cash contributions from AlexRenew.

2. Build trust with local communities and strengthen cultural competency.

Participants agreed that driving strong relationships between partners is crucial to strong recovery—purely transactional interactions will not be successful.

STRATEGIES:

2.1. Broker solutions between local communities and federal agencies. States can be essential brokers and help move regulatory stalemates forward, and they can work with the regulated community to create space for trust and collaboration. This trust can help to advance or accelerate impact.

2.2. Build competency in understanding and navigating issues around diversity, equity, and inclusion. Training, especially training that is designed and led by tribal nations or members of the community in question, can help build a foundation for authentic and respectful relationships between state agencies, American Indian tribes, and other underserved groups.

2.3. Prioritize transparency and

community engagement. Listening Session participants relayed that providing information about water can be helpful, but only if the information comes from a trusted source. Learning and leveraging what sources are trusted by constituents can promote ease of access to information is essential to successful communication.

EXAMPLES:

The Iowa <u>Soil and Water Outcomes Fund</u> is a partnership to improve water quality outcomes and create new revenue for farmers--all while providing regulatory certainty. This incentive-based approach allows for flexibility across landscapes and years; it also honors the knowledge, contributions, and practices developed by those on the ground. Read the case study here.

The State of Ohio helped to broker an agreement with the Northeast Ohio Regional Sewer District and US EPA to develop <u>Project Clean Lake</u>, which responds to a <u>consent decree</u> with \$3 billion of investments that will reduce the amount of pollution entering Lake Erie.

Minnesota Governor Walz issued <u>Executive</u> <u>Order 19-24</u> which calls for all state agencies to consult with each Minnesota Tribal Nation to identify priority issues. The Executive Order also institutes the <u>Tribal</u> <u>State Relations Training Program</u>. The Tribal-State Advisory Group on American Indian Training and Consultation, which includes members of Mille Lacs Band of Ojibwe and White Earth Nation, leads the implementation of the program.

The Ohio Agriculture Conservation Initiative (OACI) developed a voluntary certification program for farmers implementing best management practices. OACI is a collaborative effort among agricultural, environmental, and academic stakeholders that allows a diverse group of partners to collect data and learn what practices and tools are most successful, which benefits both the state and growers.

3. Ensure policies and programs address the intersection of water, climate, equity, and jobs. Water is an effective way to connect goals around climate change, equity, and economic recovery, as it can often unite interests that are typically at odds and deliver meaningful benefits.

STRATEGIES:

3.1. Focus attention on water, climate, equity, and jobs within the state

government. By addressing these topics collectively across policies and programs, One Water leaders can achieve multiple benefits at an accelerated pace and scale.

3.2. Support climate planning at a local scale. Community-led projects are vital to regional strategies to address water, climate, equity, and jobs. States can support regional plans and community projects with policy guidance, shared services, and grant funding.

3.3. Diversify and expand the water

workforce. Water workers lack age, gender, and racial diversity as compared to other occupations; creating the work environment and conditions for younger, more diverse talent can help create economic opportunity and improve water outcomes.

EXAMPLES:

In New Jersey, Executive Order

221 establishes the Office of Climate Action and the Green Economy, which emphasizes the need to transition to a just green economy. The Executive Order highlights water infrastructure and system operations as key opportunities to create green jobs and states that strategies need to prioritize "equity, diversity, inclusion, and environmental and economic justice."

Rhode Island Governor Daniel McKee signed into law the 2021 Act on Climate (<u>S0078</u>, <u>H5445</u>), which calls for the creation of an executive climate change coordinating council and directs state agencies to assess the vulnerability of infrastructure and natural systems, including wastewater and drinking water treatment facilities as well as coastal habitats.

The Massachusetts <u>Municipal Vulnerability</u> <u>Preparedness</u> (MVP) grant program provides communities with funding to complete vulnerability assessments and develop resiliency plans. Communities that complete the MVP program by developing assessments or plans then become eligible for <u>MVP Action grant funding</u>. MVP Action grant projects must incorporate <u>nine core</u> <u>principles</u>, including employing naturebased solutions and increasing equitable outcomes.

The Texas Commission on Environmental Quality (TCEQ) offers a <u>Transitions Hiring</u> <u>Program</u> and seeks to connect recent graduates with TCEQ entry-level jobs. The program specifically targets candidates who have a bachelor's degree but who haven't yet accrued significant work experience.

4. Incorporate digital technology, lived experience, and traditional knowledge into programs. Recovery efforts can greatly benefit from new digital tools, but also with knowledge that comes from lived experience and indigenous knowledge.

STRATEGIES:

4.1. Incorporate lived experience and traditional knowledge into planning and

projects. Long-time residents of communities have insights into how their communities have changed in the aftermath of droughts, fires, floods, land loss, and other events. Capturing and using this information improves data-driven decision making by taking a step toward addressing the complex nature of resilience and what it means to different communities.

4.2. Use advances in digital tools and technology to improve planning and

programs. Advances in research and technology create opportunities to make expensive, hard-to-access data available to the broader water community. This ultimately builds trust and agreement around information, creates cost savings, and can help improve decision making.

EXAMPLES:

States across the west, including Nevada, Oregon, Arizona, and California, are working with a new web application called <u>OpenET</u> to enable western U.S. farmers and water managers to accurately track water consumption by crops and other vegetation using data from satellites and weather stations. <u>The Water Institute of the Gulf</u> developed a <u>community-informed framework for</u> <u>quantifying risk and resilience</u>. The framework incorporates qualitative local knowledge into quantitative coastal risk data and incorporates a racial equity lens in the analysis. Read the case study <u>here</u>.

The New Mexico Acequia Association's <u>Los</u> <u>Sembradores Farming Training Project</u> works to build a new generation of farmers. The training project teaches young farmers modern farming techniques as well as traditional irrigation techniques and ancestral farming methods. Read the case study <u>here</u>.

Louisville Water and Louisville Metropolitan Sewer District (MSD) are partnering with PromisePay, a technology firm specializing in payment and affordability solutions for utilities and government agencies. PromisePay plans allow individuals to enroll easily and manage their plans online while protecting accounts from late fees and possible shut off. In partnership with PromisePay, Louisville Water and Louisville MSD upgraded their <u>assistance programs</u>. Read the case study <u>here</u>.

Jersey WaterCheck, created by Jersey Water Works, is an open-source, digital tool that organizes water data and allows residents to learn more about their water systems. The platform helps customers, but utilities and regulators can also use it. For example, the tool includes digitized maps of service areas and census tract data, which can help identify locations with affordability challenges. Read the case study <u>here</u>.

5. Adopt a whole government approach to

policy and programs. As stakeholders strategize how to take advantage of the historic funding, partnerships across sectors and levels of government will be essential. Understanding partners' strengths and leveraging complementary skills is incredibly valuable, especially when working with limited financial resources.

STRATEGIES:

5.1. Reduce friction and inefficiencies between existing fragmented programs.

Laws around projects and funding are well intended, but often lead to complex and overlapping processes administered by multiple agencies. This results in smaller action, slow pace, and greater expense. By working together to identify efficiencies, the state can help to accelerate progress, reduce the administrative burden on communities, and still achieve the desired impact.

5.2. Collaborate across agencies and boundaries when developing new

programs. Addressing complex challenges like forever chemicals will require ongoing collaboration across the state. Setting the precedent for collaboration early on helps to build the habits and norms for future collaboration.

EXAMPLES:

California organized a multi-agency process called <u>Cutting the Green Tape</u> to help communities navigate bureaucracy, identify regulatory efficiencies, and accelerate restoration projects. The initiative was informed by a <u>collaborative process</u> led by the California Landscape Stewardship Network.

Washington, Oregon, and California are all states that offer <u>broad-based categorical</u> <u>eligibility</u> (BBCE), a policy in which households may become eligible for Supplemental Nutrition Assistance Program (SNAP) because they qualify for other assistance programs including water utility bill assistance. BBCE lowers administrative burdens on those already grappling with the burden of affording the basics.

In response to concerns about forever chemicals, Wisconsin called for a multiagency <u>PFAS Action Plan</u>. Nearly 20 state agencies, an advisory group, and the public via public meeting, participated in the creation of the plan.

The Kentucky State Legislature passed a bill allowing utilities to own infrastructure assets outside of their chartered borders. Under the legislation, Louisville Metropolitan Sewer District has been able to advance a <u>Regionalization Initiative</u> and operate systems in Bullitt County, the City of Crestwood, and Oldham County.

ABOUT THE US WATER ALLIANCE

The US Water Alliance advances policies and programs to secure a sustainable water future for all. Our membership includes water providers, public officials, business leaders, agricultural interests, environmental organizations, community leaders, policy organizations, and more. A nationally recognized nonprofit organization, the US Water Alliance brings together diverse interests to identify and advance common-ground, achievable solutions to our nation's most pressing water challenges. We:

Educate the nation about the true value of water and the need for investment in water

systems. Our innovative approaches to building public and political will, best-in class communications tools, high-impact events, media coverage, and publications are educating and inspiring the nation about how water is essential and in need of investment.

Accelerate the adoption of One Water policies and programs that effectively manage water resources and advance a better quality of life

for all. As an honest broker and action catalyst, we convene diverse interests to identify and advance practical, achievable solutions to our nation's most pressing water challenges. We do this through our strategic initiatives and One Water Hub, which offer high-quality opportunities for knowledge building and peer exchange. We develop forward-looking and inclusive water policies and programs, and we build coalitions that will change the face of water management for decades to come.

Celebrate what works in innovative water

management. We shine a light on groundbreaking work through storytelling, analysis of successful approaches, and special recognition programs that demonstrate how water leaders are building stronger communities and a stronger America.



One Water, One Future.

www.uswateralliance.org @USWaterAlliance

©2021 US Water Alliance. All rights reserved.