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November 9, 2020

Dear President-Elect Biden:

On behalf of the members of the WateReuse Association, congratulations on winning the election for President of the United States.

The WateReuse Association is the nation's only trade association dedicated to advancing laws, policy, funding, and public acceptance of recycled water. WateReuse represents a coalition of utilities that recycle water, businesses that support recycled water projects, and users of recycled water. The fundamental principle of water reuse is using the right water for the right purpose, everywhere and all the time. By advancing water reuse, we help communities build resilience to drought, flooding, and other impacts of climate change.

Since its founding in 1990, WateReuse has advocated for policies, laws and funding at the state and federal level to increase the practice of recycling water. Our national office leads advocacy efforts with the U.S. Congress and federal agencies, including the Bureau of Reclamation, the U.S. Department of Agriculture, and the U.S. Environmental Protection Agency. Our state and regional sections work with state lawmakers and regulatory agencies to advance state policies on water reuse.

In the face of a changing climate and growing water quality and quantity challenges, water reuse creates a drought-proof water source, keeps nutrients out of our waterways, and relieves overburdened combined sewer-stormwater management systems. Quite simply, water reuse is an essential strategy for building resilient communities and businesses in the face of climate change.

The following pages include five key proposals for actions that the Biden Administration can take to support and advance water recycling across the country within the first 100 days and first year of taking office. Many of these actions can be carried out under existing authorities, and do not need additional congressional action. Thank you for your consideration of these proposals. We look forward to working with you and your Administration in the years ahead. Should you have questions, please reach out to the WateReuse Association's Policy Director, Greg Fogel, at gfogel@watereuse.org.

Sincerely,

Patricia Sinicropi
Executive Director

**PRESIDENTIAL TRANSITION BRIEF
ON WATER REUSE PRIORITIES
FOR ADMINISTRATIVE ACTION**

November 2020



Introduction

Water reuse, also known as water recycling, is the process of intentionally capturing wastewater, stormwater, saltwater or graywater and cleaning it as needed for a designated beneficial freshwater purpose such as drinking, industrial processes, surface or ground water replenishment, and watershed restoration. Communities across the country are incorporating water reuse into their water management strategies as a proven method for building resilience to climate change and its impacts, including fresh water scarcity, flooding, sea level rise and saltwater intrusion, among other issues.

There has been tremendous growth in water recycling in the traditional recycling centers of the arid West and South. This has largely been due to water supply challenges and the need for drought-resilient supplies. However, there is also new and exciting growth in more water-rich areas in the Pacific Northwest, and in cities such as Chicago, Atlanta, and New York that are now turning toward water recycling to help manage stormwater and water quality challenges. In addition, other regions along the Eastern Seaboard are incorporating water reuse strategies to support their region's resilience and sustainability goals. Agricultural areas in the Mid-West are experimenting with water recycling strategies to manage flooding and reduce nutrient run-off to surface waters.

In Los Angeles, California, Mayor Eric Garcetti announced in February of 2019 that the City would recycle 100 percent of its wastewater by 2035. The Hyperion facility in L.A. currently receives 81% of the City's wastewater, and recycles 27% of that flow. By increasing the amount of wastewater it recycles, the City plans to reduce its use of imported water by 50% by 2025. On the other side of the country, in Virginia Beach, Virginia, Hampton Roads Sanitation District (HRSD) has launched an innovative water recycling program aimed at mitigating land subsidence and sea level rise, preventing saltwater intrusion, recharging groundwater, and managing stormwater. HRSD's Sustainable Water Initiative for Tomorrow (SWIFT) project takes highly treated water that would otherwise be discharged into surface waters and puts it through additional rounds of advanced water treatment before injecting it into the Potomac Aquifer. Examples like this exist in every region of the country.

In areas where drought has strained water availability and threatened economic activity and job growth, communities have deployed water recycling to help industries thrive. A prime example is the Tahoe-Reno Industrial Center, home to the Tesla Gigafactory and Switch and Google data centers, where a new water recycling project will provide 1.3 billion gallons of recycled water annually to advanced manufacturing facilities, and sustain an estimated 20,000 new jobs. In the West, economic growth, climate resilience, and water reuse go hand-in-hand.

Historically, states have taken the lead in setting policy and regulations to support water recycling for various purposes. States have been able to craft their policies and regulation to



protect the environment and public health while meeting local needs and goals. While it is important to maintain state primacy in regulating water reuse, the federal government has an important role in providing critical tools and resources to help communities integrate reuse and build resilience. Given the threat and impacts of climate change and the growing demand for freshwater, next generation water infrastructure must address both water supply and water quality challenges. Investment in water reuse builds communities that are modern, sustainable and stable—ready for families to flourish and businesses to grow.

Below are five key recommendations that will ensure communities and businesses throughout our nation can access critical technologies and innovative approaches to build resilience through water recycling.



Recommendations for Administrative Actions

Issue #1: National Water Reuse Action Plan

Recommendation: Implement and build on the work undertaken by the water sector in partnership with the Federal family on the National Water Reuse Action Plan (<https://www.epa.gov/waterreuse/water-reuse-action-plan>) to ensure its continuation and growth.

Background: On February 27, 2020, the National Water Reuse Action Plan (WRAP) was released, a first-of-its-kind effort to advance water recycling around the country. This initial version of the WRAP includes 37 actions and more than 200 milestones led by more than two dozen action leaders and 80 collaborating partners within the water sector. These actions are being implemented by governmental and non-governmental actors through education, outreach, technology development, research, and a variety of other mechanisms. Several federal agencies, including Environmental Protection Agency (EPA) and the U.S. Departments of Agriculture, Energy, and State are leading actions, as are private sector entities, water sector associations, and state and local governments.

Between the fall of 2018 and the winter of 2020, hundreds of individuals from non-profit organizations, municipal utilities, state regulatory agencies, academia, and elsewhere came together to discuss how to launch a national initiative on water reuse. The broad stakeholder community helped inform the development of the WRAP at every step of the way, beginning with the creation of a high-level framework in late 2018. Development of the WRAP was officially announced in February 2019 and a public comment period gathered comments from over 100 stakeholders. The WaterReuse Association joined with the National Association of Clean Water Agencies, Water Environment Federation, American Water Works Association, Association of Metropolitan Water Agencies, and Water Research Foundation to host two national convenings and jointly develop recommendations for the initiative. The initial version of the WRAP published in 2020 represents the culmination of more than a year of focused efforts to catalyze action related to water reuse, including strong collaboration across the water sector, and the continuation of an international dialogue on water reuse.

The WRAP includes a range of critical actions that would be helped by financial and technical support from our federal partners. This includes the development of a water reuse research strategy, which would identify research priorities and seek to answer scientific questions that inform policy decisions. It also includes the development of interactive tools to track and share state-level water reuse policies, regulations, and fit-for-purpose standards. EPA and its federal partners should work with action teams to identify resource needs across the WRAP, and support implementation.



In addition to working with hundreds of stakeholders to develop actions, map out milestones, and build new partnerships, the WRAP team within EPA's Office of Water developed a dynamic online platform to help action leaders and partners track implementation progress, and to facilitate the evolution of the WRAP by supporting the completion of existing actions as well as the development of new actions. The WaterReuse Association strongly supports the WRAP as an iterative tool to facilitate greater adoption of water recycling across the country and beyond.

Issue #2: Federal Investments in Water Reuse

Recommendation A: The FY 2022 budget request should propose major federal investments in infrastructure programs that support water recycling. We recommend an FY 2022 request of \$200 million for the Bureau of Reclamation's Title XVI-WIIN Water Reclamation and Reuse Program, \$200 million for EPA's Alternative Water Source Grants Pilot Program, \$5 billion for the Clean Water State Revolving Fund Program, \$4 billion for the Drinking Water State Revolving Fund Program, \$75 million for the Water Infrastructure Finance and Innovation Act Program, and \$75 million for the Sewer Overflow and Stormwater Reuse Municipal Grants Program.

Background: Upon taking office, the Biden Administration will need to quickly develop and deliver to Congress a budget request for the 2022 fiscal year. Investment in water recycling is imperative to help communities develop sustainable supplies of water and resilient infrastructure so that they are prepared to confront the challenges of climate change. Water infrastructure programs that directly support water recycling projects are severely underfunded relative to need and demand. For example, there are currently dozens of water reuse projects awaiting assistance through the Bureau of Reclamation's Title XVI-WIIN Program, with a total of more than \$700 million in eligible federal cost-share. This list will only grow as more projects complete feasibility studies. The FY 2022 budget request is the Administration's first opportunity to highlight climate-related funding priorities for congressional appropriators.

Recommendation B: Work with Congress to authorize a multi-billion-dollar investment in water recycling, either as part of a stimulus package or as part of a major infrastructure package.

Background: In September 2019, Vice President-Elect Harris in her role as Senator introduced the Water Justice Act (S. 2466), which authorizes \$500 million for the Title XVI-WIIN program, and \$500 million annually for the Pilot Program for Alternative Water Source Grants. The bill also authorizes a new loan program—the Reclamation Infrastructure Finance and Innovation Act (RIFIA) Program—that would leverage billions of dollars for water recycling projects. More recently, in June of 2020, House Democrats released a \$1.5 trillion infrastructure package, the Moving Forward Act (H.R. 2). That package authorizes tens of billions of dollars for water infrastructure spending, including billions of dollars in water recycling investments. Concurrent



with the House majority's work on H.R. 2, Congress is also working on an economic stimulus package and a biennial water infrastructure bill based on the Water Resources Development Act (WRDA) of 2020, America's Water Infrastructure Act (AWIA) of 2020, and the Drinking Water Infrastructure Act (DWIA) of 2020. The Biden Administration should urge Congress to quickly pass both stimulus legislation and water infrastructure legislation that includes investments in water recycling in line with S. 2466 and H.R. 2.

Issue #3: Water Recycling Tax Incentives

Recommendation: Work with Congress to establish a dollar-for-dollar tax credit to encourage industry to retrofit facilities to accept recycled water or recycle water onsite.

Background: Approximately 45 percent of municipal drinking water is used for industrial purposes, from manufacturing every-day products to cooling data centers. Although water reuse is a viable alternative for many industrial processes, the cost to retrofit existing facilities to use recycled water can be prohibitively expensive. A narrowly-focused, dollar-for-dollar reduction in federal income taxes to modernize industrial facilities can make these projects more economically feasible. Creating tax incentives for private investment in water infrastructure benefits our environment, our economy and our standard of living. Investing in water reuse infrastructure creates jobs in the short-term, spurs economic growth in the long-term, and protects our water supply in perpetuity.

Issue #4: Interagency Working Group on Water Reuse

Recommendation: Establish a Federal Interagency Working Group on Water Reuse.

Background: In the course of developing the WRAP, federal agencies worked in partnership to break down silos and secure tangible commitments to help advance sound policy in support of water recycling where appropriate. For example, the U.S. Department of Agriculture committed to integrating water recycling into its conservation programs; the Department of State committed to promoting water recycling around the globe; and eight different federal agencies committed to work together to compile existing federal funding sources and develop an interagency decision support tool.

This collaboration is effectively leveraging and coordinating available tools and resources throughout the federal family and has broad support among the stakeholder community. We value this federally-led effort and urge that it be continued and built upon in the years ahead. We believe that this can be accomplished through the establishment of an interagency working group on water reuse to provide continuity and establish a more formal structure for engagement across federal agencies and with external stakeholders. A legislative proposal to establish a federal Interagency Working Group on Water Reuse garnered bi-partisan



Congressional support in both the House and Senate and is included in the Senate's reauthorization proposal for the Water Resources Development Act and in H.R. 2.

Issue #5: EPA Office of Water – Structure and Staffing

Recommendation: Retain and enhance EPA's water recycling team, which resides within the Office of Policy Management and Engagement (OPME) within EPA's Office of Water.

Background: There are six offices within EPA's Office of Water: the Immediate Office (IO) of the Assistant Administrator; the Office of Ground Water and Drinking Water; the Office of Science and Technology; the Office of Wastewater Management; the Office of Wetlands, Oceans and Watersheds; and, as of September 2020, the Office of Policy Management and Engagement. When EPA's Office of Water established OPME, it moved all water recycling staff from the IO into OPME. Doing so has the important function of institutionalizing the work that the Office of Water has been doing on water reuse. It also served to create a permanent home for at least three staff dedicated to advancing water recycling. The WaterReuse Association is strongly supportive of institutionalizing this work and retaining and building on these staff positions.

Conclusion

Water recycling is quickly becoming an essential element in a successful water management strategy; and with continued federal support, will enable communities and businesses across the country to confront and mitigate the challenges of climate change. The WaterReuse Association stands ready to help your Administration continue a federal leadership role in this area and looks forward to working with you.

