

Cape faces tough fight for wastewater funds

■ With federal and state money limited, towns told to combine forces to make needed changes.

By **DOUG FRASER**
STAFF WRITER

HYANNIS — Here's the lesson town officials took away from yesterday's conference on wastewater funding: Think locally because the federal government is not going to help with money.

"Nobody is going to write a big check for wastewater on Cape Cod," said Barnstable Assistant Town Manager Paul Niedzwiecki, chairman of the Barnstable County Wastewater Collaborative.

Experts estimate \$3 billion is needed to deal with wastewater on Cape Cod and in other areas of southeastern Massachusetts, largely because septic systems are feeding nitrogen into coastal waters. Nitrogen acts like lawn fertilizer, fueling the explosive growth of algae that sucks the oxygen out of the water causing the death of marine life.

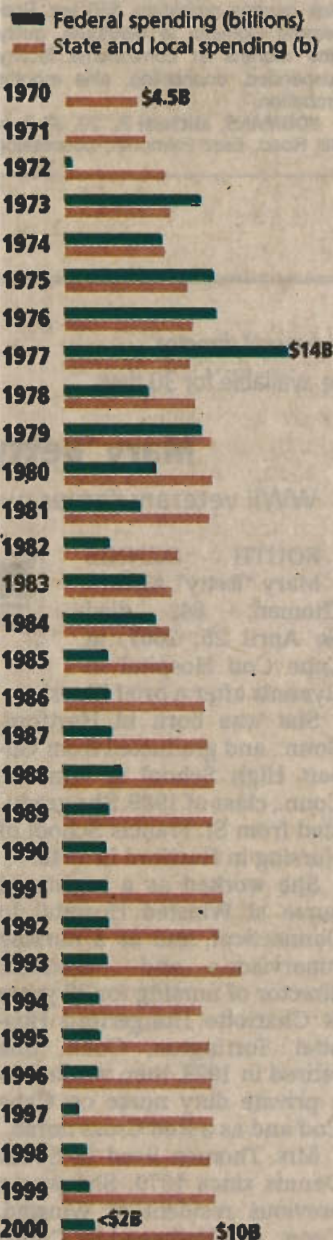
Federal and state governments, invoking the federal Clean Water Act, are mandating that the Cape, and other areas across the nation, curtail nitrogen and other contaminants flowing into bays and estuaries. Ignoring the problem, Niedzwiecki warned, could mean litigation.

"If we let it slip away and don't plan now, I know it will be much more Draconian in the end," Niedzwiecki warned. "It's time to stop talking, and time to start doing."

But financing a cleanup in the current economic climate takes finesse, speakers said yesterday.

Spending on wastewater infrastructure

Federal spending ballooned in the 1970s, but has tapered steadily since. State and local governments have continued to fund efforts.



Source: Report to Congress on the Impacts of CSOs and SSOs (2004)

STAFF GRAPHIC

In the 1970s, the federal government was spending up to \$12 billion a year to help fix wastewater problems. Last year, it spent \$1 billion, said Jeff Hughes, director of the Environmental Finance Center at the University of North Carolina.

But what really scares him are the number of smaller communities around the country facing wastewater projects with price tags in the billions of dollars. And that problem is dwarfed by what Hughes called a "national infrastructure crisis" as wastewater plants and piping built 30 or more years ago reach the end of their life spans.

Mark Forest, representing U.S. Rep. William Delahunt D-Mass, quoted Environmental

Protection Agency estimates that \$185 billion is needed over the next 20 years for Clean Water projects, including \$171 billion for wastewater. President George Bush's budget for next year requested just \$688 million.

That means the competition for any federal grant money, and even low-cost loans, is ferocious. Speakers urged Cape towns to band together within watersheds to share the hurt equally rather than see one town not do their part because voters balk at the price tag. They also sug-

What Have Other Regions Done?

■ **Maryland:** Charged households a \$2.50 monthly "flush tax." Raised \$60 million to finance \$750 million in bonds to upgrade 66 wastewater treatment plants. Septic system owners paid \$30 a year to raise \$12.6 million to upgrade septic systems in critical areas and plant cover crops on farms to reduce animal and fertilizer runoff into streams and rivers.

■ **Delaware:** Mandated upgrades to septic systems to reduce amount of nitrogen. Cost to homeowners: \$750 a year for a total cost of \$3,000 to \$6,000.

■ **Virginia:** Set nitrogen and phosphorous limits within watersheds and let those within those areas figure out how to achieve requirements. Funding is based on how much of each contaminant is discharged. State contributes up to \$1 billion toward solutions.

Source: David Nees, Director, Environmental Finance Center, University of Maryland.

gested using a kind of general surcharge, called a "flush tax" that charges all homeowners a flat fee, \$2 to \$3 a month.

The primary source of funding for Massachusetts is expected to be the state's Clean Water Revolving Fund. This program uses federal and state grant money to leverage large low-cost loans for municipalities. It has loaned out \$4.6 billion since it was created a little more than a decade ago and currently handles \$400 million in loans annually at around 2 percent interest.

Scott Jordan, the program's executive director, said his agency could accommodate requests by Cape towns for assistance. But he warned them not to wait too long to apply since funding for the loan program could decrease and demand increase.

State Sen. Robert O'Leary, D-Barnstable, has a bill looking to increase the amount of money in the state revolving fund and to lower the interest rate to zero for communities that band together to solve their regional wastewater problem.