

# Money Comes With Strings Attached

**D**espite gloomy predictions of an economic slump in late 2008, no one knew exactly how sharp the economic turn would be during the first quarter of 2009. The financial crisis deepened, the job market received a major blow with national-average unemployment rates exceeding 8%, and the housing market barely showed signs of life.

In February, the water industry held its breath in anticipation of the stimulus bill, which passed and contained \$2 billion in funding for drinking water, \$4 billion for wastewater utilities, \$1.4 billion for rural drinking water, wastewater and waste disposal projects and \$4.6 billion for the U.S. Army Corps of Engineers.

Only two months later, the industry and the general media started to hear news of water and wastewater projects receiving stimulus funds. A water system in a national park in southwest Colorado, for example, was just approved for an \$11.5-million makeover to replace water lines, improve trails and install solar-energy panels on some of its buildings.

Although it seems that there would never be enough money to resolve California's water problems and severe drought conditions, the state will receive \$260 million as part of the stimulus plan to help repair Central Valley's water delivery system and protect threatened fish species.

While it is too early to determine how well the stimulus package will jumpstart our economy and job market, in April there were already some signs that the tight economic fist was loosening its grip. That's not to say that the road ahead is challenge-free.

As stimulus funds change hands over the next few months, manufacturers of water treatment systems and equipment are struggling to understand whether their technologies and solutions will meet the 'Buy-American' clause that comes with the stimulus dollars. The 'Buy-American' restrictions have been around since the 1930s and currently ban all foreign-made steel iron and other manufactured goods in public works projects that use stimulus funds.

The U.S. Environmental Protection Agency announced that it will grant a waiver from the 'Buy-American' provision for refinancing of debt for State Revolving Fund projects incurred between Oct. 1, 2008, and Feb. 17, 2009, but there is still a lot of uncertainty as to how American a product or system must be to meet these guidelines.

Over the past few years, many manufacturers have moved their facilities to Asia and other parts of the world, not to mention that most water treatment technology features various European components. So the question is: Will there be enough truly American manufacturers to choose from for municipalities trying to get pressing water and wastewater infrastructure projects off the ground?

Hopefully the water industry receives an answer before frustrations run too high. We must remember, however, that when the money for water treatment technology is coming from taxpayers—especially in times when economists predict that we will see unemployment rates exceed 10% by the end of the year—it is only natural that this money will come with some pretty thick strings attached.



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*Water & Wastes Digest* is published exclusively for the 85,000+ decision makers in the municipal and industrial water, wastewater and water pollution industries. These individuals actively design, specify, buy, operate and maintain the equipment, chemicals and services used for water treatment. Editorial content in this audited publication highlights new products and technologies concerning the supply, collection, treatment and distribution of drinking water; the collection, treatment and disposal of wastewater; and hazardous waste pollution control. A product directory is included in the annual June Buyer's Guide.

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