Modest Recovery

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It is evident that the economic road to recovery has been long and winding. As has been the case in other public sectors, the past couple of years have been tough for the water industry.

Federal spending and state budgets have been reduced significantly, pushing water and wastewater projects farther down on the priority list and only addressing equipment and infrastructure that is in dire straits or failing.

Lagging slightly behind the global economic decline of 2008-2009—thanks to projects in the pipeline—the municipal sector did not really feel the economic burn until 2011, when construction spending took a nosedive, dropping by 16.5% for water and 8% for sewers from the previous year.

In 2012, the industry continued to tread water (pun intended) despite the president's 9% reduction in the FY 2013 budget for the U.S. Environmental Protection Agency's National Water Program, resulting in a total reduction of $359 million from 2012 for the state revolving funds.

Meanwhile, one report after another continues to draw attention to the state of the nation's water infrastructure: $1 trillion needed for repairs and expansion over the next 25 years, according to the American Water Works Assn., and $2.5 to $4.3 trillion needed for public water and wastewater over a 20-year period, according to the U.S. Conference of Mayors Water Council.

The reports do not exaggerate. Leaky pipes losing an estimated 7 billion gal of clean drinking water per day, and sanitary sewer overflows (SSOs) polluting water supplies at a rate of between 23,000 and 75,000 SSOs annually are clear evidence of just how outdated and overextended our nation's water infrastructure is.

As 100-year-old water and sewer infrastructure exceeds its expected lifespan, managing capital costs and dealing with financial issues takes center stage for municipalities across the nation. Unfortunately, obtaining proper funding remains the single largest issue when it comes to treating and delivering safe drinking water. Municipalities are becoming less averse, however, to rate increases and are recognizing that they must incorporate the ever-increasing capital costs associated with maintaining, replacing and expanding water infrastructure into their current pricing structure.

As we head into 2013, it is hard to forecast what challenges and opportunities await. While economic uncertainty continues to lurk, there are glimmering signs of modest recovery for the municipal water sector. After all, water infrastructure investment is needed not only to address the need for safe water, but also to continue to improve the economy and employment by creating short- and long-term jobs in construction, engineering and operations.

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Water & Wastes Digest is published exclusively for the 80,000+ 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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