

President's National Infrastructure

Advisory Council (NIAC) report

"Preparing United States Critical Infrastructure for Today's Evolving Water Crises"



About the Report

In August 2023, the President's National Infrastructure Advisory Council (NIAC) released a draft report that offers a wide range of recommendations aimed at enhancing the security of our nation's critical water infrastructure. The recommendations include many long-championed by the National Association of Water Companies (NAWC) and member companies.

The report:

- Provides an overview of water sector challenges and makes a range of recommendations to address these issues, including increasing access to federal funds, privatization and a permanent low-income water assistance program.
- Calls for an enhanced focus on water issues at the federal level.
- Advocates for the creation of a national water strategy to address near- and long-term challenges, as well as the creation of a Department of Water at the cabinet level to develop and implement this strategy.

Important Report Excerpts

- "The true costs of supplying and treating water (i.e., the "value" of water) are often not reflected in the price the consumer pays. Water utilities have resisted increasing the price of water until recently, and instead covered the increasing cost through reductions in operations and maintenance (O&M). Due to deferred maintenance, **about one-sixth of finished water in the U.S. never reaches customers** but leaks out of storage and distribution systems. This loss of revenue is borne by the utilities because leaked water cannot be billed since it never reached the user."
- "**Ideally the price of water covers the cost of providing it.** Many factors impact the ability of providers and their ratepayers to develop and maintain needed water supply capabilities. One factor is the age of the water infrastructure. Many jurisdictions do not account for the full lifecycle cost of building, operating, maintaining, upgrading, and replacing systems. Often water utility owners and operators are unable or unwilling to raise rates to pay for needed investment. **Rates can be based on the least cost, which relies on patching and repairing and ignores longer-term problems and consequences.** This has negative impacts on water quality and reliability. Low-income and vulnerable communities are more likely to lack access to clean reliable water."
- "[The U.S. should] **make permanent and increase the funding for programs that aid water customers** with delinquent accounts and low-income assistance programs; provide the aid directly to water utilities."