



Poor Water Infrastructure Threatens Missouri Economy

Clean Water is Good for Business

America is fortunate to have thousands of municipal water systems to provide reliable, plentiful clean drinking water and sanitary waste disposal. But most of this water infrastructure is deteriorating badly. Ranging from several decades to over a century old, our water infrastructure suffers from neglect and age and urgently needs repair and replacement. In 2017, The American Society of Civil Engineers (ASCE) issued an infrastructure report card that gave the U.S. drinking water infrastructure a “D” grade for overall quality. Nationwide, an estimated 240,000 water main breaks occur every year.

To maintain U.S. drinking water service at current levels requires replacing pipes that are already past, or at, their useful lives, and expanding systems to support growing populations. The American Water Works Association says completing these updates will require an estimated \$1 trillion in infrastructure investments over the next 25 years.

Both Democrats and Republicans have stated that America’s water systems need repair. Groups ranging from the U.S. Chamber of Commerce to the AFL-CIO have called for Congress to address this issue. Unfortunately, Congress has yet to pass any substantial funding bill to address America’s ailing water infrastructure.

Business survival as well as public health depends on saving America’s water infrastructure now.

Water infrastructure is as vital to business as it is to human health. American businesses rely on municipal water systems



IN A SNAPSHOT

- Missouri’s water infrastructure is in poor shape. The ASCE graded both Missouri’s drinking water and wastewater infrastructures at C-. Their report stated that \$14.3 billion will need to be spent over the next twenty years in order to get Missouri’s water infrastructure back into working condition.
- Missouri industries — including retail, farming, manufacturing, mining and construction — depend on adequate water infrastructure to deliver the clean water needed to conduct business. Damaged water infrastructure puts \$105 billion in combined GSP (Gross State Product) at risk.
- Kirkwood, Missouri went from an average of 28 infrastructure breaks per year in the 1980s to 150 breaks per year in 2014, the Metro Water Infrastructure Partnership found. That’s a 500% increase in just three decades.

for food production, manufacturing, energy production, and much more. Even companies that do not directly rely on clean water infrastructure to create their products need it to fulfill their day-to-day functions. Faulty infrastructure inflicts disruptions on business operations, including utility service interruptions, polluted drinking water, and higher water bills.

Investing in water infrastructure cannot be delayed any longer. The American Society of Civil Engineers says that the fallout from America’s water infrastructure’s degradation will result in:

- \$147 billion in increased costs to businesses due to higher water rates,
- 700,000 jobs lost due to the resulting squeeze on company budgets,
- \$416 billion in lost GDP due to increased costs and the loss of worker productivity.

ASCE says these losses will occur by the year 2020. Failing to update infrastructure will result in failed water delivery to Missouri residents, with resultant danger to public health, attendant legal exposure costs, and business loss.



Many Missouri Businesses at Risk

Missouri's water infrastructure is in poor shape. The American Society of Civil Engineers graded both Missouri's drinking water and wastewater infrastructures at a C-. Their report stated that \$14.3 billion will need to be spent over the next twenty years in order to get Missouri's water infrastructure back into working condition. The dangers — and costs — will only get worse the longer we delay.

A variety of Missouri industries — including retail, farming, manufacturing, mining and construction — depend on adequate water infrastructure to deliver the clean water needed for preparing food, watering crops, developing goods, cleaning workspaces and cooling machinery. According to the Bureau of Labor Statistics, of the 3 million employed workers in Missouri, 270,000 work in retail, 338,000 work in agriculture, 256,000 work in manufacturing, 4,000 work in mining and 116,000 work in construction. Damaged water infrastructure can stall this entire workforce and puts \$105 billion in combined GSP (Gross State Product) at risk.

Private businesses and government leaders can both take common-sense action to restore America's safe, reliable water infrastructure. We can:

- **Increase human capital** in the water infrastructure industry. Upgrading America's water infrastructure will require increasing investment human capital. Funding is needed to train outreach staff, technical science providers, planners, watershed coordinators, designers and construction teams. A successful watershed project requires the same blueprints, structuring, supervision and trained labor of any major construction project, and requires the same investment in these resources. An investment of \$188.4 billion in water infrastructure over the next years will generate \$256.6 billion in economic activity and create nearly 2 million jobs nationwide.
- **Expand availability and increase transparency** and accountability for the Clean Water State Revolving Fund. The Clean Water State Revolving Fund, a state-federal partnership administered by the EPA, provides low-interest loans for water infrastructure projects. The program can fund infrastructure efficiency, extensions to underserved communities, construction of treatment plants, or lead removal. Increasing the EPA's annual grant size would allow flood-prone

states like Missouri to invest more in needed water infrastructure; especially vital to Missouri as our businesses use surface-water sources including the Mississippi and Missouri Rivers every day. The Iowa Finance Authority administers the state revolving fund and must broaden eligibility and improve transparency in financing these essential loans.

- **Increase funding and grants** for water infrastructure. Kirkwood, Missouri went from an average of 28 infrastructure breaks per year in the 1980s to 150 breaks per year in 2014, the Metro Water Infrastructure Partnership found. That's a 500% increase in just three decades. Faulty floodgates and corroded piping will cause even more frequent, disruptive breaks. Without sufficient governmental funding to maintain the state's aging infrastructure, the economic burden shifts from government to businesses. It forces retailers, farmers, manufacturers, mining and construction firms to deal with water utility service interruptions, polluted drinking water and higher water bills.
- **Business should support measures** to improve water infrastructure grants and other funding so that public and private water companies have capital to improve our water infrastructure and standard of living.
- **Re-connect Missouri's natural floodplains** into our water infrastructure. Manmade water infrastructure — dams, reservoirs and wastewater treatment plants — benefit farming, but when built in excess they also disconnect natural floodplains, with serious compounding problems and costs. Water infrastructure has modified the Missouri River so much that it can no longer effectively absorb floodwater. This raises the floodwater height, requiring the construction of higher levees, which in turn causes a rise in floodwater by disrupting natural floodplains.

U.S. businesses spend about \$3.1 billion on flood insurance premiums and \$4 billion in crop insurance subsidies every year. To lower water infrastructure maintenance costs, we need to actively support floodplain restoration projects. Restoring natural water infrastructure in flood-prone areas reduces the public and private costs of subsidizing flood insurance by reducing post-disaster damages. Businesses should support The Missouri Coalition for the Environment, which has spent over 40 years working to restore natural floodplains, mitigate water quality issues and keep our water infrastructure costs down. ★



AMERICAN
SUSTAINABLE
BUSINESS
COUNCIL

The American Sustainable Business Council is a growing coalition of business organizations and companies committed to advancing market solutions and policies to support a sustainable economy. ASBC and its organizational members represent more than 250,000 businesses and more than 325,000 business leaders across the U.S.

To take action on clean water issues, please visit asbcouncil.org