

# Recognizing and Providing Incentives for Excellence in



# Water and Wastewater Utility Management



The U.S. Environmental Protection Agency (EPA) and a growing number of states have developed voluntary performance-based environmental programs that recognize facilities with high levels of environmental compliance and performance and provide incentives to encourage continuous environmental improvement. Many water and wastewater utilities already demonstrate these high levels of performance and could benefit from membership in these programs. As a result, EPA and states are interested in increasing the membership of these utilities in these programs.

At the national level, EPA developed the National Environmental Performance Track program, which recognizes environmental leadership and continuous environmental improvement of facilities from all sectors. In addition, more than 20 states have similar programs. The federal and state programs share many criteria, of which one of the most important is the need to either have in place, or commit to develop, an environmental management system (EMS). An EMS is a powerful tool that can help utilities address key issues like increasing energy efficiency, reducing operating costs, ensuring effective workforce transition, and reducing future liabilities. EPA and states see an EMS as a key driver for achieving and maintaining high levels of performance and sustainability at utilities and other facilities.

Read further to learn more about these programs and their incentives, as well as EMS benefits and tools to assist utilities in developing an EMS. Contact information for Performance Track and the state programs is also provided.



## What Is an Environmental Management System?

An EMS is a comprehensive management system for identifying, monitoring, and managing activities that have potential environmental impacts. EMSs provide structure and consistency for overseeing daily activities that shift the environmental focus from reactive to proactive and from focusing exclusively on regulatory compliance to focusing on continual environmental performance in all operations.

The implementation of an EMS at water and wastewater utilities can result in increased efficiency, reduced costs, and greater operational consistency; improved ability to meet environmental compliance requirements; improved succession planning; and better relationships with regulators.

EPA recognizes that EMSs are a relatively new concept for many water and wastewater utilities, and that developing an EMS is often the greatest challenge facing utilities seeking recognition in Performance Track and similar state programs. Working with utilities that have successfully implemented an EMS, EPA has developed a number of state-of-the-art tools to help wastewater utilities understand the benefits of adopting an EMS. These tools have been compiled in an EMS Toolbox, and are available free of charge at [www.PeerCenter.net](http://www.PeerCenter.net). These tools include:

- *EMS Handbook for Wastewater Utilities*
- *EMS Compendium for Wastewater Utility Managers*
- Case studies on successful EMS implementation at wastewater and water utilities

A similar implementation guide for water utilities, *Environmental Management Systems: A Tool to Help Water Utilities Manage More Effectively*, is available at [www.awwarf.org](http://www.awwarf.org).





## The “Bottom Line”—Why Should Your Utility Participate

EPA and state performance-based environmental programs can provide utilities with a number of important benefits, including:

- Recognition at the national and/or state levels
- Regulatory and administrative incentives, such as permit flexibility and expedited permit reviews
- Improved relations with regulators
- Sharing information on successful approaches
- Enhanced reputation among peers
- Acknowledgement as community environmental leaders

## What Is a Performance-Based Environmental Program?

Performance-based environmental programs are voluntary partnership programs supported by EPA and states to recognize and provide various incentives to public and private facilities that voluntarily identify and commit to goals for further environmental performance improvement beyond compliance, and report progress toward these goals.

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**“As only the second wastewater treatment facility to participate in Performance Track, we see participation as an important extension of our efforts to reach out to our constituents and educate them on our innovative efforts to protect the local environment as well as further our leadership in the wastewater industry.”**

— James Newton, *Regional Wastewater Treatment Facility, Kent County, DE*





## EPA's Performance Track Program

EPA's National Environmental Performance Track ("Performance Track") program recognizes and drives environmental excellence by providing national recognition and other incentives to both public and private facilities with strong environmental records that go above and beyond their legal requirements. Performance Track is a partnership between EPA and program members that encourages continuous environmental improvement through EMSs, emphasizes measurable results, and supports community outreach.

Members voluntarily identify and publicly commit to typically four (or two for small facilities) measurable goals in an effort to further improve their environmental performance. Currently, approximately 10 percent of the members of Performance Track are public sector organizations. For more information about Performance Track and member benefits, visit [www.epa.gov/performance-track](http://www.epa.gov/performance-track).

## State Performance-Based Programs

More than 20 states have their own performance-based programs with similar criteria, goals, and reporting requirements as Performance Track. In fact, states often partner with Performance Track and provide similar benefits. In addition, many states provide multiple levels, or tiers, of membership and thus may be more attractive than Performance Track as a starting point for water and wastewater utilities interested in membership in one of these programs.

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**"Our participation as a member of EPA's Performance Track program was beneficial in confirming the value and principles of having an EMS program, and in helping us to put our local environmental improvement efforts into the national context. We also benefited from the accessibility to EPA experts, and their ideas and encouragement for our activities."**

*— Peter Ruffier, Wastewater Division, City of Eugene, OR*

**"By achieving an EMS, we have provided a level of confidence to credit rating agencies that the utility is being run as a business and as efficiently as possible."**

*— John B. Cook, Former General Manager/Chief Engineer, Charleston Water System, Charleston, SC*

In order to participate in either Performance Track or a similar state program, water and wastewater utilities need to:

- Implement an EMS or commit to an EMS for some state tiers
- Commit to continuous environmental improvement
- Possess a record of sustained environmental compliance
- Conduct public outreach

Below are brief summaries of three state programs. Utilities are encouraged to look for similar programs in their states. For additional information about these state programs, visit [www.epa.gov/performancetrack/partners/StateProgramsDirectoryFinal-May2007.pdf](http://www.epa.gov/performancetrack/partners/StateProgramsDirectoryFinal-May2007.pdf).

**Indiana Environmental Stewardship Program (ESP)** is modeled after Performance Track and focuses on improving Indiana's environment and business climate through innovation and efficient resource allocation. Any regulated entity in Indiana is eligible to become an ESP member provided it can demonstrate a record of environmental compliance, implementation and maintenance of an EMS, and commitment to continuous environmental improvement.

The Indiana Department of Environmental Management is actively pursuing water and wastewater utility participation in ESP through advertisement of free EMS development workshops and assistance with completing the ESP application.

ESP offers a number of incentives, including expedited permits, flexible permits, reduced recordkeeping and reporting frequencies, and reduced monitoring (where applicable and appropriate). For more information about ESP and additional member benefits, visit [www.in.gov/idem/prevention/esp](http://www.in.gov/idem/prevention/esp).

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**“The Indiana Department of Environmental Management is actively working with water and wastewater utilities to encourage their participation in the Indiana Environmental Stewardship Program by providing free environmental management system workshops.”**

— Daniel Murray, Assistant Commissioner, Indiana Department of Environmental Management, Indianapolis, IN

## Performance and Sustainability

Utilities participating in Performance Track and/or similar state programs can also enhance their efforts to sustain the nation's vital water infrastructure. Through the Sustainable Water Infrastructure Initiative, EPA is collaborating with six national water and wastewater associations to promote effective utility management based on a series of Attributes of Effectively Managed Utilities and other Keys to Management Success. This initiative will facilitate the adoption of sustainable management practices like EMSs, asset management, and performance measurement that ensure sustainable utility operations and infrastructure. Visit [www.epa.gov/waterinfrastructure](http://www.epa.gov/waterinfrastructure) for more information.



**North Carolina Environmental Stewardship Initiative (ESI)** has three levels of membership: Environmental Partner; Rising Environmental Steward; and Environmental Steward. Depending on the level of participation, ESI offers a number of incentives such as established timeframes for permit decisions; opportunities to interact with regulators; a single point of contact; and technical assistance. For more information about ESI and additional member benefits, visit [www.p2pays.org/esi](http://www.p2pays.org/esi).

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**“The city has recognized the value of EMS, wants to do more than what is required, and move to sustainable levels. This is the road we have to be on. The ESI program puts the city and the state of North Carolina on the same road.”**

— Matt Jordan, *City of Gastonia, NC*

**Virginia Environmental Excellence Program (VEEP)** offers three types of participation: Environmental Enterprise (E2); Exemplary Enterprise (E3); and Extraordinary Environmental Enterprise (E4). VEEP incentives to members include fee discounts for water and waste permits, alternate compliance methods, and flexibility in hazardous waste storage requirements.

VEEP has signaled its close alignment with Performance Track by entering into a formal Memoranda of Agreement with EPA Headquarters and EPA Region 3. For additional information about VEEP and other member benefits, visit [www.deq.virginia.gov/veep](http://www.deq.virginia.gov/veep).

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**“The development of the EMS and participation in VEEP has challenged our employees to be more proactive in ensuring environmental awareness and compliance at our facilities. Our employees have embraced the challenge and this has helped us become better stewards of the environment in the community we serve.”**

— Parimal Patel, *Newport News Waterworks, City of Newport News, VA*



## What Can an EMS Save You?

When the energy crunch hit California in 1999, the **City of Eugene, Oregon, Wastewater Division** benefited from its EMS initiative by reducing energy consumption. In addition to cost savings realized, the power company also gave the Wastewater Division an energy credit. Combined, the cost savings and the credit totaled more than **\$100,000**.

By establishing Fuel Reduction Teams for their water and wastewater plants and implementing RouteSmart software as part of an EMS improvement program, the **Charleston, South Carolina, Water System** is saving **\$48,000** per year on fuel costs.

Through EMS implementation, **Camden County, New Jersey**, realized a **25 percent** reduction in operations and maintenance costs (including the treatment plant and collection system) from **\$21.2 million** in 1996 to **\$16 million** in 2000.

**"I highly recommend U.S. EPA's EMS implementation documents to any utility interested in saving money for its ratepayers and improving its performance. These guides include real life examples of EMS-related successes that many utilities have already achieved and then provide easy-to-follow, step-by-step instructions to enable other utilities to realize similar benefits."**

*— Andy Kricun, Deputy Executive Director,  
Camden County Municipal Utilities Authority, Camden, NJ*

## Next Steps

EPA and states are very interested in including more utilities in EPA's Performance Track program and/or similar state programs. We encourage your utility to apply if you think you qualify for membership. For more information on membership criteria and how to apply please go to: [www.epa.gov/performancetrack](http://www.epa.gov/performancetrack) or [www.epa.gov/performancetrack/partners/StateProgramsDirectoryFinal-May2007.pdf](http://www.epa.gov/performancetrack/partners/StateProgramsDirectoryFinal-May2007.pdf)



United States  
Environmental Protection Agency  
Office of Water (4204M)  
Office of Policy, Economics, and Innovation (1807T)

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