



**New York State Legislature
Senate Standing Committee on Finance - Assembly Standing Committee on Ways and Means
The 2024-2025 Executive Budget Proposal
Joint Legislative Hearing: Environmental Conservation**

**Testimony by Judith Hansen, Legislative Consultant
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Good afternoon, Chair Krueger, Chair Weinstein, distinguished members of the fiscal, and other legislative committees, and Environmental Conservation Committee Chairs, Senator Pete Harckham and Assemblymember Deborah Glick.

My name is Judith Hansen, and I am the Legislative Consultant for the New York Section of the American Water Works Association (NYSAWWA). NYSAWWA appreciates the opportunity to provide testimony today. The NYSAWWA represents New York State public drinking water utilities across the state, providing safe, reliable, and affordable drinking water to more than 15 million New Yorkers. Our members include operators, engineers, scientists, regulators, educators, and young water professionals.

Our core principles are the protection of public health and the environment, and we take pride in New York State's leadership role in advancing these initiatives. Thanks to collaborative efforts with legislators, the State Department of Health, we have established practical and feasible laws that prioritize the public's interest.

For over a century, with help from science, technological advances, and funding support, our members have been able to meet the challenges set before them. We are at a critical crossroads in our history as new and increasing challenges emerge. The state's drinking water suppliers continue to be ready to meet the challenges before us, but increased challenges require increased funding and support from our state partners.

Access to clean, safe, and affordable drinking water is one of the most basic pillars of our society. In 2021, New Yorkers overwhelmingly and, with bipartisan support, voted to enshrine the right to clean water in our NYS Constitution. For drinking water providers, this was an affirmation of our implicit obligation and commitment to provide New Yorkers with safe and affordable drinking water. Compared to other regions of the nation, New York is blessed with an abundance of fresh water. But there are costly challenges to transforming this resource into safe and affordable drinking water, which is every New Yorker's constitutional right.

The Challenges to Safe and Affordable Drinking Water:

Aging Infrastructure: With each passing year, New York's drinking water, wastewater, and stormwater infrastructure gets older and more susceptible to catastrophic failure. It has been conservatively estimated that the cost to bring these critical systems up to current standards is \$80 billion dollars. Since

the estimate dates from 2008, most experts agree that the actual cost is significantly higher. It also does not include many of the “soft” costs involved in this work such as engineering design, construction management, land acquisition, and legal fees associated with financing.

Emerging Contaminants: Advances in technology have enabled us to detect more and more contaminants at ever lower concentrations in our source waters. New York State has led the way in the fight to identify, regulate, and remediate these substances and has awarded millions to systems to construct treatment systems to remove these contaminants from our drinking water following the promulgation of maximum contaminant levels (MCL’s) for PFOA, PFOS, and 1,4 dioxane. The cost to install treatment for a single drinking water source that treats 1 MGD ranges from \$2 million to \$10 million, depending on location and contaminant concentrations, and annual operation and maintenance costs can exceed \$500,000 per treatment system. Adding to this burden, EPA is poised to lower MCL’s for perfluorinated compounds and the New York State Department of Health estimates that this will mean that nearly 300 additional water utilities across New York State will exceed the new lower standards and need to build treatment.

Lead Service Line Replacement: Based on current EPA regulations, water suppliers across New York State are poised to submit their initial lead service line inventories. These inventories are an iterative process, and it will take some time before the actual number of lead service lines is known with absolute certainty. However, suppliers and environmental advocates alike have suggested that there are approximately 500,000 lead service lines still in service across New York State. EPA is in the process of finalizing their Lead and Copper Rule Revisions and it is all but certain that it will include a mandate that water suppliers remove all lead service lines, in their entirety, by 2037. While this is an ambitious and significant milestone in public health protection, the cost to individual water systems will be staggering. The average cost to remove and replace a water service lateral is approximately \$10,000 per lateral. This translates to a burden of \$5 billion across New York’s water suppliers. The time to start replacing these significant and impact some of New York’s most disadvantaged communities the hardest.

Budget Requests to Provide New Yorkers with Safe and Affordably Drinking Water: On behalf of New York’s drinking water suppliers, the NYSAWWA has 3 specific funding requests:

Increase Clean Water Infrastructure Act funding in SFY 2024-25 to \$600 million:

1. New York’s Clean Water Infrastructure Act (CWIA), created in 2017 to address the many clean water challenges facing our state was a pivotal turning point in history. The program consists of 17 CWIA-funded programs including drinking water, wastewater infrastructure projects, source water protection and remediation of toxic Superfund sites. Since 2017, NYS has committed \$5 billion in CWIA funding and awarded \$3.4 billion to 2,100 water and wastewater projects across the state, resulting in significant results for our environment, health, and economy and making New York a national leader in clean water. New York’s drinking water providers thank you. However, while that level of funding is unprecedented and truly appreciated, a recent report¹ has shown that only one-third of water and wastewater project applications from this fund have been distributed. Projects are mainly shovel-ready projects that would help remediate our aging infrastructure, construct treatment systems to remove a growing list of emerging contaminants and begin to get the lead out of the water at our customer’s taps. There is still substantial work required to address NY’s drinking water and wastewater infrastructure needs, which is estimated at \$80 billion over 20 years. At a time when our funding needs are increasing, such a severe and significant cut to funding would jeopardize public health and cannot be justified. Therefore, we ask that you not only restore that funding to the previous level of \$500 million, but increase it by \$100 million to \$600,000 dollars. We are also requesting you to consider adding line items allocations for each program in an effort to prioritize and ensure all clean water needs are being met. It is especially important that specific funds from the CWIA funding be set aside to help communities with lead service line replacement. A significant proportion of these

services are in low-income communities of our aging cities and the rate increases that will be associated with this work will have a devastating impact, exacerbating environmental injustice.

2. **Provide \$100 million to fund the Safe Water Infrastructure Action Program (SWAP) as outlined in S4350A/ A6155/ A3133A.** Like the popular and successful CHIPS funding for roads, SWAP would establish a consistent and recurring funding mechanism that would enable local government leaders to plan water repair and maintenance projects more efficiently and proactively. This funding would help to avoid the higher costs associated with emergency repair and replacement projects caused by failing infrastructure and encourage a “complete streets” approach to projects. To be clear, this funding would not replace the funding that we are requesting for major capital improvements via the CWIA but would be used to supplement it by funding minor maintenance and repair projects that, if addressed proactively, will lead to better asset management for our critical infrastructure.

3. **Provide \$100 million to fund a Low-Income Housing Water Assistance Program (LIHWAP) style program for New Yorkers:** LIHWAP was funded with Federal ARPA money and has now expired. However, while it was in operation, it provided \$70 million in water bill assistance to 40,000 New York families. Unlike our energy and telecom utility counterparts, more than 90% of New York’s water and wastewater systems are owned by local government and, apart from grants, all revenue for operations and capital improvements comes from water and sewer rates and not share-holder equity. As rates increase, affordability becomes a major concern for all of us, especially for rural and disadvantaged communities. While in existence, this program aided those in need in a fair and efficient manner that did not require utilities to determine eligibility—something that we are ill-equipped to do. Therefore, we are asking that you give serious consideration to the establishment of a similar program on the state-level to LIHWAP with an initial appropriation of \$100 million.

On behalf of New York’ drinking water suppliers, NYSAWWA thanks you for the opportunity to provide input and comment on the Senate’s budget appropriations for SFY 2024-25. We recognize that this is a challenging budget year. However, there is nothing that is more fundamental to our health, well-being and economic development than safe and affordable drinking water for all New Yorkers. The members of the New York Section of the American Water Works Association are proud to be partners in this fight but recognize that without adequate funding, the delivery of this basic right will be delayed and deferred and will become simply unaffordable for many New Yorkers.

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ⁱ A New Era for New York’s Water: An analysis of Clean Water Infrastructure Act Spending. Rob Hayes. Environmental Advocates of New York. <https://eany.org/wp-content/uploads/2024/01/A-New-Era-for-New-Yorks-Water.pdf>