

**New York Water Environment Association Testimony
at the Joint Legislative Public Hearing
on the 2015-2016 Executive Budget Proposal**
Presented by: Chretien T. Voerg, P.E.
Monday, February 9, 2015



Thank you for the opportunity to speak before you today regarding the role of public wastewater infrastructure in economic development, the critical condition of this municipal infrastructure and the potential public health, environmental, and economic consequences from our failure to reinvest in our communities' most important assets.

My name is Chretien Voerg. I am a licensed Professional Engineer and have dedicated the last 19 years of my life to protecting the public health and the environment for all New Yorkers. I currently have the privilege of serving as Superintendent of the Town of Colonie's Division of Pure Waters, a Special District with the responsibility of collecting and treating sanitary wastewater for the 15th most populous township in the State in New York.

I am also before you today as a representative of the New York Water Environment Association, an organization founded in 1929 by water professionals to serve the best interest of the public by promoting sustainable clean water management through science, education and training. Our members include more than 2,500 professionals, from New York State Certified Operators at small village treatment plants in the Adirondacks, to utility executives in New York City, and from professional engineers in Buffalo to scientists in Albany, all dedicated to ensuring safe water for all New Yorkers.

While our efforts are directed towards protecting public health and the environment, the secondary effects of wastewater infrastructure investment include unparalleled benefits to New York's economic health.

All New York businesses rely on clean water for their employees and their customers, but only 14% of all water consumed is used for flushing toilets, washing clothes, and preparing food. 46% of all water consumed (and a proportional amount of wastewater generated) is the result of manufacturing processes. 700 gallons of water are required to make one T-shirt, more than 2,000 gallons to make one pair of leather shoes, and 40,000 gallons to produce one car. One 12" semiconductor wafer requires approximately 2,200 gallons of water to produce and Global Foundries, one of our region's greatest success stories, is expected to consume 5 million gallons of water a day when it reaches full semiconductor production. Professional wastewater utilities throughout New York efficiently collect, transport and process all of this residential, commercial and manufacturing waste ensuring the economic viability of our region.

If it was not for the investment in our wastewater systems through Governor Rockefeller's Pure Waters Program 50 years ago, a \$7.3B investment in today's dollars, the infrastructure to collect and treat these wastes would not exist and our lakes, rivers, and streams would be the lifeless, festering, cesspools of the early 1900s. I cannot imagine New York being the greatest destination for international travelers in the United States or tourism being the State's fourth largest employer if it were not for the benefits provided by modern wastewater treatment. Whether touring Ellis Island, sailing on Lake Erie, fly fishing in the Adirondacks or boating on the historic Erie Canal, much of New York's tourism relies on the clean, safe water provided by wastewater collection and treatment systems.

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However, the wastewater infrastructure necessary to provide these economic and recreational opportunities is at risk. In fact, the American Society of Civil Engineer's 2013 Report Card for America's Infrastructure graded our wastewater systems a "D" based upon the poor and aging condition of pipes and treatment plants.

There are more than 600 wastewater treatment facilities servicing more than 15 million people across New York State. These clean water utilities provide a critical, often overlooked, service to our residents, businesses and visitors.

According to a 2008 analysis by the New York State Department of Environmental Conservation, 30% of the wastewater collection systems in the State are beyond their expected useful life and the investment needed to maintain current service levels over the next 20 years is \$20.2B, an average of \$1B per year.

Infrastructure, including water and sewer systems, represents the largest financial asset for a municipality, yet, over the last 10 years, 10% or less of total local government expenditures have been directed towards infrastructure. This situation is not for a lack of dedication of local governments, but the result of difficult financial situations, state revenue restrictions and limited resources. Whatever the cause, the result of insufficient reinvestment remains unchanged. Deferred investment leads to more rapid deterioration of assets, reducing service life, and increasing both repair cost and the economic impact to businesses.

Economic studies have shown that investment in infrastructure produces twice as much economic activity as the level of initial spending and that investment in water and sewer projects in particular generate a greater return on investment and stimulate the regional economy more than other forms of infrastructure. A study by the College of William & Mary found that the short-term direct and indirect impact from public infrastructure investment was \$1.92 for every \$1 invested, while the long-term marginal product specific to water and sewer investment yields \$6.77 in GDP for every \$1 invested.

According to the U.S. Treasury, infrastructure investments create good paying construction and manufacturing jobs, and are overwhelmingly supported by the public. It is estimated that a \$1B investment in water and wastewater infrastructure can create more than 26,000 jobs and the Department of Commerce estimates that for each job created in the local water and wastewater industry, 3.68 jobs are created in the national economy. The complexity of wastewater infrastructure improvements requires the combined efforts of planners, engineers, equipment manufacturers, distributors, contractors, and operators throughout the supply chain. 70% of the nation's engineering firms and 90% of general and heavy construction firms are small businesses. And as we know, small business is the backbone of the American economy.

While our industry applauds the formation of the \$3B Dedicated Infrastructure Investment Fund from the \$5.4B in bank settlements, we are concerned regarding the loose definition of the word "Infrastructure" in the current description of the Fund. Merriam-Webster defines infrastructure as "the basic equipment and structures (such as roads and bridges) that are needed for a country, region, or organization to function properly" and we believe that the traditional perception of

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infrastructure is that of roads, bridges, water, sewer, rail, and the like. However, the current Dedicated Infrastructure Investment Fund allocations include \$400M towards hospital corporate restructuring, \$150M for terrorism and emergency preparedness, \$150M for municipal restructuring and \$50M for agriculture.

Subtracting these and the earmarked, traditional infrastructure projects such as the Tappan Zee Bridge and Penn Station rail improvements from the \$3B Infrastructure Investment Fund, leaves only \$115M for “general” infrastructure investment which must be shared between roads, rails, airports, sea ports, economic development and, though unnamed in the budget summary, presumably water and wastewater projects.

Based upon the need for investment in wastewater infrastructure, the current funding gap, the higher than average return on investment for wastewater infrastructure, and the percentage of good paying jobs created by wastewater investment, we believe that a specific line item for wastewater projects in the Dedicated Infrastructure Investment Fund is warranted and an appropriate share of the \$3B fund should be allocated specifically for a new Pure Waters Program.

In 1966, New York State lead the nation in its efforts to restore its waterways and protect the public health through investment in wastewater infrastructure. The secondary effects of this investment were long lasting increased economic development and employment opportunities. It is once again time for New York State to lead the way in wastewater infrastructure investment by creating a dedicated line item in the Infrastructure Investment Fund for wastewater projects. A new Pure Waters Program will create a mechanism to restore New York State’s wastewater infrastructure to minimum acceptable condition safeguarding those investments for this and future generations while ensuring recreational opportunities, increasing economic development, and creating jobs.

Thank you again for the opportunity to speak before you today. I am happy to answer any questions you may have regarding the economic benefits of wastewater infrastructure investment or our position regarding a new Pure Waters Program.



