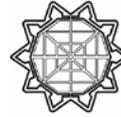




AMERICAN COUNCIL OF ENGINEERING COMPANIES
OF MASSACHUSETTS



Massachusetts
Municipal
Association

Water Infrastructure Investment Creates Jobs

Support HB 2117, An Act relative to municipal assistance for clean water and economic development infrastructure
(Rep. Carolyn Dykema & co-sponsors) – [In Joint Committee on Environment, Natural Resources and Agriculture]

ISSUE:

The Commonwealth and its municipalities face an impending water crisis created by antiquated infrastructure and limited funding to invest in maintaining existing water and sewer infrastructure. Investment in water infrastructure creates jobs and more revenue through economic development, as much as \$20 for every \$1 invested.

BACKGROUND:

Across the nation, cities and towns depend on water infrastructure to provide clean and reliable water for the protection of public health and safety while enhancing economic viability and overall quality of life. The million miles of water pipes below our streets represent an enormous public asset largely built and paid for by earlier generations. Aging and failing water and sewer infrastructure threatens public health and safety by degrading water quality and compromising fire protection through reduced flow.

Many Massachusetts communities have water and sewer systems that are well over 100 years old and are in dire need of rehabilitation and/or replacement. Leaking water pipes drive up treatment costs and increase the risk of breaks. Leaking sewer pipes allow groundwater infiltration, driving up wastewater treatment costs and negatively impacting groundwater levels. Many water/wastewater treatment plants were built in the 1970s (with federal funding) and now require significant upgrades that will cost millions. In addition, the US EPA Phase II Stormwater program requires many communities to develop plans to treat stormwater discharges, costing millions of dollars statewide. Safe and reliable drinking water and clean water bodies sustain our ecosystems, economy and recreational opportunities, and provide a quality of life that Massachusetts residents have come to expect.

There is an increasing awareness that many Massachusetts communities lack the funds needed to invest in their water systems at the levels to sustain them. The collective economic impact is daunting. The Commonwealth needs to take a holistic approach to find solutions are created to help communities and their respective water suppliers deal with this significant funding gap.

KEY POINTS:

- ◆ Every single job in the Commonwealth depends on reliable water infrastructure. Without water, fire protection and wastewater disposal there can be no occupancy permits. No business could run without our services.
- ◆ What does \$1 invested in water infrastructure do? It creates **economic growth**: \$2 - \$14 in new taxes and \$2.62 - \$6.77 in the private economy, according to the *Study on Investment in Water and Wastewater Infrastructure and Economic Development* by the Edward J. Collins, Jr. Center for Public Management [January 2014]
- ◆ State government can create a more stable, holistic approach to water infrastructure, giving municipalities greater levels of confidence and encouragement to invest in water infrastructure improvements. The State Auditor's Division of Local Mandates report highlights key recommendations: *Costs, Regulation and Financing of Massachusetts Water Infrastructure: Implications for Municipal Budgets* [January 2017] http://bit.ly/Auditor_Water2017
- ◆ The Massachusetts Water Infrastructure Finance Commission found that there is a significant gap between available funding and what is needed over the next 20 years to improve water-related infrastructure: \$10.2 billion for drinking water; \$11.2 billion for wastewater; conservative estimate of \$18 billion for stormwater. [February 2012]

ACTIONS REQUESTED:

- ◆ *We respectfully ask the legislature to support increased funding for water infrastructure, including HB 2117, An Act relative to municipal assistance for clean water and economic development infrastructure*
- ◆ *Chapter 259 of the Acts of 2014 raised the state capitalization of the SRF program from \$88 million to \$138 million, but the legislature needs to appropriate the funding. The Act also provides access to less than 2% loans, 0% or even principal forgiveness if a project meets certain criteria. Please fully fund capitalization at \$138 million.*