The State of Water Infrastructure A briefing for legislators



January 8, 2025

Welcome Representative Jay Livingstone - Opening Remarks

Partnering Organizations:



AMERICAN COUNCIL OF ENGINEERING COMPANIES OF MASSACHUSETTS



MCWRS

Massachusetts Coalition for Water Resources Stewardship





Massachusetts

Municipal
Association









American Society of Civil Engineers

Briefing Overview

- State of Infrastructure
- Water Infrastructure Funding Needs & Gap
- Economic Impacts
- Infrastructure Funding, Design, Construction Process
- What you can do to help

KeyTakeaways

Water Infrastructure has been woefully underfunded for decades

 We are reaching a crisis point where continued reliable service is threatened

Increasing regulatory and legislative mandates are unsustainable

 Water infrastructure funding is a shared obligation – we need additional state and federal funding to keep water and wastewater services affordable for the Commonwealth's residents and businesses

Aging infrastructure needs attention











Cost of service

Infrastructure (pipes, pumps, treatment plants)

Staff

Chemicals

Energy

Compliance with Regulatory Mandates



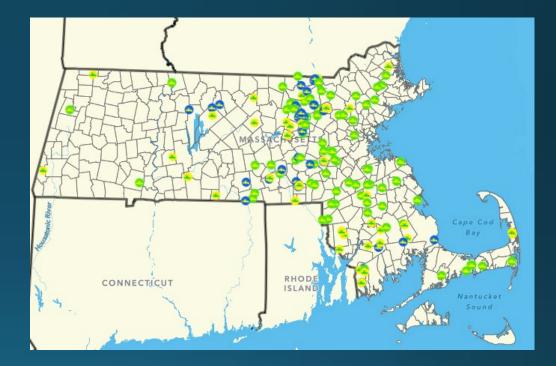




Some Current Challenges

Drinking Water

- Infrastructure Repair and Replacement Needs
- Lead Service Line Removal
- PFAS
 - MA has standard for PFAS in drinking water (Maximum Contaminant Level) of 20 parts per trillion for any one or combination of six PFAS compounds – EPA has lowered that to <u>4 ppt</u> with compliance required by 2029.
 - Drinking water treatment is possible, but expensive



From MassDEP

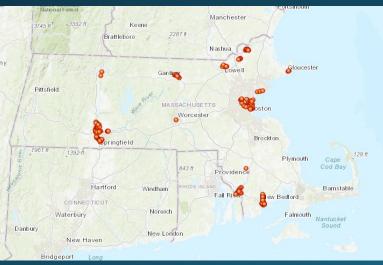
170 Public Water Systems have detections over 20 ppt

https://www.mass.gov/info-details/per-and-polyfluoroalkyl-substances-pfas#pfas-detected-indrinking-water-supplies-in-massachusetts-

Some Current Challenges

Wastewater

- Biosolids Crisis
- Infrastructure Repair and Replacement Needs
- Combined Sewer Overflows
 - 19 communities still have combined sewer systems



From MassDEP Combined Sewer Outfalls https://masseoeea.maps.arcgis.com/apps/webappviewer/index.html?id=08c0019270254f0095a0806b 155abcde

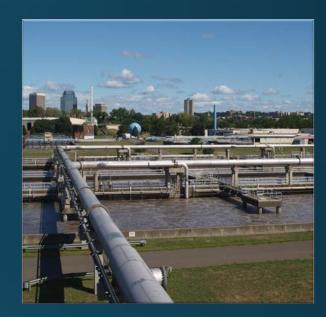
Stormwater

- Increasing Storm Intensity
- New Draft MS4 Permit from EPA Region 1 (out for comment)
 - Affects over 250 communities
- Draft Permit for Commercial, Industrial, Institutional Properties in Charles, Neponset and Mystic River Watersheds (out for comment)
 - Unique to Massachusetts-Federal permit that only applies to select properties in one state
 - Puts burden for phosphorus reduction from stormwater on private property owner with 1 acre or more of impervious surface



Why is it important to support water infrastructure investment?

- Utilities play a key role in protecting public health by maintaining water quality from the source through the distribution system to the customer, and then through the sanitation process, returning clean water to the environment.
- Utilities, with the support of their engineers and their contractors, construct and maintain the infrastructure needed to collect, treat, store, and distribute the drinking water and treat the wastewater.
- The public expects dependable water and wastewater services. Reliable infrastructure enhances the economy and supports the overall quality of life we enjoy in the Commonwealth.

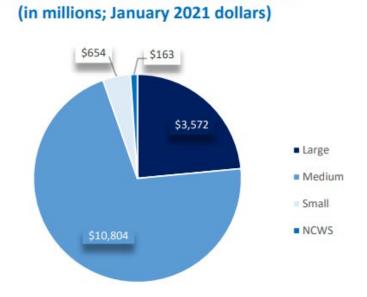




How much money is needed?

EPA's <u>Drinking Water</u> Infrastructure Needs Survey and Assessment, 7th Report to Congress. September 2023

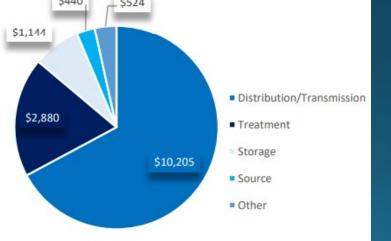
(The findings are based on data collected in calendar year 2021)



Massachusetts Total Need by System Size

Massachusetts

Massachusetts Total Need by Project Category (in millions; January 2021 dollars)



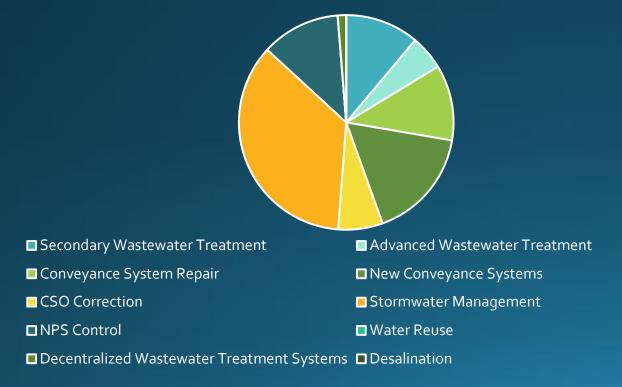
\$15.2 Billion

https://www.epa.gov/system/files/documents/2023-09/Seventh%20DWINSA_September2023_Final.pdf

How much money is needed? <u>Clean Watersheds</u> Needs Survey Report to Congress. April 2024 <u>Wastewater, Stormwater</u>

(This Report was designed to capture needs as of January 1, 2022, that are expected to occur within the next 20 years)

Massachusetts Needs Category





https://www.epa.gov/system/files/documents/2024-05/2022cwns-report-to-congress.pdf

What about recent Federal Funding Opportunities?

American Rescue Plan Act (ARPA)

- Only six areas that ARPA could be utilized, and Water Infrastructure was one of them
- The Commonwealth received \$5.3 Billion in discretionary funding
- 2021 the Legislature authorized \$100 million for water/sewer infrastructure from the State's ARPA funds (emphasis on addressing PFAS and CSOs)
 - \$12 million earmarked to specific projects
 - \$67 million distributed to projects already funded on 2021 IUP
 - \$20 million held for CSO projects 2022 IUP
- 2022 Economic Development/ARPA 2.0 authorized \$115 million to the Clean Water Trust

Bipartisan Infrastructure Law (BIL) / Infrastructure Investment and Jobs Act (IIJA)

- Drinking Water Bucket = \$618 million
 - General Projects, Lead Service Line, Emerging Contaminants
- Clean Water Bucket = \$391 million
 General Projects, Emerging Contaminants
- Total = \$1.008 billion distributed over 5 years
- Emphasis on loan forgiveness for "Disadvantaged Communities"
- The only way to access BIL funding is to apply through the Clean Water Trust







\$1 billion BIL Funds represents just shy of 3% of the identified needs

EPA Funding Gap BIL ARPA

Economic Impacts

Water-related infrastructure & capacity is critical to achieving Housing goals

♦ Economic Loss

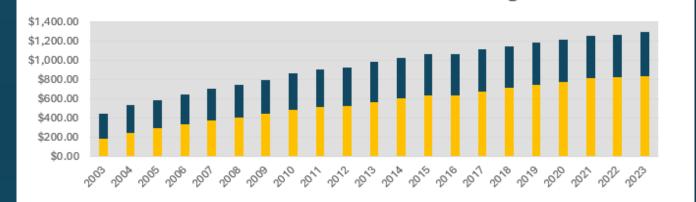
MWRA estimated that the 2010 water main break economic impacts were nearly \$300 million per day. Important to note that the incident led to a boil order, but that a true loss of water to the Boston area would have significantly greater impacts

♦ Rate Increases

- More debt exclusions/overrides needed, especially for water treatment to address PFAS
- EPA Water Affordability Needs Assessment, Dec. 2024 (EPA 830-R-24-015) estimates that rates are already unaffordable for 9-15% of households (12-19 million households)
 - <u>https://www.epa.gov/system/files/documents/2024-12/water-affordability-needs-assessment.pdf</u>



What has been the impact on ratepayers?



Combined Water and Sewer Rates 2003 through 2023

Worcester



Annual Water and Sewer Retail Rate Survey

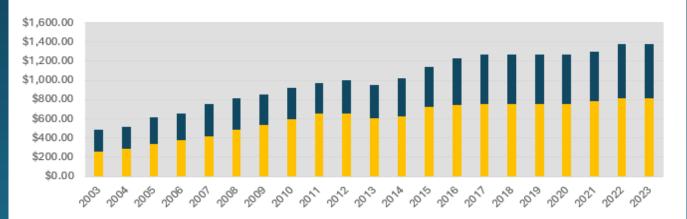
The Community Advisory Board to the

Massachusetts Water Resources Authority

2023

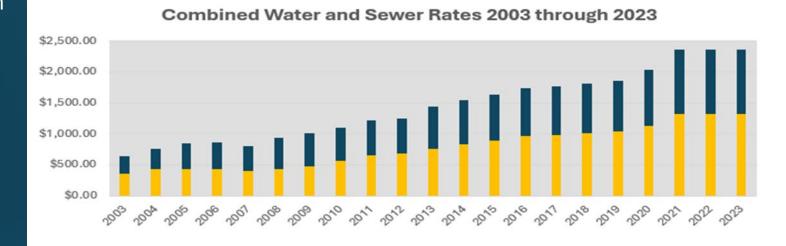
Chicopee



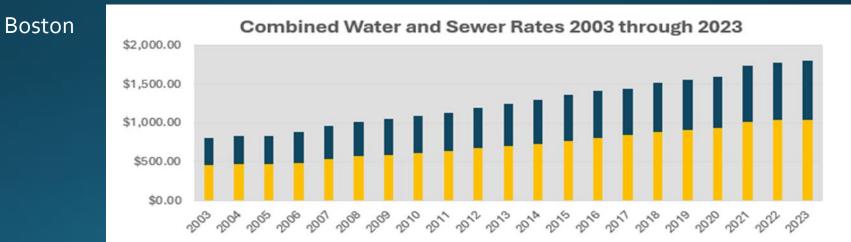


https://www.mwraadvisoryboard.com/document-library/2023-annual-water-and-sewer-retail-rate-survey/

What has been the impact on ratepayers?



Framingham



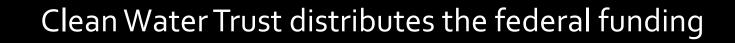
Annual Water and Sewer Retail Rate Survey

The Community Advisory Board to the Massachusetts Water Resources Authority

2023

https://www.mwraadvisoryboard.com/document-library/2023-annual-water-and-sewer-retail-rate-survey/

How do infrastructure projects get addressed?





Multi-step process to get projects ready

Communities must have needs identified, capital improvement plans Projects must get local approval Projects must be designed and put out to bid Construction must be awarded



Could take a couple of years for a community to get through this entire process

Role of Engineering Firms



Work with Water System operators / municipalities on planning studies



Environmental and other permitting



Work with regulatory agencies, both state and federal



Design Systems, prepare bid documents for project to be built by contractors



Conduct needs assessments for future improvements

Where are the bottlenecks in the process?

₽	Most of the funding for the work done by engineering firms comes from the local system, not through the Clean Water Trust
ŤŤŤ	Workforce shortages
	Supply chain issues
×	Increased Operations & Maintenance costs for systems
\checkmark	Local approval
盦	Interpretations by regulatory agencies that create uncertainty for municipalities

Buy America provisions in BIL that might not work with regulatory requirements



Role of Utility Contractors

Perform underground utility construction projects (water, sewer, electrical, gas, fiber optics, etc.)

Build above ground water and sewer pump and metering stations, treatment plants, and storage tanks and vaults

Infrastructure Investment Challenges

- Costs of construction have increased
- Competition for Water infrastructure dollars is increasing with mandatory Lead Pipe removal and PFAS treatment, leaving little available for essential infrastructure projects such as water main and sewer replacements, pump station repairs, tank replacements, and meter upgrades
- Federal funding will be reduced as ARPA and BIL funding ends
- We need to redouble our commitment to Water and Sewer investments across the Commonwealth before it'd too late

Infrastructure Investment Challenges

Water Infrastructure can be literally out of sight and out of mind.

Winning Support For Your Local Water Infrastructure Project

A PR and Social Media Playbook

Spring 2022





Don't let out of sight mean out of mind

Infrastructure Investment Opportunities



Protects Public Health

Increases Climate Resilience

Improves the Environment

CREATES JOBS!!





What can you do to help?

- Only a shared partnership can address the challenges we face
- Help direct more state funds to water infrastructure projects
- Support Water Infrastructure-Related Legislation
 - Water Bond, Omnibus Water Funding, Environmental Bond Bill
- Urge Congress to make water infrastructure funding a priority beyond the BIL funding years
- Consider carefully the impacts of legislation which may add additional cost or burden to utilities <u>and</u> their ratepayers
- Don't let water infrastructure remain out of sight and out of mind any longer!





For Questions:

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