



STATE OF MAINE
DEPARTMENT OF ENVIRONMENTAL PROTECTION



PAUL R. LEPAGE
GOVERNOR

PAUL MERCER
COMMISSIONER

TESTIMONY OF
PAUL MERCER, COMMISSIONER
MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION

SPEAKING IN SUPPORT OF L.D. 1510

**AN ACT TO AUTHORIZE A GENERAL FUND BOND ISSUE TO FUND
WASTEWATER INFRASTRUCTURE PROJECTS FOR RATIFICATION BY VOTERS
IN THE JUNE 2017 ELECTION**

SPONSORED BY REPRESENTATIVE FREDETTE OF NEWPORT

**BEFORE THE JOINT STANDING COMMITTEE
ON
APPROPRIATIONS AND FINANCIAL AFFAIRS**

DATE OF HEARING:

JANUARY 9, 2018

Senator Hamper, Representative Gattine, and members of the Committee, I am Brian Kavanah, Director of the Division of Water Quality Management at the Department of Environmental Protection, speaking in support of L.D. 1510. I am speaking on behalf of Commissioner Mercer who was not able to be here today.

Maine is known for its clean water. Maintaining the high quality of Maine's water is essential to the "Maine brand", our quality of life, a healthy environment, and a strong economy. In order to protect and improve Maine's water quality it is vitally important that we maintain and upgrade our wastewater infrastructure.

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(LD 1510 An Act to Authorize a General Fund Bond Issue to Fund Wastewater Infrastructure Projects for Ratification by Voters in the June 2017 Election)

Testimony of: Paul Mercer, Commissioner - DEP

Public Hearing: 1/9/18

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L.D. 1510 proposes a bond in the amount of \$50,000,000 that will fund three wastewater infrastructure programs that provide grants to upgrade municipal/ quasi-municipal wastewater infrastructure, remove overboard discharges and repair or replace malfunctioning septic systems that impact surface water.

Wastewater infrastructure (such as treatment plants, sewer systems and pump stations) is typically the highest value asset a community owns and in some circumstances cannot be affordably sustained solely through local rate payers. In the state of Maine we have approximately \$1 billion dollars of known wastewater infrastructure needs just to maintain and upgrade our existing wastewater infrastructure. Maintenance and upgrading of this “invisible”, yet essential, infrastructure is critical to protect public health, to protect water quality, and support economic growth.

This bond will allow the state to partner with other funding sources, such as USDA Rural Development, and Community Development Block Grants, to leverage our combined municipal wastewater funds to their fullest potential. An approximate estimate of the leveraging potential is 150% or more.

If passed, this bond will have multiple economic and environmental benefits.

Economic benefits are estimated to include approximately 900 jobs (such as construction and engineering related jobs) that would be created or sustained from the bond funds alone, and over 2,100 total jobs will be created or sustained from the combined bond and leveraged state and federal funds.¹

¹ “How Infrastructure Investments Support the U.S. Economy: Employment, Productivity and Growth” Political Economy Research Institute, January 2009, p. 25. Table 3.1 estimates 18 jobs created per \$1 million infrastructure investment.

In addition, upgrading certain wastewater infrastructure has the potential to open closed shellfish areas putting clambers to work, and improve water quality to maintain our strong tourism economy.

Environmental benefits include improvement in water quality through the abatement of combined sewer overflows, upgrading wastewater treatment technology, removing overboard discharges, and eliminating malfunctioning septic systems that impact surface waters.

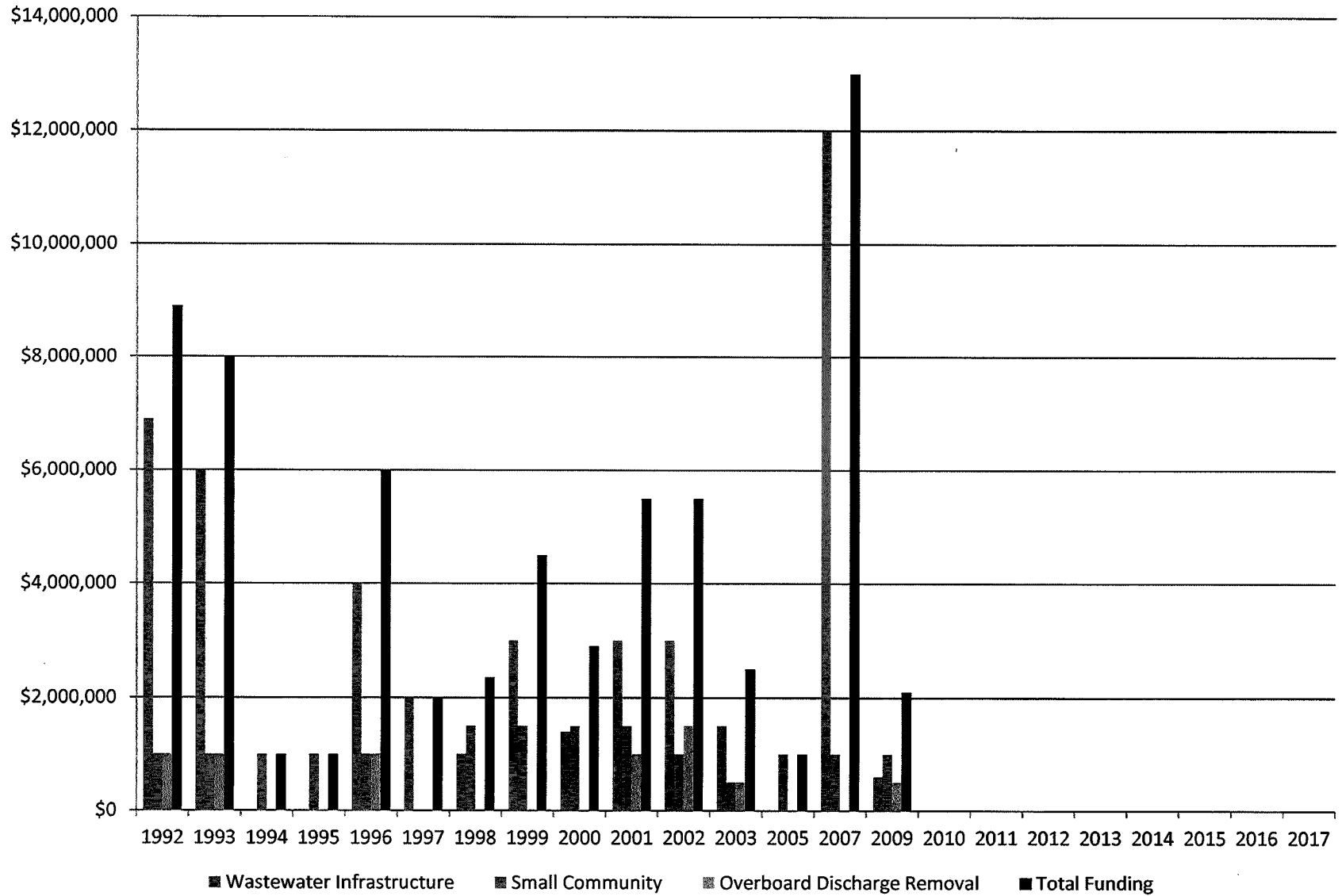
As noted in the attached chart, from 1992 through 2009, there had been consistent legislature and voter approved support for bonds for these programs. These programs have not been approved by the legislature for voter consideration since 2009.

It is vitally important that we make this investment to maintain our wastewater infrastructure, so we can ensure the highest possible water quality and the associated economic benefits.

I appreciate the opportunity to provide you with our comments and I will be happy to answer any questions.

As an aside, I'm happy to report that beginning in the fall of 2018, Northern Maine Community College is offering a one-of-a-kind program to train technicians in the water treatment field. This program is essential due to the need for qualified personnel to operate these complex treatment facilities. The college is also offering online training modules for current operators and technicians that will allow them the opportunity to advance their licensure levels. All of this was made possible by a public/private partnership that has committed 2 million dollars to this program.

Maine - State Funding for Pollution Abatement Grants Since 1992



Department of Environmental Protection

Attachment to Testimony to L.D. 1510

DEPARTMENT PROGRAMS

<u>Year</u>	<u>Grant Funding Amount</u>	<u>Wastewater Infrastructure Grants</u>	<u>Small Community Grants</u>	<u>Overboard Discharge Removal Grants</u>
1992	\$8,900,000	\$6,900,000	\$1,000,000	\$1,000,000
1993	\$8,000,000	\$6,000,000	\$1,000,000	\$1,000,000
1994	\$1,000,000	\$0	\$1,000,000	\$0
1995	\$1,000,000	\$0	\$1,000,000	\$0
1996	\$6,000,000	\$4,000,000	\$1,000,000	\$1,000,000
1997	\$2,000,000	\$2,000,000	\$0	\$0
1998	\$2,350,000	\$1,000,000	\$1,350,000	\$0
1999	\$4,500,000	\$3,000,000	\$1,500,000	\$0
2000	\$2,900,000	\$1,400,000	\$1,500,000	\$0
2001	\$5,500,000	\$3,000,000	\$1,500,000	\$1,000,000
2002	\$5,500,000	\$3,000,000	\$1,000,000	\$1,500,000
2003	\$2,500,000	\$1,500,000	\$500,000	\$500,000
2005	\$1,000,000	\$0	\$1,000,000	\$0
2007	\$13,000,000	\$12,000,000	\$1,000,000	\$0
2009	\$2,100,000	\$600,000	\$1,000,000	\$500,000
2010	\$0	\$0	\$0	\$0
2011	\$0	\$0	\$0	\$0
2012	\$0	\$0	\$0	\$0
2013	\$0	\$0	\$0	\$0
2014	\$0	\$0	\$0	\$0
2015	\$0	\$0	\$0	\$0
2016	\$0	\$0	\$0	\$0
2017	\$0	\$0	\$0	\$0
TOTAL	\$66,250,000	\$44,400,000	\$15,350,000	\$6,500,000
Yearly Average 1992 - 2009	\$4,400,000	\$3,000,000	\$1,000,000	\$400,000