Written Testimony of Ronald T. Nunes on behalf of National Utility Contractors Association before the Subcommittee on Interior, Environment, and Related Agencies, House Committee on Appropriations Addressing "Putting America Back to Work Through Water Infrastructure Investment"

March 18, 2015

Chairman Calvert, Ranking Member McCollum, and Honorable Members of the Subcommittee, the National Utility Contractors Association (NUCA) appreciates the opportunity to testify regarding the job creation and economic benefits that come with investment in water infrastructure through the EPA's Clean Water and Drinking Water State Revolving Funds.

I am the President of R.T. Nunes & Sons, a small business specializing in site and utility construction established in 1983. We have constructed thousands of lineal feet of water and sewer infrastructure, as well as river and dam preservation and restoration projects.

I am also the current Chairman of NUCA. NUCA is a family of nearly 1,300 companies from across the nation that build, repair and maintain underground water, wastewater, gas, electric and telecommunications infrastructure systems.

NUCA also serves as chair of the Clean Water Council (CWC), a coalition of 34 national organizations representing underground construction contractors, design professionals, manufacturers and suppliers, labor representatives and others committed to ensuring a high quality of life through sound environmental infrastructure. These industries work collectively to improve critical underground systems that unquestionably enhance America's quality of life and global business competitiveness.

The Clean Water Council operates a blog, called Clean Water Weekly, which publishes weekly stories about America's water infrastructure. Over the past month, Clean Water Weekly has highlighted an infrastructure story from each member of this subcommittee's district. Full information about these water infrastructure failures can be found on cleanwaterweekly.com, but I'd like to highlight some of these stories.

Utah -Roughly 1,300 miles of piping under Salt Lake City is some of the oldest in the entire state. As a result, there are about 350 water main breaks on average in Salt Lake City each year, according to city data. On February 16, a ruptured water main break under Main Street in Salt Lake City sent thousands of gallons of water rushing like a river down the thoroughfare, forcing the closure of Main Street for most of the day. Representatives of the Salt Lake City Public Works Department said aging parts of the infrastructure below ground were likely to blame - the line that burst under Main Street is nearly 100 years old.

West Virginia-West Virginians, particularly in the mountainous southern part of the state in which many current water systems were installed in the early 1900s, routinely face adversity as a result of failing water infrastructure. The week of February 23, 2015 saw numerous instances in which residents of southern West Virginia were advised not to use or consume water before boiling as a result of possible contamination from broken water mains. These "boil water advisories" are unfortunately commonplace in this region, as recently reported by West Virginia Public Broadcasting. Residents of Keystone in

McDowell County, for example, have been on an advisory since 2010. The town's neighboring city, Northfork, has been on a boil water advisory since 2013.

Nevada -Last summer a large water main break forced the closure of several buildings at the University of Nevada's Reno campus. The break caused power outages, data services disruption, and air cooling and water services outages that lasted more than two days; it also necessitated expensive repairs and cleanup of mud and water in the affected buildings. Classes had to be rescheduled or relocated.

Maine-The Portland Water District pumps water to Portland and 10 surrounding communities - including Cape Elizabeth, Cumberland, Falmouth, Scarborough, and South Portland - is by far Maine's largest water utility. Roughly 20% of its pipes, including 1,000 miles of water mains, are more than 80 years old. As a result, the District experienced 21 water main breaks last month, including three in Portland and one each in South Portland and Gorham just last week.

Minnesota- The Minneapolis Public Housing Authority offices in downtown Minneapolis had to be closed for a full day last year when a nearby water main broke, necessitating repairs and damage cleanup. A report by the University of Minnesota's Water Resources Center in 2011 found that of the estimated 535,000 individual sewage treatment systems in Minnesota, about 39% are failing or pose an imminent threat to public health and safety. The report stated that over the next 20 years, more than $6 billion will be needed for improvements to drinking water systems, more than $4.5 billion for public wastewater systems, and more than $1.2 billion for individual wastewater systems throughout the State.

Washington- Last fall, a 16-inch pipe left Tacoma's largest water customer, the RockTenn paper mill, out of service until repairs were completed. An estimated 20,000 gallons of water gushed from the main every minute for several hours, leaving a gaping hole in the street. Employees at roughly a dozen nearby businesses were advised to boil drinking water as a result

California- Late last year, a major Murrieta thoroughfare was closed for nearly a week following a water main break. The water pressure was high enough to crack the road. The 16-inch water line – connected to the main pump station that imports water from Lake Skinner – was leaking at a rate of approximately 10,000 gallons of water a minute. A total estimated 500,000 leaked, according to a District spokesman. As a result, roughly 1,000 feet of pavement need to be repaired.

Idaho- The Boise area has experienced numerous water main breaks in recent months. Last fall a Boise intersection near the Darigold plant was flooded due to a break causing the sidewalk to buckle. In Twin Falls, Harrison Elementary School had to close last fall due to an 8-inch water line break in front of the school, and residents were asked to boil water before drinking while contamination tests were conducted. The break was the third in a week for the Twin Falls area.

My personal experience in Rhode Island also highlights the need for underground infrastructure. I've seen major reservoir supply lines rupture and 100 year old valves that could not be closed resulting in millions of gallons of lost water.

In June of 2013, the EPA released the findings from its 2011 *Drinking Water Infrastructure Needs Survey and Assessment (DWINSA).* This state-by-state study estimated **America's drinking water infrastructure needs will cost $384.2 billion over the next 20 years.** This is a nearly $50 billion increase over the 2007 DWINSA and indicates our country is losing ground and falling further behind.

The high cost of infrastructure projects has, in the economic downturn, caused states and communities to forgo infrastructure projects regardless of need. Federal programs that support infrastructure projects have been insufficient in helping states and municipalities address these needs. The inevitable result is less maintenance and replacement of deteriorating infrastructure and fewer jobs for those who do this critical work. By neglecting this fundamental infrastructure, we're not just turning our back on public health and environmental protection. We're also missing huge opportunities to put Americans in a broad range of industries back to work. In addition, further delaying these projects only increases the scope of the need required and the cost to taxpayers.

NUCA respectfully requests you address these concerns through the State Revolving Funds appropriations to the Environmental Protection Agency.

ECONOMIC BENEFITS OF INFRASTRUCTURE INVESTMENT

Underground water and wastewater projects are generally recognized for their effectiveness in enhancing public health and environmental protection. Often overlooked, however, are the *economic* benefits that result from SRF appropriations. It is not an exaggeration to say that **clean water projects go hand-in-hand with a healthy economy** by creating jobs, expanding the local tax base and generating business and community development.

Federal investment has a proven effect of creating tens of thousands of quality, high-paying jobs. Importantly, the job creation and increased economic activity that comes with federal and state funding enhances local economies and provides disadvantaged communities with opportunities to revitalize, and grow.

SUDDEN IMPACT OF FUNDING WATER INFRASTRUCTURE PROJECTS

The Clean Water Council released an economic impact study on the job creation and economic benefits that come with water and wastewater infrastructure projects. *Sudden Impact: an Assessment of Short-Term Economic Impacts of Water and Wastewater Construction Projects in the United States* takes a comprehensive look at 116 water and wastewater infrastructure projects in five states and 73 counties. *Sudden Impact* quantifies what we already know; that indeed**, investment in underground environmental infrastructure projects results in significant job creation.** *Sudden Impact* found that **every $1 billion could create approximately 27,000 jobs.** The average annual earnings within the pipe construction sector were found to be more than $50,000, and about one-half of these jobs are in industries outside of water and wastewater construction, illustrating the broad reach of investment in this infrastructure.

Jobs are created in scores of industry sectors outside of construction, and the economic benefits that come with funding water infrastructure are not limited to job creation. Significant impacts on national output, personal spending, and state and local tax bases also transpire.

The total effect of a $1 billion investment almost triples national output to an estimated $2.87 to $3.46 billion in economic demand for goods and services from other industries such as engineering, manufacturing, distribution and supply. Investment in underground environmental infrastructure also generates approximately $1.06 billion in personal (household) spending.

This "ripple effect" of economic activity that comes with construction projects cannot be understated. Investment in water and wastewater infrastructure projects can generate measurable employment in 325 other standard industry classifications in addition to the immediate construction jobs. Industries such as food services, real estate, health care, automotive repair and maintenance, legal services, retail sales, insurance, amusement and recreation, and various other industry sectors benefit when these projects get off the ground. The ripple effect on economic demand amounts to approximately $950 million per $1 billion invested; a huge return on investment for the federal government.

Importantly, the study reports that approximately $82.4 million is generated for state and local tax bases with every $1 billion invested in these projects. This allows states to gain a better financial position to take on more infrastructure projects and begin to repair water and wastewater systems proactively rather than more expensively and reactively.

The message behind these statistics is clear: investment in water and wastewater infrastructure projects is investment in an American asset, creating countless American jobs in hundreds of American industries, generating state and local tax revenue, and turning out considerable fiscal activity through local economies while rebuilding critical infrastructure the country desperately requires.

The infrastructure needed to provide for safe drinking water and effective wastewater treatment are fundamental considerations that encourage expanded investment, but think about the economic importance of clean and safe drinking water itself. A community and indeed, an effective society cannot do so without either. Clean water enhances individual productivity in countless ways and is undisputed. However, in times of economic difficulty, the funding of construction projects is therefore an effective way to stimulate growth and development far beyond the construction industry. The State Revolving Funds can and do make a difference in our infrastructure.

CONCLUSION

America can't function without environmental infrastructure. It's necessary for public health and good for business. It connects nearly everything we do on a daily basis, and is a precondition for economic renewal and growth. Investment in this infrastructure creates jobs here that cannot be outsourced overseas.

NUCA strongly supports continued investment in the EPA's Clean Water and Drinking Water State Revolving fund programs.

Thank you for the opportunity to testify before the subcommittee. I am happy to answer any questions or provide any further information you require.