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Testimony of David J. Miller
Clean Water Program Coordinator, Adirondack Council

NYS Senate Legislative Forum on Water Infrastructure
November 18, 2021

My name is David Miller, and I am the Clean Water Program Coordinator for the Adirondack Council. Adirondack lakes, rivers and streams are the lifeblood for residents and visitors, and important to people across the state and around the country. People depend on clean water for drinking and as a backbone of the tourism industry that is so vital to the local and state economy. Public clean water infrastructure purifies the water we use and protects the people that depend on it. Failures of sewage treatment plants or their collection systems impair their ability to properly treat locally generated wastewater. Communities must keep untreated human sewage out of pristine Adirondack surface waters and local drinking water supplies from Lake George to Lake Placid to Raquette Lake. If not, the impacts can be far reaching - from closing beaches due to recorded E. coli levels or notification of harmful algal blooms, to impairing pristine trout streams, to threatening drinking water resources. The challenges local Adirondack governments face to take on these needs are enormous from a technical and operational basis as well a fiscal one. It can be impossible to raise the local revenues necessary to invest in treatment systems needed with such a limited tax base.

Over the past six years, the Adirondack Council has played a leadership role in documenting and advocating for clean water infrastructure needs of Adirondack Park communities. The Adirondack Council was a founding member of the New York State Clean Water Infrastructure Coalition and through its efforts with the leadership of the Legislature and Administration, the Clean Water Fund was established authorizing over \$3.5 billion for Clean Water since 2016 in state grant funds to help finance wastewater and drinking water capital projects in New York State as well as other related clean water initiatives. The Council during this time published several reports documenting how these funds were used in the Adirondack Park and the enormous needs ahead. Enclosed for the record is our most recent report entitled “Adirondack Clean Water 2020: Successes Made/Wastewater Treatments Needs Ahead”. The report highlighted not only the on-going needs for wastewater treatment plant and sewer system upgrades, retrofits and/or repairs to continue to protect Adirondack waters,

but also the successes to date. By working with local government leaders, the Adirondack Council has pursued these needs and the Clean Water Fund has provided the foundation to make critical projects a reality.

In summary the report found that since the inception of New York State's Clean Water Infrastructure Act (CWIA) in 2015 and the historic \$3.5 billion investment made to date by the Administration and Legislature, Adirondack communities have benefited with over \$58 million in grants for their wastewater and drinking water facilities as well as other related clean water programs. This includes grant funding from the Environmental Facilities Corporation (EFC) and grants from NYSDEC Water Quality Improvement Program (WQIP). Other related smaller clean water grants were from the Road Salt Storage Program, NYS Septic System Replacement Fund and NYSDEC Engineering Planning Grants funding engineering studies for clean water projects. These programs are vital to New York State and to the environmental and economic well-being of the North Country. These programs are vital and must be continued.

In Summary, Adirondack Clean Water Program Successes Include:

- Close to \$39 million has been invested for Clean Water Wastewater Treatment Plant and Sewer System Projects and Studies (21 communities for 29 projects).
- Close to a million dollars granted for engineering studies in 14 communities.
- In addition, total grant investments to date for Drinking Water Facility and Road Salt Storage projects are listed as \$19,272,787.
- In total, 72 Clean Water and Drinking Water Grants have gone to 36 Adirondack communities, totaling \$58,068,291.
- Through five rounds of NYS's clean water program, more than \$58 million in grants have been coupled with approximately \$94 million in State Revolving Loan Fund low-interest financing to cover the balance of the project costs. Ultimately, the state's water grants have leveraged these low-interest loans, allowing communities to move forward with a total of \$152 million in clean water and drinking water infrastructure improvement projects in the Adirondack region since 2015.

After a more detailed analysis of these project grants, it was found that many of the backlogged wastewater treatment plants in the region have been funded. Communities such as Lake Placid and Saranac Lake had multiple grants to implement several stages of their wastewater and sewer line projects. In Lake Placid, the major project has been replacement of sewer lines under the iconic main street which has also allowed the Village to implement green infrastructure improvements. For Saranac Lake which has had a capital project backlog of more than twenty-five million dollars, several projects for their wastewater treatment plant and collection system have been completed, while others are in the design phase to address their aging sewer lines and sewer systems.

Other critical projects listed in the report included upgrades to Ticonderoga's sewer line system to address combined sewer overflows during heavy rains keeping polluted waters from entering LaChute River, which leads to Lake Champlain. This eight-million-

dollar project known as “The Portage” received several million dollars in grants in 2019 and work began in 2020. In 2018, the Town of Bolton received more than a million dollars in state funding to upgrade its sewage treatment plant. Other towns, such as Moriah, St. Armands, Crown Point, Willsboro to name a few, received partial grant support for some of their initial clean water infrastructure needs. In all of these cases, there is much more work to be done and greater needs are ahead.

Furthermore, the past funds received by Lake George from New York State and the supplemental additional funds in 2020 allocated to build their new sewage treatment plant will prove to be a transformational step forward for the Adirondack region. The community could not afford to close the funding gap they faced on its own and the additional support of \$9 million in the 2020/2021 NYS budget made the project financially feasible. This approach, when warranted to help hardship Adirondack communities in need, should be expanded in the future.

Even with these successful projects listed, there remains even greater needs for clean water infrastructure projects in the Adirondacks. It is important to note that the Adirondack Park is six million acres (larger than the state of Connecticut) with over a hundred communities and over twenty-five sewage treatment plants currently. Over twelve communities are currently finalizing engineering studies for new upgrades to their Wastewater Treatment Plants as well as replacement sewer line systems to address inflow and infiltration issues impacting their sewer lines where breaks and leaks allow for inflows and infiltration of water from groundwater and rainstorms. Others faced major upgrades to their wastewater treatment plants from treatment processes in the plant, to pump stations, to additional treatment capacity they need. More examples of these needs as well as funding gaps is well documented in our report provided to you today.

While each of these communities have extensive needs and plans underway, there are still some additional communities that have yet to get to the design phase that also need clean water infrastructure work done. In addition, some communities need entirely new facilities like Elizabethtown whose re-design of their facility over past year have increased their costs from \$9 million to over \$20 million to complete the project.

It is estimated from our reports and the added information collected that there is still between \$125 and \$150 million in clean water infrastructure projects needed now in the Adirondacks to protect its waters. With these communities’ fiscal resources stretched thin already, more and expanded state funding support will be needed to ensure these communities can upgrade their clean water facilities and remain fiscally solvent. In addition, most Adirondack communities are classified as hardship communities due to low-income levels of residents and low user rates. For example, St. Armands not only has users under the state median income level but also have only 338 residents using their wastewater treatment system. These numbers make it impossible for a community like St Armands to finance their projects even with state grants under current allocation formulas.

Therefore, the NYS Legislature needs to continue to appropriate these critical dollars every year to the Clean Water Fund to meet the State-wide ever growing Clean

Water and Drinking Water Infrastructure needs. The Adirondack Council in solidarity with our coalition partners recommend that next year's appropriation in the state budget be at one billion dollars for the overall program. Within these continued annual state budget allocations to support clean water funding, state agencies should also consider providing supplemental grants within those funding programs as well as other state and federal sources for communities who face the greatest hardship and fiscal need. As noted, this approach was done successfully for the Town of Lake George's new wastewater treatment plant in 2020 when it was clear that existing grant funds would not close the gap between total project cost and the amount that the Town could responsibly bond based on their user base. With discretionary state funds found by the Administration and Legislature to close this financial gap, construction is now well underway.

In addition, an analysis of other hardship Adirondack communities and their needs is a critical step by the state to make these communities able to move their clean water projects forward in an affordable fashion. Supplemental grant funds could come from discretionary sources in the current Clean Water Fund, other sources of state and federal grants as well as in the future from the proposed 2022 Environmental Bond Act. The Adirondack Council is undergoing such a review of a sub-set of these hardship communities within the Lake Champlain basin and initially we have found a gap of over \$25 million dollars between available state funds and local match capacity for five communities in need based on the current projects they are pursuing.

The Clean Water Program can also review and update its administrative rules and service to make the program more successful for these rural, hardship communities. Special consideration is needed by NYS Environmental Facilities Corporation (NYEFC) and New York State Department of Environmental Conservation (NYSDEC) when the user in the district and the tax base of these communities is so low. Specifically, NYEFC should expand its technical assistance program to these communities to help meet these challenges. Unlike major suburban and urban areas, local governments do not have the staff and resources in many cases to embark on these projects alone. In the past, NYEFC had staff in the field working closely with these small towns helping them navigate the steps need to make their project applications complete and their projects shovel ready. Since COVID, which also placed a pause on Clean Water funding for a full year, these efforts have diminished, and this technical support needs to be reinstatement for communities in the Adirondack Park. With new leadership at the top of NYEFC it is our hope these services can be returned to further local efforts to keep our Adirondack waters clean.

The Adirondack Council also strongly supports the successful NYSDEC engineering grant programs to local communities in need and expanding it further to those who lack local resources to get their project up and running. Already, this grant program has provided the resources to over a dozen Adirondack communities with the needed funds to hire consultants and engineers to study and design to repair their wastewater treatment systems, address new treatments requirements such as phosphorus loads and address sewer line failures due to the age and the local maintenance needs of these system.

Another critical issue impacting local governments in the Adirondack Park is the way NYEFC calculates the state's grant share for local projects. NYEFC WIIA clean water grants is the largest allocation of these funds for clean water projects under this program, and it provides for 25% state matching funds to 75% of local funding sources based on the total project costs. However, when the cost calculation is made, NYEFC reduces the total project cost including construction and engineering for this WIIA eligible clean water grant program by subtracting any other outside state and federal grant funds received by the Town. This in turn reduces the original amount of the WIIA grant to the Town which makes no sense for these hardship communities. Since in most cases there is no way that an Adirondack community can afford the 75% local match due to low local populations and income levels, they need to seek other funding sources. They should not be penalized by their success in attracting additional funding needed to make project solvent.

So here is an example for consideration. If St. Armands had a \$10 million clean water project and got a WIIA grant for \$2.5 million under the 25% rule, it would need to raise another \$7.5 million from local users and other grants. Since they only have 338 users on the sewer system and their income level are at hardship levels, they must find additional outside grants to finance the project. Under current rules, if they raise another \$5 million in other state or federal grant funds, their WIIA grant of 25% of total project costs would drop to \$1.25 million from \$2.5 million, losing half of their original grant. It is penalizing this Adirondack community for getting additional grant funds to make the project feasible and affordable to local residents. This rule should be modified for small rural towns recognizing that they have a lower user base to bond the projects and in most cases are hardship communities which is determined by the low median income levels of their residents. It is clear that Adirondack communities must seek and received additional outside grant support to make their clean water project viable and they should not be penalized for those efforts.

Also, there has been a \$5 million grant cap in EFC WIIA program to communities towards the total cost of a project. This year that cap remains annually, but new provisions allow it to rise to \$25 million over a five-year period while still limiting each annual contribution to \$5 million. While this is welcome news to communities in urban and suburban areas where projects are much larger and costly and with populations are in tens or even hundreds of thousands of residents, it does little for a small community in the Adirondacks with hundreds of residents or even just even a few thousand instead. The scale is smaller and 25% of the entire total project costs will still not in most cases exceed the \$5 million level in the Adirondacks. It simply does not provide any additional benefit to or address the needs of these small communities, further documenting how this program is currently designed to favor and address the needs of larger communities rather than address the issues faced by small rural ones.

Finally, even with WIIA grants, it is well documented that Adirondack communities need assistance in finding and receiving supplemental grant support. Whether it is from discretionary sources at NYSEFC, NYSDEC, other state agencies or if it is from federal

clean water funds such as the newly enacted federal infrastructure program, the state needs to take a leadership role in helping communities navigate these governmental systems to find and secure all financial resources available to make their projects affordable locally. As stated earlier, this was done recently in Lake George with enormous success and should be repeated under a new Adirondack initiative for Clean Water by the state. The need for this type of support is the norm not the exception in the Adirondacks.

In response to the hearing notice question on maintenance of clean water systems, local governments also have the challenge to meet the on-going operational needs of their wastewater treatment plants as well as the unexpected repairs needed when a sewer or water lines breaks or leaks. In many rural cases there is a limited funding base to address these immediate issues and/or untimely crisis. The Adirondack Council is open to proposals to provides services and funds to hardship communities in need of this support. Such a program should be determined by local need and focus on those small communities that lack basic resources and staff to address the unexpected when the situation arises. A fund could be established that provides this type of support and should be administered in conjunction with similar local assistance programs for other infrastructure needs such as roads. For example, when a sewer line breaks, these funds could be pooled together to meet the need since both the sewer line below and road above would both need construction investments. And lastly, Innovative programs like the NYSDEC Asset Management Program for Clean Water Infrastructure should be supported and expanded giving the local governments tools to manage their clean water infrastructure assets over the long term with local funds set aside for unexpected needs.

The Adirondacks are a unique region and require a unique solution. With the many successes from the clean water grant program to date in the region, considerable progress has been made. Adirondack towns and villages must continue their efforts to plan and seek funding for future clean water project needs and set aside what they can afford to complete this partnership. Even with these strides, more needs to be done. The scale of these costs to local communities are just too high, whereas for the vast majority of the New York State towns and small cities, they are entirely feasible.

With the economic importance of Adirondack clean waters to the local and statewide tourism dollars as well as benefits provided by a clean and healthy ecosystem, the Adirondack region needs greater attention and investment by New York State. Additional support should be based on where these hardships exist and on the ability of local governments to finance these projects. In the end, the statewide magnitude of this added grant and program investment to the Adirondacks is small in comparison, while the local water quality and economic benefits are enormous.

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