

BANKER & TRADESMAN

CREATING RIPPLES

Water Resources Legislation Takes One Step Closer To Law

Bill Would Allow Public-Private Partnerships To Address Underfunded Infrastructure

By [William Lyons](#) | Mar 27, 2016

[Reprints](#) | [Print](#)



William Lyons

With little fanfare, a key piece of legislation moved a step closer to becoming law this week. Senate bill 1722, “An act providing for alternative delivery of infrastructure projects,” was reported out of committee and is likely to be passed before the end of the legislative session in June. While its title seems very mundane,

this obscure legislation is critical to the continued growth and prosperity of the commonwealth and our economy. The bill, if passed, will provide new ways to procure water infrastructure by allowing the state and our communities to access private capital to design, build, operate and maintain water infrastructure.

The Water Infrastructure Finance Commission in February 2012 released its final report, indentifying a daunting \$39 billion funding gap over the 20-year period from 2012 to 2032. This yawning gap in our ability to provide essential water resources to our communities sounded an alarm to implement meaningful reform to address this problem.

In the context of the current legislation, water resources includes three key aspects of our water infrastructure: water supply, wastewater treatment and disposal, and stormwater management. Water supply infrastructure provides us with safe, clean drinking water in our homes and businesses. Wastewater infrastructure provides us with a means of treating and disposing of sewage without fouling our own water supply and damaging our natural environment. Finally, stormwater infrastructure provides for the control and treatment of rainwater as it makes its way from surface runoff to our streams, rivers, lakes and ultimately the ocean. Each of these components of our water infrastructure plays a key role in our communities.

Chronic underfunding of each of these aspects of our public infrastructure has left these essential services in a state of severe disrepair. An aversion to taxes and inability to finance larger projects through water rate surcharges has left municipalities with few options to improve their systems beyond simple maintenance. Meanwhile, continued research into the effects of resource depletion and the impacts of contaminated water in our environment have led to further regulation of those same resources as a means of protecting ourselves from continued overuse and underdevelopment.

Don't Waste The Wastewater

Our drinking water supply infrastructure is perhaps the most visible and obvious component of our water infrastructure. Benjamin Franklin famously once said "When the well is dry, we know the worth of water." Today we cannot wait until the well is dry to act. If the well is dry, large swaths of our population and our economy will be impacted by a lack of water. We need to be far more proactive, and resourceful, in the management of our drinking water supply. Unfortunately, today there are fewer and fewer financial resources to stay ahead of our consumption of water.

Wastewater is also quite visible. We all expect that when we flush a toilet, the effluent will go down the drain and someplace where we do not need to worry about it again. However, this has become part of the problem. Our tendency to believe that it just goes someplace where it is no longer a problem has led us to be cavalier about where we send it. Without proper treatment and disposal, such effluent fouls our water supply, water bodies and our recreation areas.

The Massachusetts Water Resources Authority has made great strides in this area by cleaning up Boston Harbor, but there is still much work to do. The systems that process and dispose of our wastewater are sophisticated processes that require intensive maintenance, operation and improvement on a constant basis. These systems are essential and are not inexpensive to operate.

Our water infrastructure trio is rounded out by stormwater treatments systems. Such systems include our storm drains in streets and parking lots, detention ponds in large developments to pretreat runoff, and the systems needed to remove harmful chemicals and silt from runoff. It is this requirement that has created the most recent need for new infrastructure and construction capital.

Stormwater poses several problems for the public realm. First, much of our current roadway drainage systems are what is known as a combined sewer overflow. This means that storm drains empty into the sewer. When storm drains enter the sewer, it creates two serious problems. First, it means we are treating stormwater to sewage standards at extra cost. Second, when the system is overwhelmed, sewage surcharges into stormwater drains, resulting in direct discharge of sewage into streams and brooks.

The passage of the current bill will allow public-private partnerships to invest in the design, construction, maintenance and operation of these critical water infrastructure systems. The introduction of private capital can and will provide new options for the funding and financing of these systems, improving our system without necessarily raising taxes or fees. Passing this bill will demonstrate the state's commitment to addressing a large and growing backlog of \$39 billion that is a brake on our economic growth. Hopefully the legislature and the governor see fit to make sure this bill makes it into law.

William F. Lyons Jr. is president of Fort Hill Cos. of Boston.

Related articles:

- [Sorry, TRID Haters, But It Isn't That Bad!](#)
- [May Market Drops As Inventories Rise](#)
- [MassDEP Should Run The NPDES Program](#)
- [Course Correction Or Merely A Pause?](#)

About

[Advertise in Banker & Tradesman](#)

[Contact Us](#)

[Subscribe](#)

[FAQS](#)

News

[Industry News](#)

[Banking & Lending](#)

[Residential Real Estate](#)

[Commercial & Industrial](#)

[Insurance](#)

[In Person](#)

[People](#)

[Opinion](#)