

New Jersey Senate Community and Urban Affairs Committee
AJ Sabath, New Jersey Building and Construction Trades Council
September 19, 2019

Good morning Chairman Singleton and distinguished members of the New Jersey Senate Community and Urban Affairs Committee. My name is AJ Sabath and I am here this morning on behalf of Bill Mullen who is president of the New Jersey Building and Construction Trades Council.

Created in 1903, the New Jersey State Building and Construction Trades Council coordinates activity and provides resources to 15 affiliated trades unions in the construction industry. It represents 13 Local Building Trades County Councils, more than 100 local unions and over 150,000 rank and file members.

We help our 15 affiliated building trades unions to make job sites safer, deliver apprenticeship and journey-level training, organize new workers, support legislation that affects working families, and assist in securing improved wages, hours and working conditions through collective bargaining and project labor agreements.

In New Jersey, with the help of our union contractor partners, our members are selected to perform a significant amount public and private construction work. We work hand-in-hand in a labor-management partnership with our contractors that form bilateral cooperative trusts that promote and market the talent, productivity, assets and matchless expertise of union construction workers in New Jersey.

We very much appreciate your interest and review of the administration of Garden State's "Water Quality Accountability Act." As the committee may recall, we spend a lot of time working on public investment in our State's infrastructure, roads, bridges, and tunnels through the Transportation Trust Fund reauthorization. For our schools through advocating for multiple funding reauthorizations for the School Development Authority. As well as capital bond authorizations through voter referendums for State colleges and universities as well as local libraries and our technical schools.

We also spend a considerable amount of time working with private development interests to promote and stimulate economic growth. We work side-by-side with private development interests in legislative and regulatory arenas to promote opportunities through incentives, grants and other government tools to spur economic development. And more recently we are becoming more focused on infrastructure funding and incentives for alternative forms of energy such as solar and wind.

One of the Garden State's next greatest infrastructure challenges is addressing that the decaying and deferred maintenance over the State's patchwork of public and private water infrastructure systems. There's an old adage that a business that does not take regular inventory goes broke. Not to state the obvious, but the inherent value in the recent enactment of the Water Quality Accountability Act is that it does just that, it would require an inventory of the assets and liabilities

of the more than 500 service connections over 300 water systems in New Jersey. However, the asset management plan to inspect, maintain and repair the infrastructure will be the real challenge.

In reviewing how one of the State's other large infrastructure investment was addressed regarding transportation... roads, bridges, and tunnels, we need a similar type of response for our drinking water, wastewater, stormwater infrastructure. We need to provide a long-term, stable solution that is financially sustainable. The constitutionally dedicated gas tax to the Transportation Trust Fund took nearly 25 years to become a reality. We don't have that luxury of time to address our water infrastructure challenges.

To that end we'd like to provide you with a couple of key facts:

- Experts estimate that New Jersey's water infrastructure alone requires \$8 billion in repairs over the next 10 years to protect the water supply, maintain efficient and safe delivery of drinking water, and dispose of waste (\$25 million over 20 years).
- Newark is indicative of the systemic and statewide problem we are facing.
- Leaking pipes in New Jersey lose over 30 percent of drinking water before it reaches homes.
- Lead is only part of the problem. Water pipes and systems throughout the State have deep structural problems that require urgent attention.
- Combined Sewer Overflow (CSO) EPA Waiver – Looming timeline for municipalities to meet Federal standards, removing CSOs from operation.
- 90% of New Jerseyans say that water infrastructure should be a priority for our lawmakers

No doubt any permanent sustainable solution will require a substantial public investment. The good news is that economists estimate that for every dollar invested in water infrastructure, \$2.62 is generated in all industries in the same year. Other important statistics include that for every \$1 billion investment means 13,787 jobs with workers earning \$739.5M from those jobs, and our economy would receive \$143.1M in new income tax revenue. And we know from other public infrastructure projects that emergency repairs such as water main breaks, cost up to 10-times more than regular infrastructure maintenance.

In closing, we'd like the legislature to consider other parameters with regard to any public and private investment in repairing, replacing and maintaining our State's water infrastructure. We believe strongly that any investment, public or private, should be considered a public works project and thus covered under the NJ Prevailing Wage Act to prevent bidders on such projects from sharpening their pencils to lower costs at the expense of those performing work on the projects.

Thank you very much for your time.