

TESTIMONY
of
MICHAEL CLARK, NEW ENTERPRISE STONE & LIME COMPANY, INC.

before the

SENATE ENVIRONMENTAL, ENERGY & RESOURCES COMMITTEE MEETING
SEPTEMBER 9, 2020

Good morning, my name is Mike Clark and I'm Vice President of Production Services for New Enterprise Stone & Lime Company (NESL). NESL is a fifth-generation, family-owned company that has been helping to build a stronger infrastructure system across Pennsylvania for more than 90 years. We are a vertically integrated construction materials supplier and heavy/highway construction contractor headquartered in Bedford County. We have operations across the entire Commonwealth, employ over 2,500 local people, and pay state, local and federal taxes. We are a strong supporting member in the communities we serve.

NESL expends considerable resources to preserve and improve our environment every day. Our capacity to do this is limited by our business economy and our market conditions. Given these circumstances, we like to spend our resources as effectively as possible. In reducing the NPDES manganese discharge limit, we don't believe that the DEP has chosen an appropriate goal. The benefit to the environment and the public is not demonstrated with the proposed rulemaking package, making the substantial cost and effort to achieve compliance inappropriate.

NESL has 51 NPDES permits at various locations across the state of Pennsylvania. Of these permits, eight of them currently have conditions limiting the discharge of manganese. We have done significant monitoring and sampling around our sites. Background sampling of monitoring wells, upstream, downstream, and various surface points at these eight locations demonstrates elevated manganese levels commonly exceeding our current discharge levels.

With the current 1.0 mg/l DEP regulations, we can keep these eight permits in compliance with treatment, costing approximately \$150,000 per year for all sites combined. The proposed change in the limit from 1.0 mg/l to 0.3 mg/l will mean that six of the eight sites will no longer be able to comply without additional treatment. Unfortunately, many of these sites also have low pH and elevated aluminum. Treatment for manganese removal is complicated by these factors, making it a much more complex and expensive process to

achieve compliance for manganese, aluminum and pH together. Additionally, to ensure no violations, we will need to reduce to a target below 0.3 mg/l, possibly down to 0.15 mg/l.

We anticipate capital costs of \$320,000 to expand the treatment footprint for some of the sites, and to install the necessary treatment equipment at all of the sites. Additional operating costs for all sites combined is expected to rise to about \$450,000. Two of the sites have serious footprint issues, and by that I mean we may not have the space to expand. The other six sites will need the pond size expanded to ensure that we meet the target reliably, and they will need increased treatment or new chemical systems. The projected costs are comprised of engineering, construction, treatment systems, power systems, and automation systems as necessary for each site. It is possible we will need additional personnel to manage the additional treatment systems. We do not expect to be able to recuperate these costs by increasing our prices at these locations.

As mentioned earlier, for our sites, the background manganese levels are typically higher than our current discharge manganese levels. It is also common to find upstream manganese levels that are higher than our discharge, while our discharge is higher than the downstream manganese levels. This data supports the idea that the manganese may be dropping out naturally. None of our sites have a public drinking water supply that is sourced within five miles of our discharge points. Manganese is a very common mineral in the earth. If it is dropping out naturally long before reaching a public water supply, we don't believe that there is any point to consuming resources to remove manganese when those same resources could otherwise be used for projects with more return on investment for the general public.

We oppose reducing the manganese limit and believe the point of compliance should be at the point of intake of the downstream water supplier.

Thank you for the opportunity to be heard and I can take any questions you may have.