

Owego Puts Sale of Wastewater for Fracking on Hold

Village will conduct environmental assessment before voting

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Monday night the Village of Owego Board of Trustees decided to complete a state-mandated environmental review before voting on the deal to sell treated wastewater to Inflection Energy. More than 75 people showed up for the December 20 board meeting, some driving from Ithaca and the Elmira area. Normally at village meetings there are usually a dozen citizens at most present, remarked one regular attendee who was hard-pressed to find a seat.

Trustee Tom Clark introduced a resolution that the board retain the legal services of Hancock and Estabrook on an “as needed” basis to assist in the environmental assessment required by the State Environmental Quality Review Act (SEQRA). The Syracuse-based law firm is experienced in environmental law and regulatory compliance. During discussion board members acknowledged the need to conduct a SEQRA review prior to voting on the sale of effluent to Inflection.

Before opening the floor to public comments, Arrington noted that the board was not prepared to vote on the sale at that time. “There is still additional work to be done,” he said.

Selling Wastewater for Drilling

The Village of Owego wastewater treatment facility releases about 300,000 gallons of effluent – treated wastewater – every day. While no one really wants the sewage going into the plant, the effluent coming out the other end may become a hot commodity. Especially as drilling companies try to obtain the millions of gallons needed to frack wells drilled into Marcellus and Utica shale.

Over the past months, Inflection Energy LLC, a small company based in Denver, CO, has been negotiating with Owego for the rights to purchase effluent from the treatment plant. According to details posted on the village website earlier this month, Inflection has offered to pay 5 cents a gallon for up to 200,000 gallons of effluent a day in a deal that could bring as much as \$3.65 million a year into village coffers.

Before Inflection can use that water, however, the village has to upgrade the disinfection units. Right now the plant uses settlement tanks. To install the required ultraviolet disinfection unit would cost somewhere in the neighborhood of \$400,000.

Inflection has offered to front the costs for designing and installing the unit, recouping their investment by paying two-and-a-half cents a gallon for water they consume until the loan is paid off. At that rate the village would have to sell 16 million gallons of treated wastewater which, Mayor Ed Arrington has told the press, could take as few as 80 days.

Selling Wastewater Not a New Idea

Owego is not the first municipality to consider selling effluent for commercial uses. Flagstaff, Arizona sells effluent for snowmaking at one of the ski resorts high in the mountains above town. A number of municipalities in the southwest already sell their effluent for irrigating golf courses and agricultural fields and, now, for watering lawns.

Following improvements in desalination technology, communities from Florida to California are recycling “highly treated” wastewater as drinking water. A growing population and drought is driving an expanding effluent market in the western states, and three years ago Prescott, Arizona auctioned off their effluent at \$24,650/acre foot. That's 7.5 cents a gallon, a price that could bring Owego a cool \$2 million more than Inflection's offer.

Owego won't be the first to sell effluent for fracking, either. Earlier this month the Susquehanna River Basin Commission (SRBC) approved the Hughesville-Wolf Wastewater Treatment Plant in Lycoming County, PA as a source for water. The permit allows the plant to remove up to 249,000 gallons per day of effluent, when available, for bulk water sale for gas well development.

The rationale for obtaining the permit, says Chip Amer, environmental engineer for the project, was to be able to charge the highest market rate for the effluent instead of limiting sales to a single buyer. Hughesville-Wolf plans on selling their effluent for 10-cents per gallon, twice the amount Owego is considering. Of course that means investing hundreds of thousands of dollars to construct a filling station and purchase the pumps. “But they expect to see a return on their investment within a year,” Amer said.

A Secret Agreement?

In a previous public meeting, residents voiced concerns about increased truck traffic in the village. Though Mayor Ed Arrington brushed off these concerns, it was only one year ago that he was voicing similar concerns during public hearings on the Patriot Water project.

Ithaca attorney Helen Slottje, of the Community Environmental Defense Council, is concerned about potential environmental issues. Owego should, under the State Environmental Quality Review Act, file a full environmental assessment, Slottje says. She feels village officials need to consider short-term and long-term impacts as well as cumulative impacts from the full scope of the project.

In the days preceding the board meeting, a number of people raised concerns about the lack of information and air of secrecy surrounding the sale. Village residents complained that they have not been allowed to read over the proposed agreement between Inflection and the village.

“Will the Inflection contract be available for the public to read before the village votes on it?” asked Owego resident Kevin Millar.

“No,” said village attorney Irene Graven. For the past two weeks she has denied numerous Freedom of Information requests for documents relating to the sale, claiming that the contract is still under negotiation. “The agreement may be impaired if it is released right now,” Graven said on Monday night, then added that she is still considering whether it should be released.

“The public has wrongfully been denied access to this document,” said Slottje. She insists that there is no basis under the Freedom of Information Act to keep the agreement under cover and Robert Freeman of the NY Committee on Open Government concurs.

Graven acknowledged the difference in opinions, saying only, “I’m reviewing the (FOIL) requests; I’ll make a decision on whether I need to (reconsider).”

Owego resident Kevin Millar said that people need an opportunity to see the proposed agreement. From conversations with village trustees he’s learned that the contract, as lucrative as it sounds, ties the village into a ten-year lease with Inflection.

“I gather the contract was developed by Inflection,” Millar said. He is concerned that it might not be in the best interests of the village. “The details are important,” Millar said. “If we can’t see the contract how can we be sure it is a good deal for the taxpayer?”

To read the village presentation on the proposed sale of effluent go to http://www.villageofowego.com/PageZoneSiteResources/owego2010-10-06/Resources/file/News/Water%20Sale%20Presentation_12022010.pdf