

Federal Economic Recovery Funding Significantly Reduces Local Share of Project Cost

Middletown, NY - Congressman Maurice Hinchey (D-NY) and Governor David Paterson, along with other federal and state officials, today announced the completed financing for the \$36.4 million upgrade and expansion of City of Middletown's aging wastewater treatment facility. The congressman helped obtain \$17.7 million in funding through the federal economic recovery bill -- the American Recovery and Reinvestment Act of 2009, which he helped pass through Congress earlier this year. The funds will relieve the Middletown community from shouldering the full costs of revitalizing the city's failing wastewater treatment plant.

"The delivery of this federal economic recovery funding to Middletown for the expansion and upgrade of its wastewater treatment facility will create jobs and spare local ratepayers from having to cover the significant cost of this much-needed project," said Hinchey, who previously secured \$1.25 million from Congress for water and wastewater infrastructure improvements in the city. "It's been a long time coming, but the City of Middletown can finally move forward on making these important improvements to its wastewater treatment facility, which in turn will make the city more attractive to businesses and residents. The City of Middletown will now serve as a great example of how the economic recovery package we passed in Washington is putting people to work while enhancing communities throughout New York and the country."

Hinchey helped pass the economic stimulus measure in Congress in February, which allocated \$432 million to water and wastewater projects in New York State through the U.S. Environmental Protection Agency (EPA), the largest award ever to the state through the EPA. In April, Governor Paterson announced that the City of Middletown would receive a \$27.8 loan for the Middletown project, half of which (\$13.9 million) would be forgiven using ARRA grant funding. The NYS Environmental Facility Corporation has now added another \$3.8 million in ARRA grant funding to the project in order to fund energy-efficiency and green technology features, bringing the total grant funding through ARRA to \$17.7 million.

The \$36.4 million total cost of the wastewater project is broken down as follows:

* \$13.9 million in ARRA funding (loan forgiveness)

Hinchey Announces Completed Financing for Middletown Wastewater Plant

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* \$3.8 million in additional ARRA funding under the Green Project Reserve (GPR) program, which will help make the wastewater system more efficient and environmentally friendly

* \$11.3 million in the form of Clean Water State Revolving Fund (CWSRF) loans

* \$1.7 million in NYSERDA funding

* \$5.7 million in previous financing

Construction on the wastewater facility is expected to be completed in early 2011 and will bring the City into full compliance with water quality standards for discharges from the plant into the Wallkill River.