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THE UPPER POTOMAC RIVER COMMISSION

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On behalf of the Upper Potomac River Commission its Chairman Mr. Bill Kenny, its Secretary/Treasurer Mr. Steve Young and its Member Mr. Wendell Beitzel, please find the following in **STRONG SUPPORT** of **SENATE BILL 0135** – Establishing a Workgroup to Study Funding for the Upper Potomac River Commission's Wastewater Treatment Facility (Westernport Wastewater Treatment Facility).

BACKGROUND / HISTORY of Upper Potomac River Commission (UPRC):

The Upper Potomac River Commission (UPRC) is a MD State Agency created by the Maryland Legislature in April of 1935. At that time the Upper Potomac River Commission was created to oversee the Acquisition of Land as well as oversee the design and constructions of Savage River Dam located in Garrett County.

In June of 1957 the Maryland Legislature expanded the Upper Potomac River Commission's authority to oversee the design and construction of an Industrial / Municipal Wastewater Treatment Facility. The Wastewater facility was constructed in Westernport, MD (Allegany County) and placed into operation in March of 1960.

When the treatment plant was built, the UPRC and the paper company allowed the Towns of Westernport, Maryland and Piedmont, West Virginia to connect their municipal sewer collection lines to the facility to treat their wastewater. The towns did so, and the municipal treatment services have been expanded to other areas over time. The industrial funding enabled the UPRC to treat municipal waste at a cost that was well below the costs typically paid for municipal waste treatment for decades. That allowed the municipalities to pay less for treatment than they would have paid to a different treatment provider or that they would have paid to build and operate their own facilities.

The facility is a "Publicly Owned Treatment Works" due to the fact that the Upper Potomac River Commission is a MD State Agency. The design and construction of the Wastewater Treatment facility was a joint venture between the UPRC and West Virginia Pulp a Paper. West Virginia Pulp and Paper owned and operated a paper manufacturing facility in Luke MD on the banks of the North Branch of the Potomac River just up-stream of Westernport, MD. The Upper Potomac River Commission's ability to operate and maintain the facility since 1960 was due to funding provided by the pulp and paper facility located in Luke, MD. The paper manufacturing facility

contributed roughly 96% of the funding needed to maintain and operate the UPRC Wastewater Treatment Facility.

UPRC FUNDING UNCERTAINTY:

In June of 2019 the Company that owned the Luke, MD paper manufacturing facility ceased operations. Following the closure of the Luke paper manufacturing facility, the paper company (Verso / Billerud) continued to financially support the UPRC Wastewater Treatment Plant from June of 2019 through August of 2023.

In August of 2023 the UPRC agreed to a settlement offered by Billerud to end the UPRC's 1958 Wastewater Treatment Agreement that governed the relationship and financial support between the UPRC and the Luke paper manufacturing facility. The settlement amount will help the UPRC maintain operations through calendar year 2025. Current revenue streams will not be sufficient to cover the operation and maintenance of the facility beyond 2025.

FUTURE of LUKE, MD INDUSTRIAL SITE:

New owner is trying to redevelop the Industrial Site. Unsuccessful to date. Currently decommissioning and scrapping large portions of the manufacturing facility. Owner still hopeful to market the facility to an industrial customer.

UPRC and Allegany County representatives have stressed to the owner the importance of finding an industrial customer that has a waste stream as a by-product of their manufacturing process. An industrial wastewater customer would significantly help the UPRC WWTP funding situation.

UPRC WASTEWATER TREATMENT OPERATIONS (Recent Past and Future):

2018 Operations: Annual Budget \$5.5 million WWTP employees 24, Flow 19.5 MGD

2023 Operations: Annual Budget \$1.4 million, WWTP employees 6, Flow 1 MGD

UPRC has investigated sending remaining Wastewater flow to other Wastewater treatment facilities in the area. Two plants within 5 to 6 miles of the UPRC facility, neither facility can handle the remaining wastewater flow that UPRC WWTP is currently treating.

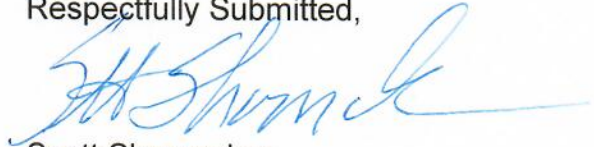
IMPACT to COMMUNITY:

UPRC continues to treat municipal wastewater for approximately 1300 residential customers of the tri-towns community. If residential customers were required to fund the entire UPRC WWTP budget it would result in monthly wastewater (sewer) bill of nearly \$100 per month.

The Upper Potomac River Commission **STRONGLY SUPPORTS SB0135** and believes it will require key representatives from key agencies across the State to study and develop strategies to Fund the UPRC WWTP and lessen the economic impact created by the loss of the paper manufacturing facility in Luke, MD.

The UPRC would like to sincerely thank Senator Ellis and Senator McKay for developing, submitting and supporting this very important Legislation.

Respectfully Submitted,



Scott Shoemaker
Superintendent
Upper Potomac River Commission