



**Senate Bill 726 – Bay Restoration Fund & Authorized Uses
Decommission of Wastewater Treatment Lagoon**

Paul Mantello, Town Administrator
Town of Middletown

Good afternoon, Chair Feldman, Vice Chair Kagan, and Committee Members:

My name is Paul Mantello and I'm the Town Administrator for Middletown, Maryland. I'll speak briefly about the technical aspects and history of the Middletown Wastewater Treatment ENR Upgrade.

First, it's important to clarify: 1) how/when the Town was notified that we'd soon be mandated to complete a \$40M overhaul of all our treatment infrastructure, 2) and also mention MDE's BRF Eligibility Guidelines and the implications for Middletown.

MDE's Surface Discharge Division oversees our discharge permits, and on two previous occasions, informally indicated to Town Staff that our lagoon's permit will likely not be renewed in future permit cycles. At MDE's recommendation, in 2021, we applied for BRF funding to draft a preliminary engineering report, which is now 90% complete.

As you can imagine, we were surprised and concerned by the preliminary report's high cost, the expansive scope affecting all treatment facilities, and the devastating financial impacts of \$10M of unanticipated long-term debt.

To confirm the need for a \$40M overhaul, we reached out to MDE Surface Discharge to request a formal notice explaining that a treatment process upgrade is needed to comply with the next permit cycle, in 2026.

They returned a letter, included with our testimony submittals, explaining the lagoon will not meet the ammonia limits or resiliency requirements of the next permit, and advised a treatment process upgrade is needed.

Unfortunately, the cost of compliance is \$40M and MDE's BRF eligibility guidelines are clear: the technology and infrastructure that directly produces ENR treatment are funded at 100%, but the supporting infrastructure needed to convey the wastewater to the ENR plant, or process the sludge byproduct, are only partially funded or ineligible for funding.

Typically, the cost split is 70% BRF and 30% Municipality, which is much more manageable for the average \$10 - \$15M Municipal ENR Project, usually involving only one facility - not two - and not nearly as much new supporting infrastructure.

The cost to decommission our lagoon and relocate service out of the floodplain is estimated at almost \$12M, with current MDE BRF-policy support at \$8M. If successful, Senate Bill 726 and Middletown's new impact to the BRF is approximately \$4M. Another \$6M in dewatering, sanitization, and other ancillary infrastructure is still due from the Town.

Senator Lewis Young's Bill amends the BRF Statute to better meet the spirit and intent of the BRF Statute, which is to incentivize municipal utilities to affordably upgrade their facilities to ENR and mitigate the threats of legacy infrastructure to public health and our local environment.

Chair Feldman and Committee Members, thank you very much for your time and consideration!