

SB 135 Signed Testimony.pdf

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Position: FAV

ARTHUR ELLIS, CPA
Legislative District 28
Charles County

ASSISTANT DEPUTY MAJORITY LEADER

Finance Committee

Senate Chair
Joint Committee on the
Management of Public Funds

Chair, Charles, St. Mary's and Calvert
Counties' Senate Delegation



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February 5, 2024

**Testimony of Senator Arthur Ellis in Support of Senate Bill 135: Workgroup to Study
Funding for the Westernport Wastewater Treatment Facility - Establishment**

Dear Chair Feldman, Vice Chair Kagan, and Members of the Education, Energy and the Environment Committee:

Senate Bill 135 establishes the Workgroup to Study Funding for the Westernport Wastewater Treatment Facility; and requiring the Workgroup to report, on or before December 1, 2024, its findings and recommendations to the Governor and the General Assembly.

I urge your favorable support on Senate Bill 135.

Yours in Service,

A handwritten signature in black ink that reads "Arthur Ellis" followed by a small "AB" monogram.

Arthur Ellis—District 28

SB0135 UPRC suggested EDITS.pdf

Uploaded by: Scott Shoemaker

Position: FAV

WILLIAM M. KENNY, Chairman

WENDELL R. BEITZEL, Member



W. STEPHEN YOUNG, P.E., Treasurer

SCOTT SHOEMAKER, Superintendent

THE UPPER POTOMAC RIVER COMMISSION

Waste Treatment Facilities, 528 Maryland Avenue, Westernport, MD 21562

Telephone 301-359-3944

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EDITS and/or CHANGES to SB0135

The Upper Potomac River Commission would suggest / propose the following **EDITS** to the current version of **SB0135**

CHANGE / EDIT "*Westernport Wastewater Treatment Facility*" to "**Upper Potomac River Commission Wastewater Treatment Facility located in Westernport**", UPRC would suggest this change throughout proposed **SB0135**.

(Page 1, Lines 2-3, 4-5, 6 and 9-10)

(Page 2, Lines 15, 17, 21, 24 and 26)

The Upper Potomac River Commission would suggest the following substitution **(Page1, Line 16)**: the Secretary of Commerce, or the Secretary's designee, in place of the Secretary of Health, or the Secretary's designee.

The Upper Potomac River Commission believes that the Secretary of Commerce, or the Secretary's designee could play a vital role in the Economic Development of the area that is impacted by the loss of manufacturing facility lost in the Region.

In addition, the Upper Potomac River Commission also is not aware of how the Health Department or its Secretary fits into the workgroup. The Maryland Department of the Environment, who is a member of the workgroup, has regulatory and permitting authority over the Upper Potomac River Commission Wastewater Treatment Facility, located in Westernport.

Respectfully Submitted,

Scott Shoemaker

Superintendent

Upper Potomac River Commission

SB0135supportComments02FEB2024.pdf

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Position: FAV

WILLIAM M. KENNY, Chairman

WENDELL R. BEITZEL, Member



W. STEPHEN YOUNG, P.E., Treasurer

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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.

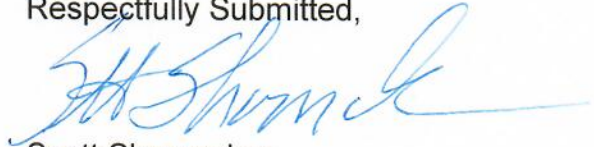
IMPACT to COMMUNITY:

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

Westernport Wastewater Treatment Facility

Uploaded by: Wendell Beitzel

Position: FAV

**Wendell Beitzel
2287 Rock Lodge Road
Accident, MD 21520**

February 6, 2024

Senator Brian Feldman
Education, Energy, and the Environment
2West, Miller Senate Building
11 Bladen Street
Annapolis, MD 21401

Ref: SB 135: Workgroup to Study Funding for the Westernport Wastewater Treatment Facility - Establishment

Honorable Chairman Feldman,

I am writing this letter of support for Senate Bill 135, sponsored by Senator Ellis entitled, Workgroup to Study Funding for the Westernport Wastewater Treatment Facility – Establishment. With the enactment of this legislation, a workgroup would be created to study and make recommendations for the future operations, maintenance, and improvements for the large industrial wastewater treatment facility located in Westernport, Maryland and currently owned and operated by the Upper Potomac River Commission.

The Upper Potomac River Commission was established in 1935 (Chapter 409, Acts of 1935). It has jurisdiction over the water resources of Allegany County in Garrett County, Maryland. The Upper Potomac River Commission was created to operate the UPRC industrial wastewater treatment facility in Westernport, MD, and to oversee the operation of the Savage River Dam in Garrett County. I am a member of the Commission appointed by the Garrett County Commissioners about 30 years ago.

The industrial wastewater treatment facility was built to treat industrial waste from the West Virginia Pulp & Paper Company in Luke, MD, and the surrounding area. The WWTP had a rated capacity of about 20 million gallons, The UPRC issued bond bill funding to construct the facilities, and payments on the bond bills were guaranteed by the paper mill. The mill utilized about 95% of the capacity of the WWTP. No Federal and State funding was provided to build and improve the facility over the years.

The sewer systems from the towns of Westernport, Luke Maryland, and Piedmont, West Virginia were connected to the facility after it was constructed. The towns were required to make payments for sewer treatment, but essentially the charges were very affordable and Luke, MD was provided sewer service by the paper mill.

Verso/Billerud, the owner of the papermill at the time, shut down the mill in 2019. Without going into great details, without payments coming from the mill, the towns cannot possibly afford to pay for the total operational costs of operating and maintaining the UPRC WWTP in Westernport, MD.

This legislation is very much needed to form a Commission to seek to find a viable solution for the operation of this facility going forward.

I strongly support SB 135. Workgroup to Study Funding for the Westernport Wastewater Treatment Facility – Establishment, and urge your Committee to pass this bill.

Sincerely yours,

Wendell Beitzel, Former Member
Maryland House of Delegates

Cc. Senator Mike McKay
Delegate Jim Hinebaugh
Delegate Jason Buckel
Garrett County Commissioners
Scott Shoemaker, UPRC