

Department of Legislative Services

Maryland General Assembly

2002 Session

FISCAL NOTE

Revised

House Bill 659

(Delegate Morhaim, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

**Environment - Water Security and Sewerage Systems Advisory Council -
Committee on Wastewater Treatment Systems**

This bill creates a 21-member State Advisory Council on Water Security and Sewerage Systems and a 12-member Interagency Technical Assistance Committee on Wastewater Treatment Systems. The bill describes the composition and duties of the advisory council and the interagency technical assistance committee. Members on both the advisory council and the interagency technical assistance committee serve without compensation but are entitled to reimbursement for expenses under the standard State travel regulations. The Maryland Department of the Environment (MDE) must provide staff support for the advisory council and the interagency technical assistance committee. The advisory council must report its findings and recommendations to the General Assembly by December 1, 2004, while the interagency technical assistance committee must report its recommendations to the advisory council by November 1 of each year.

The advisory council terminates September 30, 2005.

Fiscal Summary

State Effect: Any expense reimbursements for advisory council members and staffing costs for MDE could be handled with existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The advisory council is charged with the following duties:

- studying new and innovative technologies relating to water security and sewerage systems and comparing the costs of new technologies with current practices;
- developing a priority funding system for implementing new technology;
- developing a plan for regular evaluations at timed intervals;
- developing methods for public education;
- developing plans to provide technical assistance to small and medium communities;
- studying user rates;
- reevaluating and refining local needs data;
- evaluating and reviewing certain water quality regulations and criteria to improve the waters and prevent interim degradation;
- reviewing the effectiveness of water and sewer plans;
- studying the levels and potential health effects of chlorination by-products in the water supply;
- assessing alternative methods of disinfection and the potential health effects that may result from these methods; and
- with regard to the use of chlorine and alternate methods of disinfection in drinking water and wastewater treatment, studying the associated environmental and public health issues; performing a risk assessment and cost analysis relating to such use; and examining associated security issues surrounding such use and storage.

The interagency technical advisory committee is required to implement a recommendation of the Governor's Task Force on Upgrading Sewage Systems by advising local jurisdictions on the efficient operation and financial management of wastewater treatment systems.

Current Law: Local governments and sanitary commissions are legally responsible for operating, maintaining, and upgrading their sewerage systems. Under current law, MDE is required to review and approve plans and specifications prior to issuing construction permits. Operating and capital funding for these systems is the responsibility of the local government that holds ownership of the facility. Local governments can recover these costs through annual front foot benefit charges, sewer availability charges, and quarterly water and sewer bills. In some instances, local governments can also apply for State financial assistance for capital projects in the form of loans or grants.

Background: Overflows from outdated sanitary sewerage systems have discharged millions of gallons of raw sewage into Maryland waters affecting the vitality of the Chesapeake Bay as a whole. In March 2001 Governor Glendening appointed a 21-

member task force to address the issues and costs associated with separating and upgrading combined sewerage systems in the State and installing additional nutrient removal technology at wastewater treatment plants.

In its December 2001 report to the Governor and the General Assembly, the Task Force on Upgrading Sewerage Systems identified a total estimated capital need of \$4.3 billion to upgrade sewerage systems including conveyance pipes and pumping stations, correction of combined sewer overflows and sanitary sewer overflows, and upgrades at wastewater treatment plants to maintain compliance, implement biological nutrient removal, and provide capacity for existing and projected growth. Annualized over 20 years, the estimated annual need is \$289 million. Based on the estimated annual need and existing spending levels, the task force identified the need for an additional \$80 million to \$140 million annually for upgrading sewerage systems. The task force made several recommendations relating to innovative financing options, increased use of subsidized funding through the State's Water Quality Revolving Loan Fund, an increase in State matching funds, and a refinement in the targeting of funds. In addition, the task force recommended that increased technical assistance be provided to small and medium size communities.

State Expenditures: MDE advises that in order to staff this advisory council, general fund expenditures would increase by approximately \$166,800 in fiscal 2003. This estimate reflects the cost to hire four additional employees (one administrative specialist, one natural resource planner, one public health engineer, and one environmental specialist). The estimate, which reflects the bill's October 1, 2002 effective date, reflects salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Legislative Services advises, however, that MDE currently has staff dedicated to many of the duties of the proposed advisory council. In addition, many of the members of the advisory council would likely be experts in these areas. Accordingly, MDE should be able to handle the bill's requirements using existing budgeted resources. Legislative Services notes that MDE was able to staff the Task Force on Upgrading Sewerage Systems with existing budgeted resources.

Legislative Services notes that while the bill does not sunset until September 30, 2005, the advisory council would have to submit its report to the General Assembly by December 1, 2004. Accordingly, staffing by MDE would likely only be required through part of fiscal 2005. In the event that existing budgeted resources prove insufficient for MDE to adequately staff this advisory council, MDE may request additional positions in the annual budget process.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Municipal League, Maryland Department of the Environment, Maryland Association of Counties, Department of Legislative Services

Fiscal Note History: First Reader - February 26, 2002
ncs/cer Revised - House Third Reader - March 22, 2002
Revised - Enrolled Bill - May 2, 2002

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