



MOVING WATER FORWARD

Robert F. Powelson
President & CEO

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March 3, 2020

Honorable Paul G. Pinsky
Chairman, Education, Health, and Environmental Affairs Committee
2 West, Miller Senate Office Building
Annapolis, Maryland 21401

Dear Chairman Pinsky,

I am writing in support of Senate Bill 820, which would require all suppliers of water to meet certain minimum standards related to the operation of their systems.

The National Association of Water Companies (NAWC) represents regulated water and wastewater companies, as well as those engaging in partnerships with municipal utilities. NAWC members provide 73 million Americans with safe and reliable water service every day and have an exceptional record of compliance with federal and state health and environmental regulations. Ensuring this high standard of quality requires extraordinary amounts of capital investment. NAWC estimates that its ten largest members alone are collectively investing \$3 billion each year in their water and wastewater systems.

Providing affordable, safe, clean water to the customer is the highest priority for NAWC's members. Toward that end, a 2018 study published in the Proceedings of the National Academy of Sciences confirmed that investor-owned water companies have a stronger record of delivering high-quality water that meets or exceed federal standards than their municipal counterparts.¹ NAWC is proud of that record and will continue to lead in delivering the highest attainable compliance results.

As President and CEO of NAWC, a former Chairman of the Pennsylvania Public Utility Commission, and a former President of the National Association of Regulatory Utility Commissioners, I firmly believe that legislation such as Senate Bill 820 is critical for protecting the public health throughout Maryland.

¹ Proceedings of the National Academy of Sciences of the United States, Feb. 17, 2018, *National trends in drinking water quality violations*, available here: <https://www.pnas.org/content/115/9/2078>

It is no secret that this country is facing a large-scale infrastructure problem. The American Society of Civil Engineers consistently gives the nation's water infrastructure a "D" grade and estimates that, as a country, we need to spend over \$1 trillion in water infrastructure replacement (over \$9B in Maryland alone) over the next 25 years. This need for investment is combined with an ever-increasing public awareness of threats - whether from long-term issues such as lead to emerging contaminants like PFOS and PFOA - to safe drinking water.

Now, more than ever, focusing our attention on providing safe drinking water for *all* customers, regardless of whether they live in a rural community or urban center, are financially well off or economically disadvantaged, or are served by a regulated or unregulated utility, is of the utmost importance. Senate Bill 820 is agnostic to what type of system delivers water service and instead focuses on ensuring that all Marylanders receive the high-quality water that they deserve. Among other things, the bill would require all water providers to:

- Maintain an Asset Management Plan;
- Inspect critical valves and fire hydrants on a regular basis and make repairs where needed;
- Maintain maps showing the location of their facilities;
- Maintain a cybersecurity plan; and
- Develop a mitigation plan after receiving multiple environmental violations in a 12-month period.

These requirements are all considered to be best practices within the water industry, and will provide both public transparency and serve as an early warning system for systems so that public health crises can be headed off before reaching the critical levels we have seen in too many communities around the country. Policy makers will have the information they need to focus attention and ever-scarce public resources on those communities that are most in need.

The nation's public officials most focused on ensuring safe and affordable water services around the country - public utility commissioners - agree with these assessments. The National Association of Regulatory Utility Commissioners adopted Resolution WC-1 (attached for your convenience) at their annual meeting in November 2019. In doing so, they stated that *all* water and wastewater systems around the country should be subject to standards such as those set forth in Senate Bill 820.

I could not agree more with this position, and I strongly urge you to support this important piece of legislation. I would be pleased to discuss this matter more in depth with you and answer any questions you may have. I can be reached at 267-691-7765.

Sincerely,



Robert F. Powelson
President and CEO

CC Honorable Katherine Klausmeier

WC-1 Resolution on Accountability for All Water and Wastewater Systems

Whereas all water and wastewater systems across the country have a responsibility to provide safe, reliable, and affordable water service to their customers both now and in the future;

Whereas the obligation to provide safe, reliable, and affordable water service applies equally to regulated and unregulated water and wastewater utilities;

Whereas water and wastewater systems face a myriad of challenges, including but not limited to aging infrastructure, cyber and physical security threats, environmental compliance, emerging contaminants, and water supply issues;

Whereas maintenance and replacement of aging infrastructure, which will require an investment of nearly one trillion dollars over a 20-year period, requires careful planning by water and wastewater systems to ensure such work is done as prudently and cost effectively as possible;

Whereas water and wastewater systems are increasingly vulnerable to harmful events including cyberattacks, physical attacks, and natural disasters if not properly protected;

Whereas water quality and supply issues affect both the safety and reliability of water, potentially impacting human health and the economic health of a community;

Whereas accountability for all water and wastewater utilities is important to ensure they engage in the appropriate planning to address the challenges outlined above; *now therefore be it*

Resolved that the National Association of Regulatory Utility Commissioners (“NARUC”), as convened at its 130th Annual Meeting and Education Conference in Orlando, Florida, work together with appropriate associations to help develop best practices that would enable water and wastewater systems to engage in careful planning and to address these challenges; and that all water and wastewater systems develop and/or maintain (1) an asset management plan that requires the utility to inspect, maintain, repair, and replace aging infrastructure in a timely, prudent, and cost-effective manner; (2) a security plan to protect against cyber and physical attacks; (3) an emergency response plan for natural disasters and other unplanned events; (4) a mitigation plan for water quality issues, including those that result in a Notice of Violation; (5) an annual certification that the system is in compliance with all federal and state laws and regulations; and (6) a plan to address short- and long-term water supply issues, if any exist.

Sponsored by the Committee on Water

Recommended by the NARUC Board of Directors on November 13, 2018

Adopted by the NARUC Committee of the Whole on November 14, 2018