

# **NAWC\_Powelson\_FAV\_SB820**

Uploaded by: Powelson, Robert

Position: FAV



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.<sup>1</sup> 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.

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<sup>1</sup> 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 130<sup>th</sup> 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.

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*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*

**Suits\_FAV\_SB820**

Uploaded by: Suits, Barry

Position: FAV



**Testimony to the Senate Committee on Education, Health, and Environment  
SB 820 – Public Water Systems – Supplier Requirements  
Water Quality Accountability Act of 2020  
Position: Favorable**

March 4, 2020

The Honorable Paul G. Pinsky  
Committee on Education, Health, and Environment  
Miller Senate Office Building  
11 Bladen Street  
Annapolis, MD 21401  
cc: Members, Committee on Education, Health, and Environment

**Dear Chairman Pinsky and Committee Members,**

I write in support of SB 820 as the President of Maryland American Water, which provides public water service to the residents of the Town of Bel Air and portions of Harford County, Maryland.

We strongly support SB 820 because it will improve the safety, reliability and oversight of water infrastructure and help assure homes and businesses across Maryland have access to safe, clean, reliable water service at a reasonable cost. This bill provides added transparency on the performance of Maryland public water systems and would help drive accountability to solve issues before they rise to the level of the problems which have occurred in Flint, Michigan or Newark, New Jersey. It is difficult to fix what you cannot see – this bill helps provide visibility on what needs fixed.

Access to safe drinking water for all customers is critical to public health and safety of the community. The requirements of this bill are considered best practices and critical components of operating and maintaining a public water system which provides safe, high-quality and reliable service for its customers. With this bill, elected officials will have the information needed to make important decisions to help leverage resources and focus attention, action and investments before a crisis occurs.

Water suppliers must think strategically about their infrastructure in order to create and implement asset management plans and timelines designed to inspect, maintain, repair and renew the water infrastructure. These plans will help prevent the inattention and lack of investment which has allowed many of our infrastructure problems across the country to develop. If problems arise and lead to multiple environmental violations, this bill requires development of a mitigation plan, in conjunction with environmental regulators, to fix the issue.



**AMERICAN WATER**

Our teams of water quality, plant operations, and water distribution professionals work hard every day to ensure the treatment and delivery of water service to our customers in Maryland. Through our commitment to providing safe and reliable service to our customers and our employees' dedication to excellence, Maryland American Water is ready to certify our system's compliance with this bill.

Our health depends on clean water. In too many cases water service is provided through aging underground facilities we cannot see, and we put these problems out of mind. Measures like SB 820 help ensure that utilities are proactive in addressing aging infrastructure and that infrastructure problems that have developed over decades receive the needed attention or action. If we act now, it will help provide current residents and future generations in Maryland safe and reliable water service.

We strongly support SB 820 and urge the committee to give it a FAVORABLE report.

Sincerely,

Barry L. Suits, P.E.

President, Maryland American Water

**WE KEEP LIFE FLOWING™**





# **ESAM\_Muir Boda\_FWA\_SB0820**

Uploaded by: Boda, Muir

Position: FWA



**Eastern Shore Association of Municipalities**  
**“A Shore United”**

**RE: SB0820 Public Water Systems – Supplier Requirements (Water Accountability Act of 2020)**

**Date: March 5, 2020**

**Attention: Education, Health, and Environmental Affairs**

Honored Senators,

Thank you for your continued service and diligent work on behalf of the citizens of the Great State of Maryland. As the current President of the Eastern Shore Association of Municipalities (ESAM) our organization represents fifty-six municipalities in eight counties on the Eastern Shore of Maryland. Most of our municipalities provide water and sewer services to their residents and businesses within their municipal boundaries and some provide service to those outside of those boundaries. System sizes range from small towns with 100-300 residents to cities of 33,000.

Many of our municipalities are facing serious challenges with regards to the aging infrastructure and the increased costs to not just maintain their systems but to also perform inspections and system upgrades. Staffing for many of municipalities is at a minimum and some even contract their staffing out to private contractors. Municipal budgets are often very constrained and their ability to bond and/or take out loans are often limited, which presents a serious funding issue with the extraordinary growing expense of infrastructure costs.

We recognize that many, if not most of the items within this bill reflect recent EPA requirements that have been put into place, and those are challenging goals for all municipalities. One issue we have a concern with is the requirement that plans must be submitted to the State of Maryland by February 2021, while the EPA requires plans to be submitted by December 2021. We believe and respectfully suggest that this bill should follow the EPA schedule of December 2021.

The in depth look at all valves and hydrants, although a great idea and in theory everyone should be doing it anyway, it is very labor intensive and will take a dedicated team a lot of time to do that amount of work. Old systems are playing catch up and do not have the staffing or the time to identify all the needed replacements. We also have the understanding that the new report requires an in-depth look at our cyber security, financial billing systems, and more detailed what-if scenarios of all hazards. What is required of us from the EPA for this updated Vulnerability Assessment of our system is quite labor intensive. We (City of Salisbury) asked for a quote from an engineering firm to complete it for us and they wanted \$68,000.

Small systems are starting to panic about all of this and a lot of people that put together the original EPA Vulnerability Assessments of 2005 are no longer working so they are looking



**Eastern Shore Association of Municipalities**  
**“A Shore United”**

for help. This bill would be very expensive for small municipalities and nearly impossible to obtain without outside help such as financial assistance, grants, and staffing assistance to complete the requirements. Most of the smaller municipalities will likely need to hire consultants to complete the bulk of the work required.

In closing, we are not arguing against the principles of the bill and that water suppliers should be regularly performing these tasks. Our concern is that with this mandate most of our municipalities will struggle to gather the necessary resources such as financial resources and the expertise needed to complete the tasks that are being required. It is our request that first, to have Maryland's requirements follow the EPA schedule for completion. Second, to provide financial assistance through grants (for the study) and grants or low interest loans for infrastructure upgrades as a result of the studies. Third, any staffing assistance that the State of Maryland could provide through the Maryland Department of Planning for smaller municipalities would be a tremendous help. Again, we thank you for your service and we hope that you can consider the concerns that we have for our smaller municipalities.

Sincerely,

Muir W. Boda  
Vice-President Salisbury City Council  
President Eastern Shore Association of Municipalities

# **SB820-AFSCME-UNFAV**

Uploaded by: cindy smalls

Position: UNF



Lee Saunders  
President

Elissa McBride  
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Indianapolis, IN

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Lansing, MI

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Mary E. Sullivan  
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Braulio Torres  
San Juan, PR

Anthony Wells  
New York, NY

John P. Westmoreland  
South St. Paul, MN

**S.B. 820 — Water Quality Accountability Act**  
**Education, Health, and Environment Affairs Committee**  
**March 4th, 2020**

Thank you, Chair Pinsky and Vice Chair Kagan members of the EHEA Committee. On behalf of our 45,000 members in Maryland, we ask you to issue an **UNFAVORABLE** report on the Water Quality Accountability Act, SB 820.

Water corporations are seeking to take over public water systems across our state. We saw that in Baltimore in 2018 when a Wall Street firm and a French multinational Suez targeted our city aggressively. We fought them off and successfully banned water privatization in Baltimore City. Other towns across the state are still vulnerable.

The current president and CEO of American Water, the nation's largest private water corporation, told stockholders that this bill, the Water Quality Accountability Act, was the last of three pieces of state legislation that it passes to push towns to privatize their water systems. We cannot allow this in Maryland.

Water privatization sacrifices public control over essential public services, downsizes good union jobs and hikes water rates on working families and local businesses.

The bill before you today would add a sizable burden on localities without providing any state support to help vulnerable systems comply. We need to improve our water systems, provide safe water for our communities and provide safer working environments for our employees. To do that, the state must step up and provide help.

This legislation does the opposite. It would take away all public funding from systems that fail to produce required reports. That's how water corporations would take over systems: by starving them of resources.

New Jersey was the first state to pass this corporate water law. New Jersey is the country's water privatization hot spot. There, 40 percent of the population has privatized water. In contrast, more than 95 percent of Marylanders who are on a water system have public water. This Water Quality Accountability Act is pushing even more towns in New Jersey to privatize. It is the main reason that Egg Harbor City, NJ, is selling its water and sewer systems to American Water. For this tiny town of 1,200 homes, the Water Quality Accountability Act imposed nearly \$400,000 in extra annual costs, hitting homeowners with a bill of \$160 a year more just to comply with this one law. Marylanders can't afford this either.

Our water systems face many pressing needs. Don't make this bill be the one that breaks our backs.

Please issue an **UNFAVORABLE** report on SB 820. Thank you.



**FWA\_UNF\_SB820**

Uploaded by: Eckel, Rianna

Position: UNF

**S.B. 820 — Public Water Systems — Supplier Requirements  
(Water Quality Accountability Act of 2020)**

Education, Health, and Environmental Affairs Committee  
March 5, 2020

**Position: UNFAVORABLE**

Chairman Pinsky, Vice Chair Kagan, and Honorable Members of the Education, Health, and Environmental Affairs Committee,

My name is Rianna Eckel, and I am the Senior Maryland Organizer with Food & Water Action. On behalf of Food & Water Action and our 43,000 members in Maryland, I strongly **urge you to oppose the Water Quality Accountability Act, SB 820**. This bill is model legislation from the corporate water industry, which seeks aggressively to take over public water systems across our state, particularly in western Maryland. It would lead to rate hikes on families and local businesses.

Do not be fooled by the bill name: This is a water privatization bill.

We recognize the need to improve our water systems, but the state must provide real support to help struggling public systems. Vulnerable communities need **more** help, not less. This legislation threatens to take away all existing state and federal assistance from our most vulnerable systems that cannot meet new mandates in the bill.

That's how water corporations seek to get a foothold in communities – you burden small towns with unfunded mandates and then you take away all public support, leaving vulnerable communities susceptible to corporate exploitation. The current president and CEO of American Water, the nation's largest private water corporation, told investors in December that this legislation is the last of three steps in its water privatization agenda. He said, and I quote:

“We work with state legislators and regulators to come up with rule making and legislation that enables these acquisitions to happen. And we've been doing this for a decade, and we've been very successful at it. This public policy, the really 3 areas have helped us grow: fair market value legislation, consolidated tariffs and then emerging legislation around the Water Quality Accountability Act.”

Our communities across the state face a deepening water affordability emergency. It isn't hurting Baltimore alone. Water bills are some of the most regressive fees that families pay. Communities simply cannot afford water privatization: private companies charge 59 percent more than local governments do.

We urge you to prioritize legislation that provides state funding to help address the more pressing public health threats that our water systems face, including drinking water contamination from lead, PFAS forever chemicals and other toxics, as well as sewage backups and wastewater overflows from outdated sewer systems. Our water providers already have sizable tasks and state legislation should focus on **helping** them rise to these challenges and provide the highest quality water possible.

Please issue an **UNFAVORABLE** report on SB 820. Thank you for your time and attention.

Rianna Eckel  
Senior Maryland Organizer, Food & Water Action  
[reckel@fwwatch.org](mailto:reckel@fwwatch.org), 410-394-7652



# **GroupSignOn\_UNF\_SB820**

Uploaded by: Eckel, Rianna

Position: UNF



**S.B. 820 — Water Quality Accountability Act**  
**Education, Health, and Environmental Affairs Committee**  
 March 5, 2020

**Position: UNFAVORABLE**

We, the below organizations, urge you to oppose the Water Quality Accountability Act. This bill would strip away state and federal assistance from vulnerable water systems and add unfunded mandates on our state’s water providers without providing any technical or financial assistance to help systems comply.

**The Water Quality Accountability Act is a water privatization industry backed bill.**

Walter Lynch, the current president and CEO of American Water – the nation’s largest private water corporation, which owns water systems in Western Maryland— told investors in December that this legislation is the last of three laws that the corporation works to pass in states to advance water privatization:

“We work with state legislators and regulators to come up with rule making and legislation that enables these acquisitions to happen. And we’ve been doing this for a decade, and we’ve been very successful at it. This public policy, the really 3 areas have helped us grow: fair market value legislation, consolidated tariffs and then emerging legislation around the Water Quality Accountability Act.”

**The Water Quality Accountability Act has caused New Jersey communities to privatize.**

Passage of this law is the key reason that Egg Harbor City, N.J., is selling its water and sewer systems to American Water. For this tiny town of 1,200 homes, the law imposed nearly \$400,000 in extra annual costs, hitting homeowners with a bill of \$160 a year to pay for it.

**The Water Quality Accountability Act would increase household water bills.**

Communities across the state face a deepening water affordability crisis, as water bills are some of the most regressive fees that families pay. Privatization and unfunded state mandates exacerbate this crisis. Communities simply cannot afford water privatization: private companies charge 59 percent more than local governments do.

**Maryland must provide support for local public water systems.**

The state should first provide tools and resources to help communities develop asset management plans and cyber security plans before requiring these plans and penalizing systems for failing to comply. The state should work collaboratively with local, public water providers to identify the needs of the systems and how the state can best help ensure safe water for all.

Please oppose this pro-privatization Water Quality Accountability Act.

Sincerely,

AFSCME Maryland Council 3  
AFSCME Council 67  
AFT Maryland  
Common Cause Maryland  
Food & Water Action  
Interdenominational Ministerial Alliance of Baltimore  
Jews United for Justice  
Maryland Conservation Council  
Maryland Consumer Rights Coalition  
Maryland Legislative Coalition  
Maryland State Conference of the NAACP  
Maryland Volunteer Lawyers Service  
Sierra Club, Maryland Chapter  
United Workers  
WISE

# **AFTHealth\_UNF\_SB820**

Uploaded by: English, Marietta

Position: UNF



A Union of Professionals  
**AFT-Maryland**

5800 Metro Drive, Suite 100 • Baltimore, MD 21215-3226  
410/764-3030 • fax: 410/764-3008  
md.aft.org

Marietta English  
PRESIDENT

Kenya Campbell  
SECRETARY-TREASURER

**Written Testimony Submitted for the Record to the Maryland State Senate  
Before the Senate Education, Health, and Environmental Affairs Committee  
AFT-Maryland  
March 5, 2020**

**SB 820 – Public Water System – Supplier Requirements  
(Water Quality Accountability Act of 2020)**

**OPPOSE**

Good afternoon Mr. Chair and members of the Senate Education, Health, and Environmental Affairs Committee. AFT-Maryland is the State Federation for numerous public employee unions, including the City Union of Baltimore and the Baltimore County Federation of Public Employees, who work to bring vital services to residents of Baltimore City and County. On behalf of the 20,000 public sector members of the AFT-Maryland, including those who bring clean, reliable water to Marylanders in Baltimore City and Baltimore County, we strongly oppose SB 820, as it threatens to withhold state funding from systems that supply our residents with vital resources needed for survival.

Of particular concern is the section of the bill under 9-436, which states that any supplier of water may not receive public funding from any source if the supplier cannot meet the new quality standards set forth in this bill. In addition to the argument that it is not clear to us if the new standards proposed are a solution in search of a problem—that is, it is not certain that any local water system has had these problems the proposed measures are meant to correct—the question of how the residents who live in a jurisdiction whose water supplier has been penalized under what is proposed in this bill are supposed to receive water remains unanswered.

Perhaps proponents of this bill are pointing to problems experienced in Baltimore City regarding the recent cyber attack which prevented bills from going out to residents on time? If this is their argument, AFT-Maryland will point out that water service never stopped to any resident, and billing continued as normal roughly 6 weeks later. Without any public funding to help provide water to Maryland residents, as this bill proposes, water almost certainly would cease to be provided because necessary funding for maintenance will go away. Put another way, this bill is a greater threat to Marylander's receiving water than any cyber security attack could be.

Or perhaps proponents of this bill wish to punish local jurisdictions like Baltimore City whose residents have recently voted overwhelmingly to guard their water utility against privatization? With that vote, Baltimore's residents wrote into the city's charter a measure which recognized water—necessary to maintain life—is something that should not be monetized or used for profit. If this is the aim of the proponents of this bill, it should be opposed based on the fundamentals of democracy—namely the right of local residents for autonomy and self-determination with how vital community resources should be utilized.

Residents of Baltimore City will certainly point out that water bills are too high. This bill threatens to even further increase the amount Marylanders must pay to receive water at their residences. The water system which supplies potable water to people living in the city and county was built and maintained on taxpayer dollars, supplemented by residential bills based on the amount of water consumed and one's ability to pay. It is fundamentally unjust to threaten to defund a local county or municipality of such a vital resource like clean water. For these reasons, AFT-Maryland calls for an unfavorable report for SB 820. Thank you.

**MML\_Fiore\_UNF\_SB0820**

Uploaded by: Fiore, Justin

Position: UNF



Maryland Municipal League  
*The Association of Maryland's Cities and Towns*

TESTIMONY

March 5, 2020

**Committee:** Senate Education, Health and Environmental Affairs

**Bill:** SB 820– Public Water Systems – Supplier Requirements (Water Quality Accountability Act of 2020)

**Position:** Oppose

**Reason for Position:**

The Maryland Municipal League opposes SB 820. This bill would require a supplier of water to inspect valves in a public water system in a certain manner, repair or replace some valves, inspect fire hydrants, formulate and implement a cybersecurity plan, identify the locations of valves, and record characteristics and identifiers of some valves. The bill also requires a supplier of water to develop a cybersecurity program by February 1, 2021.

There are approximately 91 municipal community water systems across the State, serving both large and small populations. These water systems are all permitted under the Maryland Department of the Environment and are highly regulated. The plants are required to follow specific permit requirements and undergo routine and rigorous testing on components and water quality. Many of these community water systems are maintained and serviced by the Maryland Environmental Service, which provides expert technical oversight on a continuous basis.

SB 820 takes a “one size fits all” approach to public water systems and holds systems serving smaller populations to the same standards (i.e. a cyber security plan) as those that service thousands of people. Municipal water systems are just as regulated and safe as privately owned systems, but must operate based on an enterprise fund, which means that these systems cannot operate at a profit. As a result, for medium and smaller municipalities, the rate paid by residents in these cities and towns is already high due to a limited rate base. Adding another layer of unnecessary and duplicative regulation would simply drive costs higher on an already overstressed community system.

1212 West Street, Annapolis, Maryland 21401

410-268-5514 | 800-492-7121 | FAX: 410-268-7004 | [www.mdmunicipal.org](http://www.mdmunicipal.org)



The League therefore respectfully requests that this committee either exempt government-owned public water systems or provide SB 820 with an unfavorable report.

**FOR MORE INFORMATION CONTACT:**

Scott A. Hancock	Executive Director
Candace L. Donoho	Government Relations Specialist
Bill Jorch	Manager, Government Relations & Research
Justin Fiore	Manager, Government Relations

# **MACo\_Kevin Kinnally\_UNF\_SB820**

Uploaded by: Kinnally, Kevin

Position: UNF



## **Senate Bill 820**

*Public Water Systems - Supplier Requirements  
(Water Quality Accountability Act of 2020)*

MACo Position: **OPPOSE**

To: Education, Health & Environmental  
Affairs Committee

Date: March 5, 2020

From: Alex Butler

The Maryland Association of Counties **OPPOSES** SB 820. The bill prescribes specific requirements to water supply systems through a one-size-fits-all approach without consideration of existing standards and practices.

SB 820 would impose burdensome reporting, plan development, and testing requirements for operators of water supply systems. Water supply systems in Maryland range widely in scope of service - from those serving dozens residents to those serving thousands. Subject to specific requirements, SB 820 would apply to all water supply systems regardless of their size. This would place undue burden on smaller systems to adopt costly and potentially redundant procedures that larger systems have already implemented.

Large government operated water supply systems typically have appropriate plans procedures. These plans are not identical to what is proposed by SB 820, but nor are they inferior to what is required under the bill. Conforming standards would be costly and inefficient and not necessarily yield more positive outcomes.

Accordingly, MACo requests an **UNFAVORABLE** report on SB 820.

**SB0820\_City of Rockville\_UNF\_Susan Straus**

Uploaded by: Straus, Susan

Position: UNF



**Rockville Mayor and Council**  
**SB 820 – Public Water Systems – Supplier Requirements**  
**(Water Quality Accountability Act of 2020)**  
**OPPOSE**

Good afternoon Senate Pinsky and members of the Senate Education, Health, and Environmental Affairs Committee. I'm Susan Straus, Acting Deputy Director of Rockville's Department of Public Works and I am honored to be here in representation of the Rockville Mayor and Council, who strongly oppose SB 820 Public Water Systems – Supplier requirements (Water Quality Accountability Act of 2020).

While this bill is well intended, it is duplicative of the Environmental Protection Agency's Section 2013 of America's Water Infrastructure Act (AWIA) of 2018, and subjects water suppliers to unnecessary administrative burdens. The requirement to develop a Cybersecurity Program is redundant with the federally mandated AWIA requirements and is therefore not necessary. Further, the requirement to submit a report to the Maryland Department of the Environment (MDE) on the Cybersecurity Program creates a burden for the State to ensure confidentiality of the water suppliers' Program. Moreover, this report requirement creates a potential risk for sensitive and critical information to be unintentionally disclosed, which could result in a cyber-attack.

The bill's provisions are onerous and burdensome to water suppliers. SB 820 prescriptively establishes an "Asset Management Plan" that requires certain maintenance levels for two assets within a water supplier's system: "critical valves" and fire hydrants. The maintenance level of service (LOS) for all the water supplier's assets is best established by the service provider, who is the expert in the field, and is intimately familiar with the needs and demands of their total water supply system. SB 820 attempts to influence the LOS by establishing what is considered to be critical infrastructure components; the inspection frequency; inspection standards of the "critical valves;" and fire hydrants. The bill is also problematic because it does not follow industry standards.

As the operational expert, the water supplier is best suited to determine the frequency of equipment inspections and how to execute it. Rockville's asset management program includes water main rehabilitation; valve and hydrant inspection and maintenance; storage tank inspection and maintenance; and the operation and maintenance of the water treatment plant. Each water system has unique challenges and system constraints. The water supplier should develop asset management plans that fit their own needs, instead of being forced to comply with a prescriptive, one-size-fits-all standard established by the State.

In closing, SB 820 is an overreach by the State, adds unnecessary cost and process, and could endanger the public health and safety by making water suppliers vulnerable to cyber-attacks. We urge the Committee to provide SB 820 with an unfavorable report as soon as possible.

# **Letter of Information SB 820 by MDE**

Uploaded by: abbott, tyler

Position: INFO



# Maryland

## Department of the Environment

Larry Hogan, Governor  
Boyd K. Rutherford, Lt. Governor

Ben Grumbles, Secretary  
Horacio Tablada, Deputy Secretary

March 4, 2020

The Honorable Paul Pinsky  
Education, Health and Environmental Affairs Committee  
Miller Senate Office Building  
Annapolis, Maryland 21401

**Re: SB 820 – Public Water Systems – Supplier Requirements (Water Quality Accountability Act of 2020)**

Dear Chairman Pinsky and Members of the Committee:

The Maryland Department of the Environment (MDE or Department) has reviewed Senate Bill 820, *entitled Public Water Systems – Supplier Requirements (Water Quality Accountability Act of 2020)* and would like to offer a letter of information regarding this legislation.

Senate Bill 820 aims to increase safety and accountability in all water treatment plants in Maryland. All suppliers of water would be required to: (i) to inspect, maintain, repair and replace certain valves and fire hydrants, (ii) to develop, implement and report on a certain cybersecurity program, (iii) to develop and submit a certain mitigation plan after receiving a certain number of notices of violation, (iv) to develop, implement and report a certain asset management plan, a report of which will be made publicly available, and (v) to annual certify to MDE and inform customers that it meets certain requirements, and to make that certification available for public inspection. This bill would prohibit a supplier from receiving public funding from any source unless it can demonstrate that it has developed or is in the process of developing the required asset management plan and cybersecurity program.

Senate Bill 820 places a duty on water suppliers to be accountable for the improvement, safety and administrative oversight of their water infrastructure. The legislation would impact every public water system in the State (3,285 systems) regardless of its size. Owners and operators of water systems would likely have increased costs that could be passed onto customers.

This legislation is modeled after a similar bill that passed in New Jersey in 2017 titled the *Water Quality Accountability Act*. Notably, New Jersey's version is different from Senate Bill 820 in that it exempts systems with fewer than 500 connections and only requires a cybersecurity program for systems that have internet-connected control (SCADA) systems.

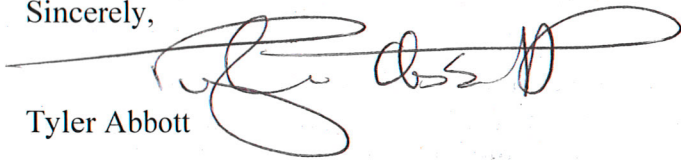
Senate Bill 820 would have a fiscal and an operational impact on the Department. MDE would have to develop a database, procedures for tracking elements that are not mandated by the U.S. Environmental Protection Agency (EPA) under the Safe Drinking Water Act and develop a data portal. In addition, it requires establishing plans, policies and procedures for identifying and mitigating cyber risks. Presently, the Water Supply Program has no technical expertise to evaluate the asset

management plans submitted to the Department. The legislation requires water systems to submit an annual asset management plan to the Department, which would be required to certify each plan is compliant. MDE estimates that at least two additional technical staff will be needed to implement the requirements of this bill. Tracking, reporting and monitoring of the information submitted to MDE along with the requirements of having an electronic portal requires new investment in a tracking database, which was estimated to cost at least \$500,000 to set up, and roughly \$5,000 annually to maintain.

Finally, the range of public and private water systems and sizes should be given due consideration. MDE believes that larger systems could comply with this bill if passed. MDE estimates costs may approach \$200,000 per year for those that serve more than one million customers. However, smaller systems may experience some hardship to comply with the mandate due to a smaller customer base and ability to pay. Some of the smallest water systems in Maryland have only 25 customers. Therefore, the Department recommends that if the bill moves forward that the bill should provide for a waiver or exception for the smallest systems. MDE could evaluate need on a case-by-case basis.

Thank you for your consideration. We will continue to monitor Senate Bill 820 during the Committee's deliberations, and I am available to answer any questions you may have. Please feel free to contact me at 410-260-6301 or by e-mail at [tyler.abbott@maryland.gov](mailto:tyler.abbott@maryland.gov).

Sincerely,

A handwritten signature in dark ink, appearing to read 'Tyler Abbott', written over a horizontal line.

Tyler Abbott

Cc: Senator Katherine Klausmeier