



Support for Senate Bill 354

Dear Chairman Pinsky and Members of the Committee:

The Chesapeake Legal Alliance strongly supports SB 354 because it will significantly benefit water quality in the Chesapeake Bay watershed and represents sound public policy. Generally, the bill accomplishes four things.

1. The bill builds upon the foundation wisely established by the General Assembly in the 2021 regular session by maintaining the 50 percent restriction on funding from the Bay Restoration Fund for privately owned wastewater facilities. This restriction could have a substantial fiscal benefit for the State and local governments, ***freeing up potentially tens of millions of dollars*** over the next decade that could be put to use to help update and upgrade publicly owned wastewater treatment systems.
2. The bill harmonizes this existing restriction with the overall purpose and longstanding interpretation of the Bay Restoration Fund as a policy designed to assist ***local governments*** in financing capital upgrades associated with the delivery of clean water. As such, only private wastewater facilities that ***actually deliver services to the public*** would be eligible to receive funds for 50 percent of the cost of the project.
3. The bill strikes a delicate balance in ensuring that funds are not awarded to private facilities that ***fail to abide by our water quality laws***, except where certain criteria are met. Thus, if a small, independently-owned wastewater system is struggling to provide safe and sanitary wastewater service to a community in noncompliance with the law, the bill would allow such a system to receive funds, subject to the 50 percent cost share; but systems owned by larger entities with the ability to pay for their own capital upgrades would not be allowed to take advantage of state funds. This is consistent with the current state policy to allow publicly owned facilities with compliance issues to receive funds to help them upgrade their facilities and regain compliance.
4. The bill ***adds much needed transparency*** to the very consequential process of determining which applicants receive funding from the Bay Restoration Fund and from federal clean water funds. With well over \$100 million being distributed in any given year - mostly to local governments, but also some private entities - it only makes sense that the Department of the Environment should be proactively notifying the General Assembly, Bay Restoration Fund Advisory Committee, and Department of Budget and Management about how funds are proposed to be distributed.

For these reasons, the Chesapeake Legal Alliance strongly supports Senate Bill 354 and urges a favorable report. For additional information, you may contact Staff Attorney Evan Isaacson at evan@chesapeakelegal.org.