

MD SB531 Suits Testimony Final -02222023.pdf

Uploaded by: Barry Suits

Position: FAV

Testimony of Barry Suits on behalf of Maryland American Water Company

Maryland American Water has been providing water service to residents in the Town of Bel Air, Maryland for more than 90 years. As a subsidiary of American Water, Maryland American Water is part of a team that provides safe reliable water service to more than 14 million American's every day and has been doing so since 1886.

As President of Maryland American Water and a registered professional engineer with more than 30 years of experience in the water and wastewater industry, I strongly believe that Senate Bill 531, the Water Safety and Cybersecurity Act of 2023, is critical for protecting public health throughout Maryland. All residents of Maryland should have access to safe, affordable, and reliable water service and I appreciate Senator Klausmeier introducing this legislation in support of this effort.

What exactly does this bill do and how will it support safe, affordable, and reliable water service across Maryland? I have listed a few key components of the legislation below:

- Requires suppliers of water to develop a cybersecurity program defining and implementing organizational accountabilities and responsibilities for cyber risk management, conduct risk assessments, remain aware of cyber threats to and vulnerabilities of their water system, and create and exercise incident response and recovery plans.
- Creation of an asset management plan to help ensure appropriate replacement cycles and outline prioritized capital expenditures to assure safe, reliable water service.
- Addresses mitigation plans for Notices of Violation aimed at prevention of future occurrence of the violations.
- Outlines certain best practices in the industry for operation and maintenance of valves and fire hydrants.
- Provides transparency to Marylanders to track the performance of their water suppliers.

The above requirements of this legislation are all best practices and benchmarks of well managed water utilities. Adherence to these standards will provide early warning of water systems in need and transparency to customers to solve problems before a possible crisis. For these reasons, I ask for your support of Senate Bill 531.

MD SB531 Testimony.pdf

Uploaded by: Rikardo Hull

Position: FAV

Testimony of Rikardo Hull on Senate Bill 531 on Behalf of the National Association of Water Companies

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 more than \$3.9 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 strong record of delivering high-quality water that meets or exceed federal standards.¹ NAWC is proud of that record and our members will continue to lead in delivering the highest attainable compliance results.

As Chief Operating Officer of NAWC, and a former long-time utility regulator, I firmly believe that Senate Bill 531, the Water Safety and Cybersecurity Act of 2023, is critical for protecting the public health throughout Maryland and I applaud Senator Klausmeier for introducing this important piece of legislation.

NAWC and our members have spent countless hours working to address water equity issues in recent years. As part of those efforts, we developed a few guiding principles of Water Equity, two of which are particularly relevant to our discussion today.

First, everyone deserves access to water that is safe, reliable and affordable. 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. Every water system, regardless of size or who operates it, should be required to meet the same high standards, disclose whether those standards are being achieved, and face consequences if those standards are not met.

Second, customers must continue to be the top priority for water providers, regulators and lawmakers. As a nation, we must advance programs that promote water equity to ensure that customers of *all* income levels have access to high-quality water.

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>

There is a crisis of confidence in tap water in this country. A 2020 survey conducted by a Kemira, an international firm, in conjunction with The US Water Alliance's *Imagine a Day Without Water*, found that 40% of Americans don't trust the water that comes out of their tap. This was the lowest of the six countries – Finland, the United Kingdom, Poland, Germany, Spain and the U.S. – surveyed.² Similarly, a 2022 poll by the Environmental Working Group found that 51% of people don't trust their tap water.³

Recent studies⁴ have shown low-income and minority communities are much more likely than white and affluent communities to not trust their tap water. This means that the Marylanders who are least able to afford bottled water, which is most often used to replace tap water and which costs approximately 200 times more than tap water, are much more likely to use it as an alternative to the water provided by their local utility.

The irony of this, of course, is that bottled water is not regulated at all for water quality. And the long-term environmental harm of bringing millions of single-use plastic bottles into peoples' homes that must eventually be disposed of must also be considered.

So what exactly does "Water Safety and Security" mean, and how will it start to solve the problems I've outlined? Perhaps it would be more appropriate to frame Senate Bill 531 as a "Water Consumers' Bill of Rights." I believe most of us would agree that:

- All Marylanders have a right to well-functioning water infrastructure. This involves water suppliers replacing infrastructure at a reasonable rate, as well as prioritizing replacement of the highest-risk infrastructure rather than the pipes that serve the wealthiest communities.

To address this, Senate Bill 531 requires water suppliers to develop asset management plans designed to ensure that necessary, industry-standard investments are made to all wells, intakes, pumps and treatment facilities and at that least a 150-year (or other appropriate) replacement cycle is achieved. Senate Bill 531 also requires water suppliers to devote funding to the highest priority projects identified in the asset management plans.

- All Marylanders have a right to have critical facilities protected and adequate fire suppression available, when needed.

Senate Bill 531 requires annual inspections of all critical valves (defined as those serving medical facilities and water treatment plants as well as providing emergency interconnections with water suppliers) and fire hydrants to reduce the risk of our most

² https://www.kemira.com/app/uploads/2020/10/Kemira_water_datasummary_US_FINAL-5f9bf7b272098.pdf

³ <https://www.ewg.org/research/ewg-survey-least-50-percent-people-surveyed-think-tap-water-unsafe>

⁴ <https://pubmed.ncbi.nlm.nih.gov/30979398/> and <https://www.forbes.com/sites/daphneewingchow/2021/02/28/a-recent-survey-casts-new-light-on-americas-racial-and-water-divide/>

at-risk citizens have a constant water supply and that fire suppression is available when needed. Additionally, water suppliers would be required to have all critical valves and fire hydrants mapped so issues can be quickly dealt with when they arise.

- All Marylanders have a right to a water supplier that takes all necessary steps to protect against cyber threats.

SB 531 requires water systems to develop cybersecurity plans to take steps to identify and mitigate cyber risks, conduct risk assessments, and create response and recovery plans.

- All Marylanders have a right to a water system that addresses drinking water quality violations in a timely and efficient manner.

SB 531 requires any water system that receives three notices of any violation, or two notices of a violation of a maximum contaminant level, to develop a mitigation plan that outlines whether the violation will be addressed through operational changes or investments, an implementation schedule for those changes and a report prepared by a licensed engineer explaining how the mitigation plan will prevent future occurrences of the violation.

- All Marylanders have a right to know how and what their water supplier is doing with respect to upgrading the system's infrastructure.

Senate Bill 531 requires water suppliers to file, and make public, an annual report that outlines the infrastructure replaced in the immediately prior year as well as set forth all planned improvements for the following year and the projected cost of those improvements.

Each of these requirements are national best practices in the water industry. Commonsense steps such as these not only provide public transparency, but also serve as an early warning system for failing water utilities. It is important to monitor this type of information so that public health crises can be prevented before reaching the critical levels we have seen in too many communities around the country. Senate Bill 531 will ensure that policymakers have the information they need to focus the attention and scarce public resources on those communities that are most in need. For these reasons, I strongly urge you to support Senate Bill 531.

SB0531-923324-01.pdf

Uploaded by: Katherine Klausmeier

Position: FWA



SB0531/923324/1

AMENDMENTS
PREPARED
BY THE
DEPT. OF LEGISLATIVE
SERVICES

20 FEB 23
16:13:23

BY: Senator Klausmeier
(To be offered in the Education, Energy, and the Environment
Committee)

AMENDMENTS TO SENATE BILL 531

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “prohibiting” in line 17 down through “circumstances;” in line 18; and in line 27, strike “9–438” and substitute “9–437”.

AMENDMENT NO. 2

On page 10, strike in their entirety lines 21 through 25, inclusive.

Municipally Owned Utilities_Sb531_Unfav.pdf

Uploaded by: Brett Lininger

Position: UNF

Municipally Owned Utilities

Testimony for Senate Bill 531

Public Water Systems - Supplier Requirements (Water Safety and Cybersecurity Act of 2023)

Position: Oppose

This bill would require a supplier of water to inspect valves in a public water system in a specified 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.

This legislation is based on a national model drafted by private water companies with the intent to undercut public support of public water systems so that they can be privatized in the future.

The Munis water systems are heavily regulated by the Maryland Department of the Environment. Our plants are required to follow specific regulations pertaining to routine and substantial testing on the infrastructure and water quality.

The legislation prescribes a uniform way for all public water systems to operate without regard to the size of the operation. We have a small rate base, which is already expensive, and this would add unnecessary and duplicative requirements that would only increase costs to our communities.

The Munis respectively urge an unfavorable report.

SB0531-EEE_MACo_OPP.pdf

Uploaded by: Dominic Butchko

Position: UNF



MARYLAND
Association of
COUNTIES

Senate Bill 531

*Public Water Systems - Supplier Requirements
(Water Safety and Cybersecurity Act of 2023)*

MACo Position: **OPPOSE**

To: Education, Energy, and the Environment
Committee

Date: February 23, 2023

From: Dominic J. Butchko

The Maryland Association of Counties **OPPOSES** SB 531. The bill prescribes specific requirements to water supply systems through a one-size-fits-all approach without consideration of existing standards and practices.

SB 531 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 of residents to those serving many thousands. Subject to specific requirements, SB 531 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 and procedures. These plans may not comply with the precise letter of what is proposed by SB 531, but they do promote transparency and accountability in locally governed water systems for their users. Conforming many fully appropriate oversight and accountability standards would be costly and inefficient and not necessarily yield more positive outcomes.

Accordingly, MACo requests an **UNFAVORABLE** report on SB 531.

Groeger_testimony for Senate Bill 0531.pdf

Uploaded by: JOHN GROEGER

Position: UNF

Senate Bill 531 - The Water Safety and Cybersecurity Act of 2023

Written by: John B. Groeger, Maryland Professional Engineer #56871

Testimony: The proposed legislation appears to be intended to hold Maryland's water suppliers accountable and prevent water crises; however, the bill contains exceptions to Baltimore City and the Washington Suburban Sanitary Commission (WSSC), **the largest water suppliers in the state**, per paragraph 9-430. The bill proposes to impose additional reporting requirements upon smaller water suppliers who have limited resources to perform the additional work yet doesn't serve most of Maryland's public-water consumers considering the large exceptions. Both WSSC and Baltimore City have imposed boil water advisories within the past 12 months and these suppliers are a major source of water supply for surrounding counties. I write to express concern that this bill will impose a disproportionate burden upon water suppliers who have limited resources to deliver clean water to its residents, while providing no additional resources to support the extra work. While the bill appears well-intentioned to hold water suppliers accountable and prevent water crises, all water suppliers should be held to the same standards. Most notably, **Howard County and Baltimore County are supplied nearly all their water directly via Baltimore City**, so granting exception to Baltimore City for these accountability requirements **places both Howard County's and Baltimore County's residents at-risk to lose water supply from Baltimore City** if the city does not self-regulate their water system to the same standards.

SB 531 - UNF - MML.pdf

Uploaded by: Justin Fiore

Position: UNF



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

TESTIMONY

February 23, 2023

Committee: Senate Education, Energy, and the Environment Committee

Bill: SB 531 - Public Water Systems - Supplier Requirements (Water Safety and Cybersecurity Act of 2023)

Position: Oppose

Reason for Position:

The Maryland Municipal League strongly opposes SB 531. 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, 2024.

As was discussed last time this legislation was introduced in 2020, **this is national model legislation by private water suppliers with the sole purpose of undercutting public support of public water systems in an effort to later acquire them.**

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 531 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

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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.

The League therefore respectfully requests that this committee provide SB 531 with an unfavorable report.

FOR MORE INFORMATION CONTACT:

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