

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.