



Maryland Association of Municipal Wastewater Agencies, Inc.

Washington Suburban Sanitary Commission

14501 Sweitzer Lane, 7th Floor

Laurel, MD 20707

Tel: 301-206-7008

MEMBER AGENCIES

Allegany County
Anne Arundel County
City of Baltimore
Baltimore County
Town of Berlin
Cecil County
Charles County
City of Cumberland
D.C. Water
Frederick County
City of Hagerstown
Harford County
City of Havre de Grace
Howard County
Ocean City
Pocomoke City
Queen Anne's County
City of Salisbury
Somerset County Sanitary District
St. Mary's Metro. Comm.
Washington County
WSSC Water

February 21, 2025

The Honorable Marc Korman
Chair, Environment and Transportation Committee
250 Taylor House Office Building
Annapolis, MD 21401

Re: **OPPOSE--HB 990 (Municipal Appointees and Employees – Financial Oversight – Required Education and Experience)**

Dear Chair Korman:

On behalf of the Maryland Association of Municipal Wastewater Agencies (MAMWA), I am writing to **OPPOSE HB 990**, which would, among other things, establish education and work experience requirements that municipalities must follow, beginning June 30, 2030, when appointing, hiring, or continuing to employ an individual as a comptroller, treasurer, other employee responsible for the financial oversight and management of funds of the municipality, or other employee responsible for maintaining and preparing accounting, budget, and financial reports for the municipality.

CONSULTANT MEMBERS

Black & Veatch
GHD Inc.
Hazen & Sawyer
HDR Engineering, Inc.
Jacobs
Ramboll Americas
WRA

MAMWA is a statewide association of local governments and wastewater treatment agencies that serve approximately 95% of the State's sewered population. Many of MAMWA's members are municipalities that would be subject to this bill.

MAMWA objects to HB 990 because it will be expensive for small local governments to employ individuals who satisfy the bill's requirements and because there may very well not be sufficient qualified individuals available.

GENERAL COUNSEL

AquaLaw PLC

MAMWA also objects to the bill because it is overly broad. Some water and wastewater utilities are independent and develop their own budgets outside of the local budgeted process, but some water and wastewater utilities are integrally linked with local budget review. In these cases, local employees working as water or wastewater treatment managers are likely involved in preparing accounting and budget reports. These employees do not have significant financial responsibilities, but they would still be impacted by the bill's broad requirements.

In addition, the bill's provisions are not reasonably tailored to the problems that the bill purports to address. In testimony before the Senate Education, Energy and Environment Committee, the sponsor of SB 35 indicated that the legislation was prompted by shortcomings identified in the audit reports that 194 local governments (Baltimore City, 23 counties, 156 incorporated cities and towns, and 14 special taxing areas) are required to submit to the Department of Legislative Service (DLS).

Under current law, each county and municipality must have their financial records audited annually and submit the completed audit report to DLS. These reports are reviewed by the Office of Legislative Audits, which annually submits a Review of Local Government Audit

MAMWA Letter on HB 990

February 21, 2025

Page 2

Reports (Review) to the Comptroller and the Executive Director of DLS. The OLA review assesses compliance with certain accounting and auditing standards, evaluates compliance with certain State laws, and analyzes selected financial data to identify potential financial problems.

The Review for the fiscal year ending June 30, 2023, contained 7 findings, the majority of which applied to only a tiny number of the 194 local governments (Finding #2 (1 government), Finding #3 (3 governments), Finding #5 (4 governments), Finding #7 (1 government)). For three of the Findings, the Review fails to identify which governments were involved (Findings #3, #4 (17 governments), and #5), making it impossible to determine whether the qualifications of employees had anything to do with the Findings.

Where a Finding identified more than a handful of noncompliant jurisdictions (Finding #1, 40 local governments filing late audit reports; Finding #6, 13 local governments disclosing that cash deposits were not adequately collateralized, or otherwise insured), the jurisdictions listed in the Review for that Finding ranged from tiny towns to major counties, strongly suggesting that the noncompliance was not due simply to a lack of qualifications on the part of the employees responsible for financial oversight and management. Submitting a late audit report, for example, says nothing about an employee's ability to manage local finances.

For the foregoing reasons, MAMWA opposes HB 990.

Please feel free to contact me with any questions at Lisa@AquaLaw.com or 804-716-9021.

Sincerely,



Lisa M. Ochsenhirt
MAMWA Deputy General Counsel

cc: House Environment & Transportation Committee Members, HB 990 Sponsor