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September 20, 2022

Honorable Bryan Cutler
Speaker of the House of Representatives
139 Main Capitol Building
P.O. Box 202100
Harrisburg, PA 17120-2100

Honorable Kerry Benninghoff
Majority Leader
110 Main Capitol Building
P.O. Box 202171
Harrisburg, PA 17120-2171

Honorable Joanna McClinton
Minority Leader
423 Main Capitol
P.O. Box 202191
Harrisburg, PA 17120-2191

RE: Oppose SB 597 Water Quality Accountability Act

Dear Speaker Cutler, Leader Benninghoff, and Leader McClinton,

On behalf of our seven Pennsylvania public wastewater utilities and the interests of the hundreds of thousands of Pennsylvania residents they collectively serve, the National Association of Clean Water Agencies (NACWA) urges you to reject further consideration and a floor vote on the Water Quality Accountability Act (SB 597).

NACWA represents the interests of over 350 publicly owned wastewater utilities of all sizes across the country that, each day, provide the essential service of treating billions of gallons of our nation's wastewater. In their work, utilities ensure the continued protection of public health and the environment.

There have been decades of federal and state regulatory actions that help ensure Pennsylvania residents have access to safe and reliable clean water services. NACWA recognizes that many utilities—often those that are small and under-resourced—face financial and management challenges to improve their infrastructure and meet state and federal requirements of the Clean Water Act and Safe Drinking Water Act.

The asset management plan model adopted in SB 597, veiled as economic and consumer protection, is an intentional strategy to pile on expensive and highly technical regulatory requirements with which many public wastewater utilities will struggle to comply. This is an unfair and inequitable framework for Pennsylvania. While we agree that municipal water and wastewater authorities should be encouraged to

adequately plan for financial and cybersecurity threats, SB 597 represents significant overreach and a prohibitively expensive unfunded mandate that is concerning from both a compliance and personnel perspective. Community wastewater systems would be required to comply with highly prescriptive asset management planning overseen by the state – a one-size-fits-all approach that would be highly time, staffing, and cost-intensive and which may be redundant to existing asset management planning conducted by the wastewater system. Plans would be submitted within 18 months and renewed every 3 years, setting in place an ongoing reporting burden.

While this reporting burden will fall to wastewater systems, we are also concerned that SB 597 will further burden the Department of Environmental Protection (DEP), as the bill directs DEP to oversee the new program and review each plan for potential approval. Under SB 597, DEP would have the ability to recoup administrative costs related to this new directive via a financial assessment on each water and wastewater operator. Similarly, the cost of this fee will also be passed on to the rate-payer.

Water affordability in this country is already a systemic problem - nearly one in three U.S. households struggles to afford their water and sewer bills. Due to municipal governments trying to cover the costs stemming from the requirements within SB 597 or private water companies passing on the costs of acquisitions onto rate-payers – if SB 597 passes, Pennsylvania water bills will go up. And it is not clear that services, safety, or public health would improve.

In instances where available local/ratepayer resources are not adequate to meet the needed level of service and investment, the State should instead be a partner in helping to provide direct funding to these utilities through the State Revolving Fund or other funding mechanisms and/or by providing technical and other support to conduct assessments and make needed improvements to meet the needs where the existing rate-base may be insufficient to do so. This would be a true partnership. Opening the door to impossible requirements to simply allow for private entities to step in is not a viable or fair approach.

We therefore urge you to reject this proposed water privatization legislation and instead work to support Pennsylvania communities through targeted asset management planning, technical assistance, infrastructure investment, and other programs for low-income rate-payer assistance.

Sincerely,

A handwritten signature in black ink that reads "Adam Krantz". The signature is written in a cursive style with a stylized flourish at the end.

Adam Krantz

Chief Executive Officer

National Association of Clean Water Agencies

SB 597 OPPOSITION

09.20.2022

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CC: Honorable Jake Corman, President Pro Tempore
Honorable Kim Ward, Senate Majority Leader
Honorable Jay Costa, Senate Minority Leader
Honorable Patrick Stefano, (Senate District 32)

Municipal Water Authority of Aliquippa, Aliquippa, PA
Capital Region Water, Harrisburg, PA
Derry Township Municipal Authority, Hershey, PA
City of Lancaster, Lancaster, PA
Philadelphia Water Department, Philadelphia, PA
Pittsburgh Water & Sewer Authority, Pittsburgh, PA
Allegheny County Sanitary Authority, Pittsburgh, PA