

TO: Chairman Tomlinson, Chairwoman Boscola, and members of the Senate Consumer Affairs and Professional Licensure Committee

FROM: Joseph Falcone, Executive Director – PA Rural Water Association (PRWA)

SUBJECT: Opposition to SB 597 P.N. 645

PRWA **opposes** SB 597, P.N. 645 or any of its components amending either Title 27 (Environmental Resources) or Title 66 (Public Utilities). This Bill appears to have the primary purpose of driving municipalities and small private entities out of the water and wastewater business through new unnecessary regulatory requirements and costs.

SB 597 has language requiring that community water and wastewater systems develop an asset management plan and other distribution system requirements that go far beyond the requirements of the federal Safe Drinking Water Act and may even result in conflicting requirements with the SDWA and the federal funding associated with it. Additionally, SB 597 places enforcement of The Water Quality Accountability Act under the Public Utilities Commission, effectively placing water and wastewater system operation and maintenance under 2 different state regulatory agencies. This will create significant conflicts and overreach with no significant gains to systems or the general public. SB 597 would require significant additional staff hiring at PUC at a time when the PADEP has many unfilled SDWA positions. It doesn't make sense.

PADEP has an existing process for new regulation development with input from the regulated community throughout the process. For example, under the Safe Drinking Water Act, the Technical Assistance Center (TAC) Board meets with PADEP on a regular basis to review and comment on proposed regulations and technical guidance. PRWA, along with numerous other organizations, including municipal, private utilities and other stakeholders are members. This ensures that regulations are specific to the needs of Pennsylvanians, not overly burdensome on small and rural systems and an appropriate cost-benefit analysis is conducted. This Bill, under Title 66, would bypass that well-developed process.

Of considerable concern are the significant costs associated with implementation of the Bill's requirements for items such as meter testing, mapping, security plans and engineering studies while at the same time prohibiting systems from obtaining funding for these same activities under section 6710. Small and rural systems would not have the reserves to meet these requirements. Their only recourse would be to pass these costs on to their customers. The end result being a significant increase in consumer monthly water and wastewater bills.

The concepts of asset management and distribution/collection system routine and preventative maintenance are valid goals. There are many industry associations and PADEP programs that assist systems with goals outlined in SB 597. Systems do work very hard every day to keep their systems operating for the safety of their customers and the environment at a reasonable cost. We can attest from real world experience that these same goals, if they were regulatory requirements and the increased costs to consumers, would be financially devastating to PA's small and rural municipalities and their water and wastewater systems.