



**House Environmental Resources and Energy Committee
Informational Meeting on HB 1901 P.N. 2160**

January 24, 2022

**Testimony of:
Charlotte Katzenmoyer, Chief Executive Officer, Capital Region Water**

Good morning, Chairman Metcalfe, Chairman Vitali and members of the House Environmental Resources and Energy Committee. Thank you for your invitation to provide testimony on HB 1901 P.N. 2160.

My name is Charlotte Katzenmoyer, and I am the CEO of Capital Region Water (CRW). I started at CRW in March 2019 after serving nearly 18 years as the Director of Public Works for the City of Lancaster. While there, I oversaw the modernization of Lancaster's water and sewer infrastructure and developed a nationally recognized green stormwater infrastructure program. For those of you who are not familiar with CRW, we operate and maintain the drinking water and wastewater systems that directly serve you right here at the Capitol complex, the city of Harrisburg and portions of its outlying areas.

Today, I am testifying on behalf of the Pennsylvania Municipal Authorities Association (PMAA). PMAA represents over 700 municipal authorities across the Commonwealth, which collectively provide water, sewer, waste management, stormwater as well as other community projects and services to more than six million of its citizens.

To provide a bit of background, an authority, by virtue of the Municipality Authorities Act (MAA), is an alternate vehicle for accomplishing public purposes rather than through direct action of local governments. They may provide services and finance its services by means of user fees. Authorities also commonly serve more than one municipality to provide operational efficiencies and economies of scale. Furthermore, the operation of authority projects and services does not compete with all the other traditional components and associated costs of local government. For these reasons, the authority model is perfectly suited for providing stormwater services on a regional level. To bolster this viewpoint, it is important to understand the governing structure of a municipal authority. Authorities can be created by any county, borough, city, or township, functioning singly or jointly with one or more other local governments. In fact, one of the purposes of an authority established under the MAA, Section 5607(a)(18) is stormwater planning, management and implementation. Once created, the authority manages all aspects of the operations freeing the municipality of these critical and complex responsibilities.

PMAA supports, in principle, HB 1901 P.N. 2160 amending Titles 3 (Agriculture) and 27 (Environmental

Resources) to establish a Clean Streams Fund in Pennsylvania. Of primary interest to PMAA members, the bill creates a Municipal Stormwater Assistance Program, dedicating \$25 million in financial assistance annually, for which municipal authorities would be directly eligible. This funding would help offset user fees currently being implemented in communities across the state to comply with federal and state stormwater mandates. To underscore our support for this program, PMAA adopted the following resolution as part of its 2022 advocacy platform:

Resolution 24-22

RESOLVED, That PMAA encourage the PA General Assembly and the PA Department of Environmental Protection to restore and increase funding for stormwater management planning and implementation.

Implementing stormwater improvements requires substantial funding; because federal and state stormwater compliance is an unfunded mandate, communities across the state are slowly making the necessary preparations to comply. Dedicated funding sources have yet to be identified in Pennsylvania adding to the challenge. Limited grant dollars are currently available, but this funding is competitive, one-time, and typically requires a match.

While establishing a Municipal Stormwater Assistance Program with \$25 million annually in financial assistance is a good start, it's projected that local governments in Pennsylvania would need billions of dollars over the next five years to comply with federal and state stormwater standards. Furthermore, while allocating federal relief and infrastructure dollars to the program is a good start, these are one-time dollars. So, we question – What will be the dedicated funding source when the federal funding is exhausted?

As written in the bill, funding sources include “any other money appropriated for the program.” PMAA believes that this language is too vague and could lead to unintended consequences for our members. Of specific concern, is that the Municipal Stormwater Assistance Program as well as the other programs established under this bill may be funded via a water withdrawal fee, as was explored in a 2017 Legislative Budget & Finance Committee study on the *Feasibility of Establishing a Water Use Fee in PA*.

To be clear, PMAA opposes adding additional fees on consumers to fund the Clean Stream Fund. While we support programs designed to clean up Pennsylvania's waterways, we do not support funding these programs at the cost of our ratepayers as many already struggle with additional costs they shoulder.

As a reminder, PMAA continues to represent over 190 sewage treatment plants within the Chesapeake Bay related to Pennsylvania's role in meeting nutrient and sediment reductions. At a cost of \$1.4 billion dollars, the wastewater sector was the only sector to meet its 2017 midpoint goals for nitrogen and phosphorus reduction in the state, three years ahead of schedule. In addition, the EPA acknowledged that the wastewater sector has already met its 2025 mandated reductions, seven years ahead of schedule. While this is good news for the wastewater sector, other sectors (agriculture, forested lands, stormwater) continue to struggle to achieve their reductions, having already missed their required 2017 reductions.

Again, thank you for the opportunity to testify today. I am happy to answer any questions.