

FISCAL NOTE

May 10, 2022

Bill No:	SB 597	Printer's No:	1579	Sponsor:	Stefano
-----------------	--------	----------------------	------	-----------------	---------

COST / (SAVINGS)

Fund (s)	2021-22	2022-23
General Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY: SB 597 amends Title 27 (Environmental Resources) to provide for water and wastewater asset management plans.

ANALYSIS: This bill adds Chapter 67 which requires water system operators to annually submit an asset management plan to the Department of Environmental Protection (DEP) pursuant to a schedule established by DEP and every three years thereafter. This plan is designed to inspect, maintain, repair, and renew the water system operator's water infrastructure consistent with federal and state laws. The bill further provides for what the plan shall contain and shall be reviewed and enforced by DEP. SB 597 also provides for water system operators to inspect critical valves and fire hydrants and test water meters. The bill also provides for cyber security requirements. Public funding is contingent on having developed or being in the process of developing an asset management plan.

DEP may assess civil penalties or use other actions to enforce compliance with this chapter. They shall also promulgate regulations to implement and administer this chapter.

Program costs for DEP's enforcement of this program shall be included in their proposed budget and shall be assessed upon water system operators. Water system operators shall report annually to DEP their gross intrastate operating revenues for the preceding calendar year.

Provisions related to DEP enforcing penalties and funding oversight through water system operator assessments take effect immediately. All other provisions take effect in six months.

FISCAL IMPACT: DEP is estimating an additional \$2 million fiscal impact in staffing for this program, with a minimum of 12 additional regional staff and four Bureau of Safe Drinking Water Staff in Harrisburg. This would include salaries, benefits, equipment, and other support. This could also lead to a significant annual fee increase for water system operators. There would also be an additional staffing cost of \$2 million for the Bureau of Clean Water as they do not have the additional capacity to oversee sewage planning that would be needed for this program. DEP also has concerns that this could jeopardize \$4 million in annual federal funding, as well as \$1.4 billion in Infrastructure Investment and Jobs Act funding over the next five fiscal years.