MWCOG Chesapeake Bay & Water Resources Policy Committee

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2025 Legislative Updates

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AQUALAW

Virginia Updates



Source: flickr: Jim Hickcox

Drinking Water Funding

Budget Item 280

- ~Provides \$1.8M in second year of General Funds for VDH
- ~General drinking water program operations

VDH Must Submit Report

- ~Use for funds for federal and state regulation implementation
- ~To money committee chairs by Oct. 1, 2025

Caution

~VDH will be looking for more funding and potentially targeting ratepayers through increase in per customer waterworks operations fee

Stormwater Funding

• Budget Item C-53.80 (#1c)

- ~Provides \$40M in tax-supported bond proceeds for 1st year of SLAF
- ~Provides matching grants to local gvts for planning, design, and implementation of stormwater Best Management Practices

• Budget Item 359 (#3c)

~Provides additional \$50M for Community Flood Preparedness Fund

Water Quality Improvement Fund: New Appropriations in Pending FY25-FY26 State Budget Bill

Budget Item #	Governor's Bill	House Bill	Senate Bill	Final GA Bill (In Review by Gov)
365	\$17.4M	\$17.4M	\$17.4M	\$17.4M
C-53.50	-	\$31.2M	-	\$31.2M
Total:	\$17.4M	\$48.6M	\$17.4	\$48.6M

Cash or Debt for Last Year's \$400M Funding?

- ~ Governor converted last year's debt to cash
- ~ GA proposes to keep as debt (frees up cash for other use)

Next Steps

- ~ Governor's Action on pending budget amendments
- ~ Governor's December 2025 outgoing budget (FY27-FY28)

WQIF Workgroup Study (Budget Language)

SNHR to Establish WQIF Workgroup

~ Requested by Delegate Bulova

Study Water Quality Grant Funding Generally

- ~Broad review of grant funding programs
- ~Agriculture, Wastewater, Urban Stormwater

• Report Recommendations by Nov. 1, 2026, to

- ~ House and Senate Money Committees,
- ~ House and Senate ACNR Committees, and
- ~ State Water Commission

WQIF Study Scope

- Organizational structure in the Code and Budget Bill
- Disposition of funding
- Feasibility of incorporation of Stormwater SLAF
- Grant approval guidelines including cost-effectiveness and co-benefits of practices funded
- Grant agreement terms
- Annual reporting requirements
- Improvements to current funding needs assessments
- Outdated or unnecessary requirements

Participants

- VML, VACo, VAMWA, VAMSA
- Va Assn of Soil and Water Conservation Districts
- Va Farm Bureau Federation, Virginia Cattlemen's Assn
- ◆ CBF, James River Assn
- DEQ, DCR
- Chesapeake Bay Commission
- Staff of House and Senate money committees

Occoquan Reservoir PFAS Reduction Program: HB 2050 (Bulova) (PASSED)

Occoquan Reservoir (a Fairfax Water source)

- ~ Effort to avoid \$389M upgrade & \$24M annual O&M at FW WTP
- ~ Applies to direct and indirect industrial wastewater discharges
- ~ Applies to industrial stormwater discharges w/ individual NPDES permit
- ~ Quarterly monitoring by Method 1633
- ~ Exceedances of PFAS MCLs trigger
 - ~ By 2027, VPDES and IU permit mods
 - ~ By 2029, compliance with PFAS MCLs as end-of-pipe effluent limits

Status

- ~Passed GA
- ~Awaiting Governor's action

Disclosure of PFAS Use by Industrial Users: SB 1319 (McPike) (PASSED)

As Introduced

- ~ Statewide quarterly monitoring by all industrial dischargers for 1 year
- ~ If any signs of PFAS, source would continue to monitor quarterly

As Amended & Passed

- ~POTW must notify relevant Industrial Users to <u>self-report PFAS use</u>
- ~POTW receiving Industrial User's self-report shall send information to DEQ

Status

~ Awaiting Governor's action

Capital Project Apprentice Labor Mandate: HB 2482 (Krizek) / SB 962 (Carroll Foy) (PASSED)

Apprentice Labor Mandate

~8% of all labor hours in capital projects

▶ DBP, Contractor, and Utility Concerns

- ~Lack of apprentices
- ~Loss of responsive bidders on capital projects
- ~Higher prices for construction

Governor's Action Pending

~Potential amendments or veto this year? Same legislation next year?

Apprentice Labor Mandate (cont.)

Va. Code § 2.2-4302.3. Additional public works contract requirements.

- C. <u>At least eight percent of total labor hours</u> of <u>any capital outlay project</u> shall be required to be performed by <u>apprentices</u>. A public body shall require the contractor and its subcontractors subject to this section to provide reports certifying the apprentice labor hours worked and applicable trade.
- D. Upon a <u>written determination</u> made *in advance* by (i) the Governor or his designee in the case of a procurement by the Commonwealth or by a department, agency, or institution thereof or (ii) the <u>local governing body</u> in the case of a procurement by a political subdivision of the Commonwealth, a <u>public body may adjust or waive</u> the requirements of this section for a specific capital outlay project for the following <u>reasons</u>:
- 1. The demonstrated lack of availability of apprentices in specific geographic areas; or
- 2. A disproportionately high ratio of material costs to labor hours that makes the required minimum level of apprentice participation not feasible.

Other Bills of Interest

PASSED

- ♦ HB 2749 (LeVere)/SB 1408 (Reeves): Department of Health; waterworks; mandatory reporting of anomalies; negligence
- ♦ HB 2008 (Martinez)/SB 1093 (Perry): Virginia Erosion and Stormwater Management Program authorities; restoration of locality-wide right of entry

• FAILED (SELECT ISSUES THAT MIGHT BE BACK IN FUTURE SESSION)

- HB 1618 (Clark): Public drinking water; VDH microplastics study
- SB 923 (Stuart): Interbasin water transfer prohibition (water intake/wastewater discharge)
- ♦ HB 2132 (Milde): "Double bonding" of common E&S and Post-Construction Stormwater BMP facilities



Dates of Interest

- ~Jan. 8, General Assembly convenes
- ~Jan. 15, Deadline for Budget Introduction
- ~Feb. 3, Senate Bill Introduction Date
- ~Feb. 7, House Bill Introduction Date
- ~March 17, Crossover
- ~March 31, Budget to Be Passed By Both Chambers
- ~April 7, Adjournment Sine Die
- ~May 27, Governor to Sign Bills by This Date

Biosolids and PFAS: HB 909 (Stein); SB 732 (Love)

As Introduced

- ~Would have *de facto* shut down all biosolids land application in Maryland
 - ~ See slide below with median concentrations
- ~ Both have powerful sponsors
 - ~ Del. Dana Stein, D, Balt. Co., House Speaker Pro Tem
 - ~ Sen. Sara Love, D, Mont. Co., Chair, Ches. Bay Comm.

Potomac Riverkeeper Pushing Hard for Bill

- ~Working with Chesapeake Legal Alliance
- ~Organization providing free legal services to "protect the Chesapeake Bay watershed"

Status

- ~Neither bill made it through cross-over; does not mean bills are dead
- ~But bills must move quickly to have a chance at passing

MD POTW PFOS & PFOA Levels: Biosolids (ppb)

Statistical Value	PFOA	PFOS		
Maximum	37	174		
75th percentile	10.82	25.38		
Median	4.98	12.7		
25th percentile	2.38	5.74		

Original Text

Any Sewage Sludge Utilization Permit

- ~Issued or renewed by Maryland Dept. of the Environment (MDE)
- ~Must include limit for land application of biosolids to agricultural land
- ~For PFOA or PFOS, lesser of:
 - ~1 microgram/kilogram (same as 1 ppb)
 - ~ Level in EPA health-based standards or
 - ~ Level established in MDE regulations

Sampling Requirement

- ~Biosolids must be sampled no more than 14 days before land application
- ~With narrow exceptions

MDE May Adopt Regulations

- ~To set limits more stringent than above
- ~To include other PFAS substances

Negotiations Underway...

Maryland's Generators Band Together

- ~MAMWA, DC Water, WSSC, Cumberland, Frostburg, MD Environmental Service
- ~Testify at 2 bill hearings with serious concerns
- ~Joined by Mid-Atlantic Biosolids Association, NACWA, Lynne Moss (B&V)
- ~MAMWA shares cost impacts of more than \$44 M/year (for just 6 MAMWA members)

Senator Love Strikes a Tentative Agreement

- ~With MDE, Riverkeepers, MACo, MML, MAMWA
- ~But not all interested stakeholders are present (e.g., Synagro)
- ~See basic concept in slide below

Most Recent Text

• On or After Oct. 1, 2026

- ~Cannot land apply Class A or B biosolids or other products made from sewage sludge on agricultural land
- ~If total PFOA and PFOS are greater than the lesser of:
 - ~50 mg/kg or
 - ~ Level established in EPA standards

▶ By Oct. 1, 2028, MDE Must Adopt Regulations

- ~To establish limits not greater than less of:
 - ~25 mg/kg or
 - ~As low as technologically and economically feasible based on available sampling data
- ~To expand setbacks from sensitive sites (e.g., wells)
- ~To reduce land application rates if concentrations are close to ceiling

Most Recent Text (cont.)

Must Show Compliance with Limits

- ~MDE will develop regulations to:
 - ~ Require testing of biosolids or other products applied to agricultural land
 - ~Require testing "within a reasonable time" before land application of any biosolids or other products made from sewage sludge if they are mixed with other sewage sludge or solid waste made a third-party

Enactment Clause

~"That it is the intent of the General Assembly that the Department of the Environment, in establishing regulations under Section 1 of this Act, shall consider the latest and best scientific information available on the public health risks of applying sewage sludge contaminated with PFOS, PFOA, other per- and polyfluoroalkyl substances, or any mixture of these substances, to agricultural land."

Water and Wastewater Cybersecurity: HB 1062 (Harrison); SB 871 (Hester)

As Introduced

- ~Would have required water and wastewater system to comply with expensive, problematic cybersecurity provisions
- ~Original requirements in slide below

Impetus for Bill

- ~Work done by MD Cybersecurity Council
- ~Water Utility Cybersecurity Report by Dr. Matthew Mitroka
- ~Bill incorporates recommendations from report

Status

~SB 871 made it through cross-over with amendments, passed Senate 42-0, with Environment and Transportation and Health and Gvt. Operations; HB 1062 did not

Original Text

Applies To Any Community Water or Sewerage System

- ~Serving more than 3,300 customers or
- ~ Using informational technology and operational technology

Each System Must

- ~Adopt Cybersecurity standards equal to or exceeding MDE's standards
- ~Adopt a Zero-Trust approach
 - ~Similar to the Federal Cybersecurity and Infrastructure Security Agency's (CISA's) Zero-Trust maturity model, for on-premises and cloud-based services
- ~On or before July 1, 2026 and annually thereafter, hire a third party to assess the system based on MDE's minimum standards

MAMWA Opposed Bill

Bill is Well Intentioned

~MAMWA Members take cybersecurity very seriously

Concerns About Viability of Our Systems

- ~Penetration testing (PEN testing) could damage SCADA systems
- ~Apprehensive about allowing a "white hat" to review systems without clearance and demonstrated knowledge of our equipment and software
- ~Could also be difficult to find competent assistance

Zero-Trust Is Very Expensive

- ~Involves connecting stand-alone water and wastewater systems to larger county or municipal system
- ~Also, hiring third part to assess system would cost between \$30,000-\$40,000

Amended Text

Applies To Any Community Water or Sewerage System

- ~Serving more than 3,300 customers
- ~Not to those smaller system simply using informational technology and operational technology

• Each System Must

- ~Adopt Cybersecurity standards equal to or exceeding MDE's standards
- ~"Commit to adopting a zero-trust cybersecurity approach and begin planning and implementing" zero-trust "as appropriate for each system" modeled after CISA's model
- ~On or before July 1, 2026 and every 2 years thereafter conduct a maturity assessment of the cybersecurity program based on MDE's minimum standards

Dam Safety Fees: SB 250 (Chair, for Governor)

Current Law

- ~Requires an MDE permit for anyone who is going to work on a reservoir, dam, or waterway obstruction (e.g., construct, reconstruct, repair)
- ~Some smaller dams are exempt (must meet list of criteria, for ex., must be low hazard)
- ~No current dam safety permit fee

MDE Proposed Text

- ~Authorizes MDE to establish a fee before issuance of a dam safety permit
- ~No reference in text to how much the fee might be, but would cover MDE's cost to administer the permit

Status

~Made it through cross-over with amendments; passed Senate 33-14; now with House Environment and Transportation

Dam Safety Registration Fees

Brand New Proposal

- ~To require each dam owner to register their dams each year with MDE
- ~To register would have to submit application and pay a registration fee

No Reference in Text to Fee Amount

- ~MDE would establish by regulation
- ~Would base the fee on the dam hazard classification

Very Few Exemptions

~In original text, only the federal government would be exempt for its dams

MAMSA Submits Fiscal Note

Based on Feedback from 7 Members

- ~Analyzed registration fee cost plus anticipated permit fees for known projects
- ~Assumed \$200, \$500, and \$2,000 for registration fees
- ~Assumed 1% fee for dam safety permits

Several Members Highlighted Additional Impacts

~On local citizens and municipalities who own dams

Total Estimated Fee Increases

- ~\$100,540 per year in registration fees (based on MDE's amendments, likely less)
- ~\$520,381 in dam safety permit fees (based on MDE's amendments, likely more)

Amended Bill

Dam Safety Permit

- ~Adds text to exempt reservoir, dam, waterway obstruction, or small pond that is exempt from MDE permitting requirements
- ~Dam safety permit fee shall be based on estimated project construction cost
- ~Fee may not exceed 3% of the estimated project construction cost

Dam Registration Fee

- ~Same exemption as above plus any federal dams
- ~Beginning Jan. 1, 2027, dam owners must register their dams
 - ~MDE can waive for financial hardship
- ~Pay annual registration fee of:
 - ~\$200 for low-hazard class dam
 - ~\$500 for significant-hazard dam
 - ~\$1,000 for high-hazard dam

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