

## AMENDMENTS TO SENATE BILL NO. 597

Sponsor: SENATOR STEFANO

Printer's No. 645

1 Amend Bill, page 1, lines 1 through 3, by striking out all of  
2 said lines and inserting

3 Amending Title 66 (Public Utilities) of the Pennsylvania  
4 Consolidated Statutes, providing for water and wastewater  
5 asset management plans.

6 Amend Bill, page 1, lines 6 through 18; pages 2 through 10,  
7 lines 1 through 30; page 11, lines 1 through 21; by striking out  
8 all of said lines on said pages and inserting

9 Section 1. Title 66 of the Pennsylvania Consolidated  
10 Statutes is amended by adding a chapter to read:

11 CHAPTER 37

12 WATER AND WASTEWATER ASSET MANAGEMENT PLANS

13 Sec.

14 3701. Scope of chapter.

15 3702. Definitions.

16 3703. Asset management plans.

17 3704. Critical valve inspections and fire hydrant inspections  
18 by water system operator.

19 3705. Water meters.

20 3706. Development of cybersecurity system.

21 3707. Annual information to customers.

22 3708. Regulations.

23 3709. Contingency for public funding.

24 3710. Enforcement.

25 3711. Commission costs.

26 § 3701. Scope of chapter.

27 This chapter relates to water and wastewater asset management  
28 plans.

29 § 3702. Definitions.

30 The following words and phrases when used in this chapter  
31 shall have the meanings given to them in this section unless the  
32 context clearly indicates otherwise:

33 "Community wastewater system." A publicly or privately owned  
34 community sewage system which serves at least 501 service  
35 connections used by year-round residents that uses a method of

1 sewage collection, conveyance treatment or disposal other than  
2 renovation in a soil absorption area or retention in a retaining  
3 tank. The term does not include a municipally owned and operated  
4 sewage system that owns and operates a water system which has  
5 applied to the commission for a voluntary change in rates under  
6 section 1308(d) (relating to voluntary changes in rates), within  
7 five years of the effective date of this section.

8 "Community water system." A public water system which serves  
9 at least 501 service connections used by year-round residents.  
10 The term does not include an entity which has applied to the  
11 commission for a voluntary change in rates under section  
12 1308(d), within five years of the effective date of this  
13 section.

14 "Critical valve." A valve that is identified as critical by  
15 a water system operator, including a valve that is:

- 16 (1) located at a hospital or nursing home;
- 17 (2) located at an interconnection with a purveyor;
- 18 (3) a regulator control valve;
- 19 (4) a backflow valve of any type, protecting against  
20 either a high or low hazard; or
- 21 (5) a valve in a facility, such as a treatment plant,  
22 pump station, storage tank or well, that is needed to isolate  
23 or operate the facility.

24 "Lead service line." A water service pipe made of lead that  
25 connects a water main to a building inlet and a lead pigtail,  
26 gooseneck or other fitting that is connected to the water  
27 service pipe.

28 "Wastewater system operator." A person or entity that owns  
29 or operates a community wastewater system.

30 "Water system operator." A person or entity that owns or  
31 operates a community water system.

32 § 3703. Asset management plans.

33 (a) Community water system asset management plan.--Beginning  
34 no later than 12 months after the effective date of this  
35 section, a water system operator shall annually submit an asset  
36 management plan, pursuant to a schedule established by the  
37 commission and every three years thereafter to the commission  
38 for review and approval. The asset management plan shall be  
39 designed to inspect, maintain, repair and renew the water system  
40 operator's water infrastructure consistent with Federal and  
41 State laws. The community water system asset management plan  
42 shall include at a minimum:

43 (1) A water main renewal program designed to achieve a  
44 stated replacement cycle determined by a detailed engineering  
45 analysis of the asset material of construction, condition and  
46 estimated service life remaining of the water mains serving  
47 the community water system and the failure or low conveyance  
48 capability for fire flow.

49 (2) A water supply and treatment program designed to  
50 inspect, maintain, repair, renew and upgrade wells, intakes,  
51 pumps and treatment facilities.

1       (3) An initial schedule for the planned repair and  
2 replacement of water system infrastructure over a specified  
3 time period.

4       (4) A general description of the location of the water  
5 system infrastructure, including a map.

6       (5) A reasonable estimate of the quantity of water  
7 system infrastructure to be improved in the coming year and a  
8 description of the water system infrastructure repaired,  
9 improved or replaced and the associated costs for the  
10 immediately preceding 12-month period.

11       (6) Projected annual expenditures to implement the plan,  
12 the amount of money dedicated on an annual basis to address  
13 the highest priority projects and measures taken to ensure  
14 that the plan is cost effective.

15       (7) The setting of rates that are sufficient to sustain  
16 the current operation of the community water system and the  
17 financing for all planned and reasonably anticipated  
18 infrastructure improvements.

19       (8) The specific criteria used by the water system  
20 operator to identify critical valves and their current  
21 condition and fire hydrants and a map identifying each one in  
22 accordance with section 3704 (relating to critical valve  
23 inspections and fire hydrant inspections by water system  
24 operator).

25       (8) A report of water meter testing in accordance with  
26 section 3705 (relating to water meters).

27       (9) A lead service line removal and replacement plan  
28 which includes the removal and replacement of customer-owned  
29 and water system operator-owned lines, within or connected to  
30 the operator's community water system.

31       (10) A cross-connection control and backflow prevention  
32 plan.

33       (11) Certification of a cybersecurity plan developed in  
34 accordance with section 3706 (relating to development of  
35 cybersecurity system).

36       (b) Community wastewater system asset management plan.--  
37 Beginning no later than 12 months after the effective date of  
38 this section, a wastewater system operator shall submit an asset  
39 management plan pursuant to a schedule established by the  
40 commission, and every three years thereafter, to the commission  
41 for review and approval. The asset management plan shall be  
42 designed to inspect, maintain, repair and renew its wastewater  
43 infrastructure consistent with Federal and State laws. The  
44 community wastewater system asset management plan shall include  
45 at a minimum:

46       (1) A wastewater main renewal program designed to  
47 achieve a stated replacement or rehabilitation cycle by a  
48 detailed engineering analysis of the asset material of  
49 construction, the condition and type of main-to-service  
50 connection and estimated service life remaining of the  
51 wastewater mains serving the community wastewater system.

1       (2) A sewer inspection program designed to perform an  
2       assessment of the collection system to establish the  
3       collections system's condition.

4       (3) An initial schedule for the planned repair and  
5       replacement of wastewater infrastructure over a specified  
6       time period.

7       (4) A general description of the location of the  
8       wastewater infrastructure, including a map.

9       (5) A reasonable estimate of the quantity of wastewater  
10       infrastructure to be improved in the coming year and a  
11       description of the wastewater infrastructure repaired,  
12       improved or replaced and the associated costs for the  
13       immediately preceding 12 month period.

14       (6) Projected annual expenditures to implement the plan,  
15       the amount of money dedicated on an annual basis to address  
16       the highest priority projects and measures taken to ensure  
17       that the plan is cost effective.

18       (7) The setting of rates that are sufficient to sustain  
19       the current operation of the community wastewater system and  
20       the financing for each planned and reasonably anticipated  
21       infrastructure improvement.

22       (8) A cross-connection control and backflow prevention  
23       plan.

24       (9) Certification of a cybersecurity plan developed in  
25       accordance with section 3706.

26       (c) Schedule.--Plans submitted under this section must  
27       include a schedule under which the water system operator or  
28       wastewater system operator will achieve goals of the asset  
29       management plans.

30       § 3704. Critical valve inspections and fire hydrant inspections  
31       by water system operator.

32       (a) Critical valve inspections.--A water system operator  
33       shall inspect each critical valve in the water system operator's  
34       community water system to determine the accessibility of each  
35       critical valve for operational purposes and the critical valve's  
36       operating condition. A water system operator shall inspect each  
37       critical valve consistent with its asset management plan, no  
38       less than every three years and at any time the water system  
39       operator installs, repairs or relocates a critical valve. At a  
40       minimum, a critical valve inspection must:

41       (1) follow the recommendation of the valve manufacturer  
42       to constitute a credible test or the number of turns which  
43       constitutes 15% of the total number of turns necessary to  
44       completely open or completely close the valve; and

45       (2) comply with any other criteria required under rules  
46       and regulations.

47       (b) Remedy.--A water system operator shall remedy a critical  
48       valve found to be nonoperational and include the remediation in  
49       its assessment management plan.

50       (c) Fire hydrants.--A water system operator shall annually  
51       inspect at least 33% of the fire hydrants in the water system

operator's system in a manner that each fire hydrant is inspected over the course of four years in order to determine each fire hydrant's working condition. The water system operator shall formulate and implement a plan for flushing fire hydrants and at dead ends of water mains as water quality needs dictate. The plan for flushing may be combined with the required periodic testing of fire hydrants.

(d) Recordkeeping and marking of fire hydrants.--

(1) A water system operator shall keep a record of each inspection, test and flushing conducted under this section for a period of at least six years.

(2) A water system operator that owns, solely or jointly, a fire hydrant shall clearly mark easily identifiable ownership information, including a number by which the location of the hydrant may be determine, on the water system operator's records.

(e) GPS identification.--A water system operator shall identify the geographic location of each fire hydrant in the water system operator's public water system using a global positioning system based on satellite or other location technology.

§ 3705. Water meters.

(a) Allowable error.--A water meter that has an error in registration of more than 2% may not be placed in service and a water meter that has an error in registration of more than 4% may not remain in service, if water is passing through the meter at approximately the following rates of flow:

<u>Meter size (inches)</u>	<u>Gallons per minute</u>
<u>5/8</u>	<u>6</u>
<u>3/4</u>	<u>10</u>
<u>1</u>	<u>20</u>
<u>1 1/2</u>	<u>30</u>
<u>2</u>	<u>50</u>
<u>3</u>	<u>90</u>
<u>4</u>	<u>180</u>
<u>6</u>	<u>300</u>

(b) Prohibition.--

(1) A water system operator furnishing metered water service may not allow a water meter to remain in service without testing the meter for accuracy and readjusting if the meter is found to be incorrect beyond the limits established under subsection (a) for a water meter:

(i) of one inch or less to remain in service for a period longer than 20 years;

(ii) of more than one inch to remain in service for a period longer than eight years.

(2) At a customer's request, the water system operator shall perform a meter test without charge if a meter has been in service and has not been tested for a period greater than that specified as follows:

<u>Meter size (Inches)</u>	<u>Years</u>
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1	<u>5/8</u>	<u>10</u>
2	<u>3/4</u>	<u>8</u>
3	<u>1</u>	<u>6</u>
4	<u>More than 1</u>	<u>4</u>

5 (c) Meter test records.--

6 (1) If a water meter is tested, the original test record

7 shall be kept indicating:

8 (i) the information necessary for identifying the

9 meter;

10 (ii) the reason for making the test;

11 (iii) the reading of the meter before being

12 disturbed; and

13 (iv) the accuracy of the meter together with data

14 taken at the time of the test.

15 (2) The record shall be sufficiently complete to permit

16 the convenient checking of the methods employed and the

17 calculations made.

18 (3) In addition to the records under paragraph (1), a

19 record shall be kept, indicating:

20 (i) the date of meter purchase;

21 (ii) the name of the manufacturer;

22 (iii) the meter's size, identification, various

23 places of installation with dates of installation and

24 removal; and

25 (iv) the dates and general results of each test.

26 (d) Installation and removal of meters.--

27 (1) Within 60 days of installation, a water meter shall

28 be inspected by the water system operator for mechanical

29 condition and suitability of location. For a new meter or a

30 meter reconditioned by a manufacturer, the test results of

31 the manufacturer may be accepted as the installation test if

32 the water system operator has verified the manufacturer's

33 reported test results by testing the greater of 10% or 10

34 meters of a shipment of meters. For an emergency, a meter not

35 meeting the requirements of this section may be installed

36 temporarily.

37 (2) A water meter that is removed from service with the

38 intent for the water meter to return to service shall be

39 tested within 30 days for accuracy to complete the meter's

40 test history. When a water meter is temporarily removed from

41 service, the water meter shall be properly sealed to secure

42 registers and measuring devices until the water meter can be

43 properly tested for accuracy.

44 § 3706. Development of cybersecurity system.

45 A water system and a wastewater system operator shall develop

46 a cybersecurity program that:

47 (1) is developed by an accredited cybersecurity

48 professional;

49 (2) implements organizational accountability and

50 responsibilities for cyber risk management activities; and

51 (3) establishes policies, plans, processes and

1 procedures for identifying, reporting and mitigating cyber  
2 risk to the water system's and wastewater system operator's  
3 community water system or community wastewater system.

4 § 3707. Annual information to customers.

5 A water system operator shall annually inform the operator's  
6 customers of compliance with this chapter in a manner  
7 established by the commission.

8 § 3708. Regulations.

9 (a) Temporary.--The commission shall promulgate temporary  
10 regulations as necessary to implement this chapter. The  
11 temporary regulations shall not be subject to the following:

12 (1) Sections 201, 202, 203, 204 and 205 of the act of  
13 July 31, 1968 (P.L.769, No.240), referred to as the  
14 Commonwealth Documents Law.

15 (2) Sections 204(b) and 310(10) of the act of October  
16 15, 1980 (P.L.950, No.164), known as the Commonwealth  
17 Attorneys Act.

18 (3) The act of June 25, 1982 (P.L.633, No.181), known as  
19 the Regulatory Review Act.

20 (b) Expiration.--The temporary regulations promulgated under  
21 subsection (a) shall expire upon the promulgation of final form  
22 regulations or two years following the effective date of this  
23 section, whichever is earlier.

24 § 3709. Contingency for public funding.

25 Before a water or wastewater system operator may receive a  
26 subsidized loan or other financial assistance from the  
27 Commonwealth, the water or wastewater system operator must  
28 demonstrate that the operator has developed or is in the process  
29 of developing an asset management program required under this  
30 chapter.

31 § 3710. Enforcement.

32 A water system operator or waste water system operator that  
33 fails to file an asset management plan or comply with a  
34 commission approved plan shall, notwithstanding any other  
35 provision of law, be deemed a public utility and regulated as a  
36 public utility.

37 § 3711. Commission costs.

38 The program costs for commission implementation and  
39 enforcement of this chapter shall be included in the  
40 commission's proposed budget and shall be assessed upon a  
41 community water system operator or owner and a community  
42 wastewater system operator or owner in accordance with section  
43 510 (relating to assessment for regulatory expenses upon public  
44 utilities). For purposes of section 510, the definition of  
45 "public utility" shall include a community water system operator  
46 or owner or community wastewater system operator or owner  
47 required to file under this section and not subject to section  
48 510 assessments. For the purposes of section 510 assessments,  
49 community water systems and community wastewater systems may be  
50 grouped with other public utilities furnishing the same kind of  
51 service. A community water system operator or owner and a

1 community wastewater system operator or owner shall report  
2 annually to the commission the gross intrastate operating  
3 revenues for the preceding calendar year.

4 Section 2. This act shall take effect as follows:

5 (1) The following provisions shall take effect  
6 immediately:

7 (i) This section.

8 (ii) The addition of 66 Pa.C.S. §§ 3710 and 3711.

9 (2) The remainder of this act shall take effect in six  
10 months.