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# WUC

Water Utility Council of the  
PA-Section, American Water  
Works Association (PA-AWWA)



## GOVERNMENT RELATIONS UPDATE

From Milliron & Goodman Government Relations, LLC.

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*PA- Section, American Water Works Association  
National Association of Water Companies  
Water Works Operators' Association of Pennsylvania*

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### **PUC Emphasizes Importance of Water Infrastructure Systems in Conjunction with National 'Imagine a Day without Water'**

**O**n September 15, 2016, the Pennsylvania Public Utility Commission (PUC) joined elected officials, drinking water and wastewater service providers, community leaders, business and labor groups, policy experts, advocacy organizations and infrastructure experts in "Imagine a Day Without Water" – a national effort to increase awareness about the importance of water infrastructure and the need to continue fostering investments in our drinking water and wastewater systems.

"Water is unique because it is the only utility commodity that we put into our bodies, or serve to our families and friends," said PUC Commissioner Robert F. Powelson, who also serves on the National Association of Regulatory Utility Commissioners (NARUC) Committee on Water. "Also notable is the diversity of the water utilities overseen by the Commission – ranging in size from

a few dozen customers to hundreds of thousands. Still, despite differences in size, geography and other factors, we can never lose sight of the vital nature of these services."

Commissioner John F. Coleman Jr. highlighted the need for continued investment in vital infrastructure systems.

"Water is an important resource that many of us take for granted every day," Commissioner Coleman said. "National 'Imagine a Day without Water' reminds us just how valuable our water resources are and how important it is for us to continue to invest in necessary water infrastructure to ensure safe and reliable service."

The Commission noted that communities and utilities throughout Pennsylvania, and across the country, face concerns about aging water infrastructure – but the hidden nature of water and wastewater pipelines causes them to generally go unnoticed, unless there is some problem.

"It is easy to understand the impact of time, weather and frequent use on other infrastructure systems, like the roads and bridges we travel every day, but the network of water lines under our feet is actually far more extensive than our national highway system," Commissioner Powelson said. "There are an estimated 1.2 million miles of water

mains in the U.S., which is 26 miles of pipeline for every mile of interstate highway. While many of those roads are only a few decades old, some of the nation's water systems date back to the 1800's or early 1900's."

Some of those systems are showing the effects of a century, or more, of running 24 hours a day, seven days a week, 365 days a year, with a water main breaking somewhere in America every two minutes. The problems our drinking water and wastewater systems face are multi-faceted, including drought, flooding, infrastructure failure, sewer overflows and poor water quality. Each community faces distinct challenges and will require locally-crafted solutions, and the Imagine a Day without Water campaign highlights stories of innovative solutions to our nation's water challenges.

"We're thrilled that the Pennsylvania PUC is joining Imagine a Day without Water. This national day of action is educating public officials and engaging citizens about the essential role water plays in our lives, and the threat that aging and underfunded water infrastructure poses to our communities and economy," said Radhika Fox, CEO of the US Water Alliance and Director of the Value of Water Coalition. "Most people can take for granted that when the turn on the tap, or flush the toilet, water systems function exactly as they are supposed to. But the systems that provide critical water and wastewater services are aging, and we need to take action before it gets worse. Because a day without water is nothing short of a crisis."

The Pennsylvania Public Utility Commission balances the needs of consumers and utilities; ensures safe and reliable utility service at reasonable rates; protects the public interest; educates consumers to make independent and informed utility choices; furthers economic development; and fosters new technologies and competitive markets in an environmentally sound manner.

For recent news releases and video of select Commission proceedings or more information about the PUC, visit our website at [www.puc.pa.gov](http://www.puc.pa.gov) . Follow the PUC on Twitter – @PA\_PUC for all things utility. "Like" Pennsylvania Public Utility

Commission on Facebook for easy access to information on utility issues.

**Source:** PUC Press Release, 9/15/2016

## **Majority of Conservation Districts in Bay Watershed Agree to Work with DEP to Reduce Runoff**

**C**onservation districts in 29 Pennsylvania counties in the Chesapeake Bay Watershed have applied successfully to conduct farm inspections aimed at reducing agricultural runoff into local streams and rivers and ultimately, the Bay. As a result, these districts will receive funding to support bay technician staff from the Pennsylvania Department of Environmental Protection (DEP).

Nine conservation districts failed to meet application criteria or have declined to participate. The remaining three counties in the Chesapeake Bay watershed have such a small portion of the watershed they have not received funding for a Bay technician in the past. Farms in the Bay watershed in these counties will be covered by DEP personnel.

"We're pleased that 70 percent of the conservation districts are on board to protect the health of our local waterways and help ensure that Pennsylvania meets its federal mandate to reduce the pollutants it sends into Chesapeake Bay," said DEP Acting Secretary Patrick McDonnell. "Reducing farm runoff is key to restoring water quality both locally in Pennsylvania and in the Bay, and we hope that, in time, all of the districts will be able to participate."

Fully half of Pennsylvania drains into the Chesapeake Bay. In 2010, the U.S. Environmental Protection Agency (EPA) mandated that Pennsylvania reduce the amount of nitrogen, phosphorous, and sediment it sends into the Chesapeake Bay by 2025. Sources include wastewater treatment systems, urban stormwater, and agricultural runoff. Bank erosion carries

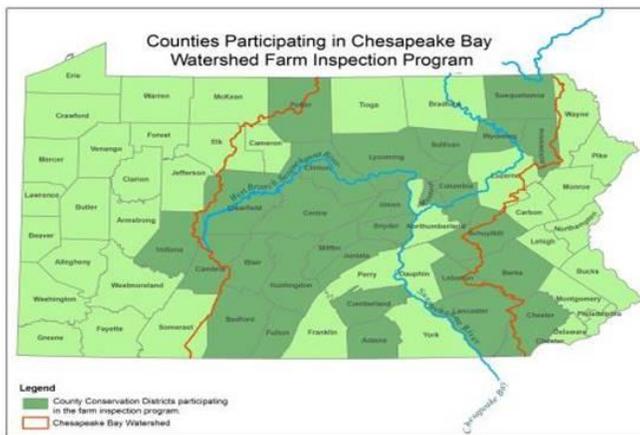
sediment and manure carries nitrogen and phosphorous into streams and rivers.

In order to help get the Commonwealth back on track to meet the mandated reduction goals, 10 percent of Pennsylvania farms in the Bay watershed will be inspected annually to ensure they have written plans for manure or nutrient management and erosion control.

The participating conservation districts will be inspecting 50 farms per full-time person funded in each county. The goal is to start these inspections by the beginning of October. DEP Regional staff has already started inspections in some of the counties that have chosen not to participate.

County conservation districts participating in the farm inspection program are: Adams, Bedford, Berks, Blair, Cambria, Centre, Chester, Clearfield, Clinton, Columbia, Cumberland, Fulton, Huntingdon, Indiana (covered in agreement with Cambria), Juniata, Lackawanna, Lancaster, Lebanon, Lycoming, Mifflin, Montour, Potter, Schuylkill, Snyder, Sullivan, Susquehanna, Union and Wyoming counties.

A map of the conservation districts' participation is attached. For more information, see the [Pennsylvania Chesapeake Bay Strategy](#).



Source: DEP Press Release, 9/13/2016

## PUC 2015-16 Management Audits, Efficiency

## Investigations Resulted in \$18+ Million in Savings for Utilities

According to a new report released by the Pennsylvania Public Utility Commission (PUC), recommendations included in various utility audits conducted by the during the past year have helped regulated utilities save in excess of \$18 million.

The Commission voted 5-0 to publish its [2015-16 annual report on PUC management audits \(MAs\) and management efficiency investigations \(MEIs\)](#), which work to identify efficiencies and savings for utilities, including potential improvements in operations, service reliability and safety programs. The reviews are part of the Commission's ongoing efforts to ensure that public utility rates are reasonable.

Chairman Gladys M. Brown commended the staff of the PUC's Bureau of Audits for their efforts. "This important work results in real savings for utilities, and in turn, for their customers," Chairman Brown said.

During Fiscal Year 2015-16, the PUC Bureau of Audits released the MAs of Pennsylvania-American Water Company and the Philadelphia Gas Works. These audits identified 114 improvement opportunities, with 112 of those opportunities being accepted or partially accepted by these utilities. The quantifiable net annual or recurring benefits from implementing the recommendations in the MA and MEI reports were \$12.7 to \$14.6 million in annual or recurring and \$3.7 million in one-time savings.

More specifically, the PUC audit staff found that Philadelphia Gas Works could realize savings ranging from \$6 to \$7 million per year by continuing to take steps to reduce their gas supply assets, along with an estimated \$1.8 million in annual savings by exploring alternatives for fulfilling internal audit requirements. Items highlighted in the audit of Pennsylvania-American Water Company include savings of up to \$3.2 million per year by reducing non-revenue water

levels, along with one-time savings of \$2.1 million by fully optimizing its inventory function.

PUC staff also released MEIs of Duquesne Light Company and the UGI Utility Group. The MEIs showed that 23 of the 40 total recommendations from prior MAs that were reviewed had been effectively implemented and that the companies also had taken some action on the 17 remaining recommendations.

A total of 24 follow-up recommendations were made, with the companies accepting or partially accepting all of them. More specific information on each of the original audits and investigations can be found at the Commission's website.

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Docket No.: [D-2016-2552671](#)

Source: PUC Press Release, 9/16/2016

## McCarter chairs Policy Committee hearing on infrastructure issues

On September 15, 2016, state Rep. Steve McCarter, D-Montgomery hosted a House Democratic Policy Committee hearing at Curtis Hall to discuss national and statewide infrastructure issues, including water and sewer infrastructure needs in Montgomery County.

"Pennsylvania has some of the oldest infrastructure in the nation, and until we properly address this issue it's only going to get worse," McCarter said. "Many in our community know of the issues Cheltenham is currently going through thanks to outdated sewer and water lines. We're facing a decade-long project - and to help other communities before they face similar issues, we must look at solutions to the minor issues before they become major problems."

"Thanks to Representative McCarter for bringing attention to water and sewer infrastructure issues," said state Rep. Mike Sturla, chairman of the House Democratic Policy Committee. "It's important that we address water quality and maintaining systems that put public safety at the forefront. Our state has an ever-aging public infrastructure that needs to be addressed, and Representative McCarter has been leading that discussion."

Testifiers included Dr. Robert Traver, civil and environmental engineering professor, Villanova University; Doug Farquhar, program director, Environmental Health, National Conference of State Legislatures; Cosmo Servidio, southeast regional director, Pennsylvania Department of Environmental Protection; Bryan Havar, township manager, Cheltenham Township; David Katz, deputy water commissioner, city of Philadelphia Water Department; William McFalls, chairman, Legislative Committee of the Pennsylvania Association of Realtors; Rachel Reyna, chief of rural and community forestry in Bureau of Forestry, Pennsylvania Department of Conservation and Natural Resources; John Rodgers, principal, Keystone Conservation Trust.

Hearing materials and additional information about the Policy Committee are available at [www.pahouse.com/PolicyCommittee](http://www.pahouse.com/PolicyCommittee).

Source: House Democratic Communications Office, 9/15/2016

## Pennsylvania American Water Cautions that Tampering with Fire

## Hydrants is a Crime; Illegal use jeopardizing local water service

On September 15, 2016, Pennsylvania American Water reminded the public that tampering with a hydrant is a crime and could result in penalties including prison time and significant fines, or a combination of both. The company issued the warning following a number of incidents in recent weeks of individuals and contractors tapping into hydrants without permission.

Tampering is considered interfering with the operation of a public water system and includes unauthorized hydrant use, which can reduce water pressure in the system and affect water service and quality. Reduced pressure is not only an inconvenience for customers, but it can also create a dangerous situation should a fire or other legitimate need occur in another part of the water system.

"We need to prevent the tampering with fire hydrants, which can jeopardize reliability and put the community's fire protection at risk," said Traci Cross, senior manager of operations, Pennsylvania American Water. "Using fire hydrants without authorization also disrupts water service for customers and businesses, causing water quality issues such as low pressure or discoloration."

Theft of water service is illegal and those found guilty will be subject to civil and criminal penalties, which may include substantial fines and/or time in prison. Unauthorized use of a hydrant can be reported to the local police department or Pennsylvania American Water's customer service center at 1-800-565-7292.

Cross added, "We need residents to be aware and help us spread the word that if you see someone tampering with fire hydrant, please report it to your local law enforcement officials immediately. Together, we can prevent the tampering with fire hydrants."

Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), is the largest

water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 2.3 million people. Founded in 1886, American Water is the largest publicly traded U.S. water and wastewater utility company. Marking its 130th anniversary this year, the company employs more than 6,700 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 47 states and Ontario, Canada.

More information can be found at [www.amwater.com](http://www.amwater.com).

Source: Pennsylvania American Water, 9/15/2016

## U.S. Senate Passes Delaware River Basin Conservation Act

On September 15, 2016, the [Coalition For The Delaware River Watershed](#) reported the U.S. Senate passed the [Delaware River Basin Conservation Act](#) as part of a larger package of legislation contained in the federal Water Resources Development Act.

The bill was passed with overwhelming bipartisan support by a vote of 95 to 3, including the support of Pennsylvania's two U.S. Senators Pat Toomey and Bob Casey.

"Thanks to the incredible leadership of our Senate delegation, particularly the bill's primary sponsor Sen. Carper, the Delaware River Watershed is one step closer to having the federal recognition and funding it so deserves," said Madeline Urbish, Director of the Coalition for the Delaware River Watershed.

The Delaware River Basin Conservation Act would establish a non-regulatory Delaware River Basin Restoration Program in the U.S. Fish and Wildlife Service along with a \$5 million grant and technical assistance program.

The program creates a coordinated approach for identifying, prioritizing, and implementing

restoration and protection activities throughout the river basin.

The grant portion of the program requires a minimum 50-percent non-federal match, which will ensure that any federal investment is at least doubled.

Notably, the bill requires the U.S. Fish and Wildlife Service to coordinate with federal agencies and consult with non-governmental organizations and partnerships working in the region to ensure program implementation incorporates a basin-wide strategy that is complementary to existing funding programs and initiatives throughout the Watershed.

"The Delaware River Basin is an ecological and economic powerhouse for Delaware and our neighboring states," said Sen. Tom Carper (D-DE), primary sponsor of the bill, which passed the Senate today. "The basin is a vital watershed that contributes \$25 billion to our region's economy and fuels our local communities by supporting jobs in the maritime, agriculture, tourism, hunting, fishing and wildlife industries. This legislation will improve coordination among federal, state and local partners who work to protect and preserve the basin, and ensure that partners can work together to protect the health of this vital resource for generations to come."

The basin also provides drinking water to over 15 million people (5 percent of the U.S. population) and contributes \$21 billion worth of ecosystem goods and services each year. The river and its tributaries flow through nearly a dozen National Parks and historic sites and provide world-class recreational opportunities.

"The Upper Delaware River and the entire watershed needs this legislation. We've fallen behind other areas of the country in adopting a national plan for this priceless river. The DRBCA will help focus management and restoration efforts in a comprehensive and cost effective manner and will provide much needed resources to improve economic and environmental conditions throughout the watershed," said Jeff Skelding, Executive Director of Friends of the Upper Delaware River.

"The Delaware Watershed is an incredible resource within the region supporting our economy, providing valuable ecosystem services and incredible and diverse habitat. This voluntary and non-regulatory program will provide critical leveraging funds for state, local and nonprofit dollars as well as encouraging coordination and eliminating redundancies among federal agencies," said Kelly Mooij, Co-Chair of the Coalition for the Delaware River Coalition and Vice President for Government Relations for NJ Audubon. "We look forward to swift action by the House to pass WRDA and establish this vital new program."

The Coalition for the Delaware River Watershed unites organizations working throughout the region to enhance their capacity to effectively advocate for protecting and restoring the Delaware River Basin.

Coalition members include over 90 watershed associations, land conservancies, outdoor recreation and sporting interests, national organizations, and other stakeholder groups from throughout the four states of the Watershed.

The DRBCA was reintroduced in both the U.S. House and Senate last April and was the subject of a hearing in the House Natural Resources Subcommittee on Water, Power, and Oceans in July 2015.

The bill was approved unanimously by the Senate Committee on Environment and Public Works earlier this year in May. The Water Resources Development Act will next be considered by the U.S. House of Representatives.

The Water Resources Development Act authorizes water-related projects carried out by the U.S. Army Corps of Engineers, including dam repair and removal, beach restoration, and navigation improvements.

For more information on the Water Resources Development Act of 2016, see the U.S. Senate Committee on Environment and Public Works' [fact sheet](#).

You can learn more by visiting the Coalition's Delaware River Basin Conservation Act [webpage](#).

Source: PA Environmental Digest, 9/19/2016

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*This newsletter provides general information, not legal advice as to any specific matter. It should not be used as a substitute for appropriate legal advice.*