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



GOVERNMENT RELATIONS UPDATE

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Revenue Department Releases December 2016 Collections

Pennsylvania collected \$2.6 billion in General Fund revenue in December, which was \$105.2 million, or 3.9 percent, less than anticipated, Secretary of Revenue Eileen McNulty reported today. Fiscal year-to-date General Fund collections total \$13.5 billion, which is \$367 million, or 2.7 percent, below estimate.

Sales tax receipts totaled \$840.8 million for December, \$11.1 million below estimate. Year-to-date sales tax collections total \$5 billion, which is \$133.3 million, or 2.6 percent, less than anticipated.

Personal income tax (PIT) revenue in December was \$962.4 million, \$44.7 million below estimate. This brings year-to-date PIT collections to \$5.4 billion, which is \$125.9 million, or 2.3 percent, below estimate.

December corporation tax revenue of \$466.7 million was \$43.5 million below estimate. Year-to-date corporation tax collections total \$1.3 billion, which is \$100.5 million, or 7.3 percent, below estimate.

Inheritance tax revenue for the month was \$84.5 million, \$3.7 million above estimate, bringing the year-to-date total to \$453 million, which is \$10.7 million, or 2.3 percent, below estimate.

Realty transfer tax revenue was \$44.9 million for December, \$6.7 million below estimate, bringing the fiscal-year total to \$244.2 million, which is \$34.7 million, or 12.4 percent, less than anticipated.

Other General Fund tax revenue, including cigarette, other tobacco products, malt beverage, liquor and table games taxes, totaled \$181.8 million for the month, \$8.2 million below estimate and bringing the year-to-date total to \$922.1 million, which is \$16.3 million, or 1.8 percent, below estimate.

Non-tax revenue totaled \$37.2 million for the month, \$5.2 million above estimate, bringing the year-to-date total to \$147 million, which is \$54.4 million, or 58.7 percent, above estimate.

In addition to the General Fund collections, the Motor License Fund received \$188 million for the month, \$5.3 million below estimate. Fiscal year-to-date collections for the fund - which include the commonly known gas and diesel taxes, as well as other license, fine and fee revenues - total \$1.3 billion, which is \$13.2 million, or 1 percent, below estimate.

Source: DOR Press Release, 1/3/2017

Scarnati Sworn-In as Senate President Pro Tempore

On January 3, 2017, the Pennsylvania Senate convened in Harrisburg to mark the start of the 2017-2018 Legislative Session. State Senator Joe Scarnati (R-25) was once again unanimously re-elected by members of the Senate to serve as President Pro Tempore of the Pennsylvania Senate for 2017.

This is the eleventh time Senate colleagues have elected Senator Scarnati to the third-highest constitutional office in the Commonwealth. The Honorable Justice Sallie Mundy administered the Oath of Office to Scarnati. Following being sworn-in as President Pro Tempore, Senator Scarnati offered remarks on issues impacting the Commonwealth.

"I sincerely thank my constituents who placed their confidence in me and elected me to serve another term in the Senate. I also thank each Member of the Senate for their trust and faith in me to lead this Chamber.

"I congratulate our Senate Chief Clerk Donetta D'Innocenzo and our Senate Parliamentarian Megan Martin on also being re-elected by members of the Senate to continue to serve in their roles.

"Today is an exciting day as we welcome six new members to the Senate. We have much work to do in the Senate in the coming days, weeks, and months. Most of what we do we usually agree on, but when we disagree it is always done in a respectful way.

"Over the past two years the Senate Chamber has set a strong example by what we have done. I have always believed if you hope to be an effective leader, you must first set the example that you wish others to follow. We have accomplished major liquor reform, moved forward on medical marijuana in the Commonwealth, made substantial progress on addressing the opioid addiction epidemic across our state and taken the lead on one of the toughest and most costly issues to taxpayers - pension reform.

Moving forward we will continue to fight for a strong Pension Bill.

"It is no secret that this year's budget will prove challenging. Taxpayers expect us to have results and results require legislation. As we move through today's Session, let us not forget it was just New Year's Day, a day to reflect on ways to better ourselves. But this year let us all make one extra New Year's promise - let us resolve to work together to have a better Commonwealth for all Pennsylvanians."

Senator Scarnati is currently serving his fifth term in the Senate. He was born and raised in Brockway, Jefferson County, and represents the 25th Senatorial District, which includes Cameron, Clinton, Elk, Jefferson, McKean, Potter and Tioga Counties and portions of Clearfield County.

Source: Senator Scarnati Press Release, 1/3/2017

Senators Sworn in for New Legislative Session

Five new Republican state senators, as well as 11 re-elected Republican members, were sworn into office during ceremonies at the State Capitol on January 3, 2017.

Senator Joe Scarnati (R-25) was nominated to again serve as President Pro Tempore of the State Senate for the 2017-2018 legislative session. Voters gave Senate Republicans a 34-16 majority in the fall election.

There are a total of 50 Senate Districts in Pennsylvania, each composed of approximately 250,000 residents.

The new Republican members are:

- [Senator John DiSanto](#), 15th District (Dauphin and Perry counties)
- [Senator Wayne Langerholc](#), 35th District (Bedford, Cambria, and part of Clearfield counties)
- [Senator Daniel Laughlin](#), 49th District (Erie County)

- [Senator Scott Martin](#), 13th District (Lancaster County)
- [Senator Mike Regan](#), 31st District (Cumberland and York counties)

Other Senate Republicans re-elected in November include:

- Senator Rich Alloway (R-33)
- Senator Dave Argall (R-29)
- Senator John Gordner (R-27)
- Senator Scott Hutchinson (R-21)
- Senator Tom Killion (R-9)
- Senator Guy Reschenthaler (R-37)
- Senator Joe Scarnati (R-25)
- Senator Elder Vogel Jr. (R-47)
- Senator Kim Ward (R-39)
- Senator Don White (R-41)
- Senator Gene Yaw (R-23)

Source: Senate Republican Caucus, 1/3/2017

2017-18 House Session Opens with Turzai Re-Elected Speaker

Jobs, Improving Schools, Restructuring Government Top Agenda Reed becomes floor leader with a majority of 121 Republican members

On January 3, 2017, the 2017-18 Session of the Pennsylvania House of Representatives opened with the election of Rep. Mike Turzai (R-Allegheny) as speaker after 200 of the 203 members of the General Assembly took their oaths of office. The House also adopted a set of rules governing how the body operates.

"It's a new year and a new legislative session for Pennsylvania," Turzai said. "Pennsylvania voters sent a message last year to rein in government and reconnect it to the everyday values of its citizens. Those values will help guide us as we represent working families and work to strengthen Pennsylvania through controlled spending, smaller government, greater accountability and a strong free enterprise."

In a House Chamber packed with family, friends and guests, including Gov. Tom Wolf, Auditor General Eugene DePasquale, Attorney General-Elect Josh Shapiro and Treasurer-Elect Joe Torsella, House members recited the oath of office administered by the Hon. Craig Dally of the Northampton County Court of Common Pleas. Dally is a former House member, representing the 138th District in Northampton County from 1997 through 2010. Among the members taking the oath were 23 first-term lawmakers, including 12 Republicans and 11 Democrats.

Republicans and Democrats nominated Turzai for the position of speaker following the administration of the oath. Those members were: Rep. Tina Pickett (R-Bradford/Sullivan/Susquehanna), Rep. Harry Readshaw (D-Allegheny) and Rep. John Lawrence (R-Chester). Turzai was elected unanimously.

"We have great opportunities in front of us, and we have the responsibility to govern," Turzai said. "Working together, the members of this House will look at how government is structured from top to bottom and streamline operations to save taxpayer dollars."

House Majority Leader Dave Reed (R-Indiana) spoke of the 2017-18 House agenda and the opportunity to reshape how government operates and delivers services.

"When the national unemployment rate drops and the state rate grows exorbitantly, something is wrong and needs to be fixed. The House will focus on improving the business climate so employers can grow and create family-sustaining jobs and better careers for Pennsylvanians," Reed said. "The House will also focus on improving educational opportunities and ensure our schools and employers work together so Pennsylvania students get a practical and useful education."

The leaders noted one of the biggest issues facing the state is the large deficit if nothing is changed in the budget. According to the Independent Fiscal Office and the Governor's Office of the Budget, through natural growth, the state may face a \$3 billion deficit if the current budget was to be adopted for the next fiscal year.

"Working Pennsylvanians pay the bills here, and we must always be mindful of those folks," Reed said. "It's time to take a hard look at wants versus needs, and we need to ensure our government protects our families from crime, educates our kids for today's world, and fosters economic activity for everyone."

Reed further spoke of an initiative embraced by the House Republican Caucus, but appealed to all of official Harrisburg to join in the effort to restructure government.

"While difficulties exist, we have a tremendous opportunity to move Pennsylvania forward together. Just reshuffling the deck to hold on to the status quo of the past won't bring us a 21st century Pennsylvania. Now is the time to re-imagine and redesign government, our state and our future," he said.

In his remarks, Turzai reminded members of the overriding message of the voters last year was to be mindful that they represent the 64,000 people of their districts, that they are their voice in Harrisburg.

"Our mandate comes from the people and the very residents of our communities," Turzai said. "That mandate is to move Pennsylvania forward without taking more money from the already overburdened taxpayers."

Following the oaths of office and remarks, the House voted to adopt the rules which govern how the body will operate. Some modifications of last session's rules were made to clarify issues raised by members and leaders to help make the body more effective and efficient.

Two new subcommittees will be created, bringing the total number of House subcommittees to 48:

- Government and Financial Oversight in the Appropriations Committee.
- Career and Technical Education in the Education Committee.

A notable rules change includes clarifying and strengthening the House Ethical Conduct Rules and

the rights and responsibilities of the House Ethics Committee. The Ethics Committee is charged with addressing matters involving conflicts of interest or job-related misconduct by House members, staff and officers. The rule changes clarify and improve the Ethics Committee's role and processes.

While preserving and reinforcing due process rights for anyone under investigation, the new rules will also clarify the burden of proof necessary at each stage of the process. The changes protect the committee from being used to target political challengers prior to an election by prohibiting the initiation of complaints against any member within 60 days of an election in which the member is a candidate; however, those complaints would be taken up as soon as the election is over. The new rules provide the committee with clarification on when it is permitted or required to hire independent counsel; when it is authorized to issue and enforce subpoenas; the timeframe in which the committee is required to act; and the committee's authority to define potential sanctions.

Another change in the rules specifically authorizes the chairman and vice chairman of the Ethics Committee to request preparation of a resolution of expulsion if a member pleads guilty, pleads nolo contendere or is found guilty of an offense which "relates to the member's conduct as a representative or which would render the member ineligible to the General Assembly under section 7 of Article II of the Constitution of Pennsylvania." The resolution would then automatically be placed on the next session day's voting calendar. A resolution would, as under the current rule, automatically be prepared in the name of the chairman and vice chairman of the Ethics Committee upon imposition of sentence for such an offense.

In another rules change, the House will have to wait at least six hours before it can vote on concurrence in Senate amendments, giving members time to review the changes.

Source: House Republican Communications, 1/3/2017

Turzai Announces House Committee Chairs for the 2017-18 Session

On January 5, 2017, Speaker of the House Mike Turzai (R-Allegheny County) announced the appointments of both Republican and Democratic committee chairmen for the 2017-18 Legislative Session.

House committees study each bill and determine which proposals will go to the full House. They conduct public hearings on key issues, allowing citizens and interested groups to have a say in the legislative process, and they serve as a resource for members and others.

"The men and women who chair the House committees are getting the work done to prepare legislation for the full House to consider," Turzai said. "Through public hearings and meetings, committee chairs lead the way by vetting proposed solutions to the serious issues and challenges facing Pennsylvania."

Committees are outlined in the House Rules that are enacted for each session.

Turzai made the following appointments, which are unofficial until announced on the House floor:

Aging and Older Adult Services:

- Republican: Rep. Tim Hennessey, 26th Legislative District, Chester and Montgomery counties.
- Democrat: Rep. Steve Samuelson, 135th Legislative District, Northampton County.

Agriculture and Rural Affairs:

- Republican: Rep. Martin Causer, 67th Legislative District, Cameron, Potter and McKean counties.
- Democrat: Rep. Eddie Day Pashinski, 121st Legislative District, Luzerne County.

Children and Youth:

- Republican: Rep. Kathy Watson, 144th Legislative District, Bucks County.

- Democrat: Rep. Scott Conklin, 77th Legislative District, Centre County.

Commerce:

- Republican: Rep. Brian Ellis, 11th Legislative District, Butler County.
- Democrat: Rep. W. Curtis Thomas, 181st Legislative District, Philadelphia County.

Consumer Affairs:

- Republican: Rep. Robert Godshall, 53rd Legislative District, Montgomery County.
- Democrat: Rep. Thomas R. Caltagirone, 127th Legislative District, Berks County.

Education:

- Republican: Rep. Dave Hickernell, 98th Legislative District, Lancaster and Dauphin counties.
- Democrat: Rep. James Roebuck, 188th Legislative District, Philadelphia County.

Environmental Resources and Energy:

- Republican: Rep. John Maher, 40th Legislative District, Allegheny and Washington counties.
- Democrat: Rep. Mike Carroll, 118th Legislative District, Luzerne and Lackawanna counties.

Finance:

- Republican: Rep. Bernie O'Neill, 29th Legislative District, Bucks County.
- Democrat: Rep. Jake Wheatley, 19th Legislative District, Allegheny County.

Game and Fisheries:

- Republican: Rep. Keith Gillespie, 47th Legislative District, York County.
- Democrat: Rep. Bryan Barbin, 71st Legislative District, Cambria and Somerset counties.

Gaming Oversight:

- Republican: Rep. Scott Petri, 178th Legislative District, Bucks County.
- Democrat: Rep. Patrick Harkins, 1st Legislative District, Erie County.

Health:

- Republican: Rep. Matt Baker, 68th Legislative District, Bradford, Potter and Tioga counties.

- Democrat: Rep. Florindo (Flo) Fabrizio, 2nd Legislative District, Erie County.

Human Services:

- Republican: Rep. Gene DiGirolamo, 18th Legislative District, Bucks County.
- Democrat: Rep. Angel Cruz, 180th Legislative District, Philadelphia County.

Insurance:

- Republican: Rep. Tina Pickett, 110th Legislative District, Bradford, Sullivan and Susquehanna counties.
- Democrat: Rep. Tony DeLuca, 32nd Legislative District, Allegheny County.

Judiciary:

- Republican: Rep. Ron Marsico, 105th Legislative District, Dauphin County.
- Democrat: Rep. Joseph A. Petrarca, 55th Legislative District, Armstrong, Indiana and Westmoreland counties.

Labor and Industry:

- Republican: Rep. Rob Kauffman, 89th Legislative District, Franklin County.
- Democrat: Rep. John Galloway, 140th Legislative District, Bucks County.

Liquor Control:

- Republican: Rep. Adam Harris, 82nd Legislative District, Franklin, Juniata and Mifflin counties.
- Democrat: Rep. Paul Costa, 34th Legislative District, Allegheny County.

Local Government:

- Republican: Rep. Kate Harper, 61st Legislative District, Montgomery County.
- Democrat: Rep. Bob Freeman, 136th Legislative District, Northampton County.

Professional Licensure:

- Republican: Rep. Mark Mustio, 44th Legislative District, Allegheny County.
- Democrat: Rep. Harry Readshaw, 36th Legislative District, Allegheny County.

State Government:

- Republican: Rep. Daryl Metcalfe, 12th Legislative District, Butler County.
- Democrat: Rep. Greg Vitali, 166th Legislative District, Delaware and Montgomery counties.

Tourism and Recreational Development:

- Republican: Rep. David Millard, 109th Legislative District, Columbia County.
- Democrat: Rep. Mark Longietti, 7th Legislative District, Mercer County.

Transportation:

- Republican: Rep. John Taylor, 177th Legislative District, Philadelphia County.
- Democrat: Rep. William F. Keller, 184th Legislative District, Philadelphia.

Urban Affairs:

- Republican: Rep. Mark Keller, 86th Legislative District, Cumberland and Perry counties.
- Democrat: Rep. Michael O'Brien, 175th Legislative District, Philadelphia County.

Veterans Affairs and Emergency Preparedness:

- Republican: Rep. Stephen E. Barrar, 160th Legislative District, Chester and Delaware counties.
- Democrat: Rep. Christopher Sainato, 9th Legislative District, Lawrence County.

Source: Speaker Turzai Press Release, 1/5/2017

Drought Declarations Remain Unchanged after Task Force Meeting

Following a January 5, 2017 meeting of the Commonwealth Drought Task Force, the Department of Environmental Protection (DEP) made no changes in county drought declarations: 8 counties remain in drought warning status and 26 remain on drought watch.

"Recent precipitation has improved a number of indicators, but it hasn't brought these counties to normal status," said DEP Acting Secretary Patrick McDonnell.

DEP bases its declarations on four indicators: precipitation deficits (averaged from numerous gauges), stream flows, groundwater levels, and soil moisture.

Carbon, Juniata, Lehigh, Mifflin, Monroe, Northampton, Snyder, and Union Counties remain on drought warning status. DEP encourages a voluntary water use reduction of 10-15 percent.

Counties on drought watch are Adams, Bedford, Berks, Bucks, Centre, Chester, Clinton, Cumberland, Dauphin, Delaware, Franklin, Fulton, Huntingdon, Lackawanna, Lancaster, Lebanon, Luzerne, Montgomery, Northumberland, Perry, Philadelphia, Pike, Schuylkill, Sullivan, Wayne, and York Counties. A 5 percent reduction in water use is encouraged.

Conditions in western Pennsylvania and along the northern tier generally have remained at normal or above normal levels.

Public water systems continue to implement voluntary and mandatory water reductions in response to reduced supplies. DEP suggests several steps citizens can take to voluntarily reduce their water use:

- Run water only when necessary. Don't let the faucet run while brushing your teeth or shaving. Shorten the amount of time you let the water run to warm up before you shower. Use a bucket to catch the water and then reuse it to water your plants.
- Run the dishwasher and washing machine only with full loads.
- Check for household leaks. A leaking toilet can waste up to 200 gallons of water each day.
- Replace older appliances with high-efficiency, front-loading models that use about 30 percent less water and 40 to 50 percent less energy.
- Install low-flow plumbing fixtures and aerators on faucets.

DEP also offers other water conservation recommendations and water audit procedures for commercial and industrial users, such as food processors, hotels and educational institutions. These recommendations and additional drought

monitoring information are available on the [DEP Drought Information website](#).

The Drought Task Force will meet next in early February.

Source: DEP Press Release, 1/5/2017

EPA Issues Proposal to Modify Criteria for "Lead Free" Plumbing Products

EPA is issuing a proposal to update existing regulations as outlined in the Reduction of Lead in Drinking Water Act to modify the definition of lead free plumbing products (e.g., pipes, pipe fittings and fixtures) from 8.0 percent lead content to 0.25 percent. The proposal also includes labeling and packaging requirements that will allow consumers to identify plumbing devices that meet the new "lead free" definition.

Labeling and package markings can reduce the likelihood that non-lead free products are used in plumbing that is intended for drinking water use. Additionally, the proposal provides information regarding how manufacturers should document that they are meeting these new requirements. EPA will accept comments on the proposal for 90 days after publication in the Federal Register.

Learn [more](#).

Source: Water Headlines from EPA, 1/5/2017

EPA Updates the State Water Agency Practices for Climate Adaptation Webpage

EPA, in collaboration with The Association of Clean Water Administrators (ACWA), The Association of State Drinking Water Administrators (ASDWA), and The Association of State Wetland Managers (ASWM), recently updated a webpage showcasing innovative practices that

state water agencies are currently performing to reduce their vulnerability and build resilience to climate change. The webpage was recently supplemented with new descriptions of select climate adaptation related practices in diverse programmatic areas and geographic locations across the country. The information presented on these state practices can be a useful resource for other state agencies, as well as local and tribal governments, seeking to engage in climate adaptation efforts within their own water programs.

Providing greater access to information on recent state agency practices can directly help planners and decision makers across the country continue to conduct their work effectively in the context of a variable climate. After identifying a second set of practices, the four project collaborators plan to advance this work through various outreach activities intended to share the information more broadly. They also expect to identify additional practices over time to help sustain the collaboration and sharing of information across state water agencies.

Learn [more](#).

Source: Water Headlines from EPA, 1/5/2017

EPA Releases Informative Document on Dam Removal

EPA has released a document to assist non-government organizations, state and local officials, and private landowners in making decisions regarding the removal of obsolete dams. The document describes the impacts of obsolete dams on water quality and public safety, the permitting requirements for removal of these dams, and potential sources of funding that may be available to support dam removal. The document does not change existing policy on dam removal.

Learn [more](#).

Source: Water Headlines from EPA, 1/5/2017

DEP Offers Funding for Stormwater Management Projects Program to promote best management practices

The Pennsylvania Department of Environmental Protection (DEP) is offering grants up to \$200,000 to local entities in the Chesapeake Bay watershed for stormwater management projects that implement best management practices (BMP) to reduce the amount of nutrients and sediment pollution in local waterways.

The program is available to counties, cities, boroughs, townships, incorporated towns and municipal authorities. Stormwater projects must be located in Blair, Cumberland, Dauphin, Franklin, Lackawanna, Lancaster, Lebanon, Luzerne, Lycoming and York counties.

"The department continues to work toward one of the top goals of this administration: improving local water quality and ultimately cleaning up the Chesapeake Bay," said DEP Acting Secretary Patrick McDonnell. "This grant program achieves that by offering financial assistance to local governments that share in that goal and they are encouraged to apply as we work together in this important environmental initiative."

Some examples of eligible projects include: rain gardens, bio-swales, urban nutrient management/tree planting, vegetated open channels/roofs and wet ponds and wetland preservation. The projects can be located on public or private property.

Applicants can be eligible for grants of up to \$200,000, and no local matching funds are required. Funding for the projects is competitive and the department will apply a scoring system when awarding the grant money. The application must include a description of the project and timetable for the work. Grant applications are due by March 3, 2017.

Please [visit](#) for application instructions and eligibility. Other parties that wish to obtain funding for a stormwater project are encouraged to approach the eligible local entity where the project would be located and offer to assist with the project application and management.

The grant program is federally funded by the Environmental Protection Agency and administered by the department.

Grant monies will be awarded on September 1, 2017.

Source: DEP Press Release, 1/6/2017

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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.