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



GOVERNMENT RELATIONS UPDATE

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*PA- Section, American Water Works Association
National Association of Water Companies
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Revenue Department Releases April 2017 Collections

Pennsylvania collected \$3.4 billion in General Fund revenue in April, which was **\$537.1 million, or 13.5 percent, less than anticipated**, Acting Revenue Secretary Dan Hassell reported today. Fiscal year-to-date General Fund collections total \$25.8 billion, which is **\$1.2 billion, or 4.5 percent, below estimate**.

Sales tax receipts totaled \$831 million for April, \$58.3 million below estimate. Year-to-date sales tax collections total \$8.2 billion, which is **\$190 million, or 2.3 percent, less than anticipated**.

Personal income tax (PIT) revenue in April was \$1.8 billion, \$181.5 million below estimate. This brings year-to-date PIT collections to \$10.5 billion, which is **\$324.7 million, or 3 percent, below estimate**.

April **corporation tax revenue** of \$238.5 million was \$227.4 million below estimate. Year-to-date corporation tax collections total \$3.9 billion, which is **\$577.4 million, or 12.8 percent, below estimate**. A law change shifted the due date for corporate net income tax from April to May. Most

of the corporation tax shortfall in April will be recovered in May.

Inheritance tax revenue for the month was \$80.2 million, \$8 million below estimate, bringing the year-to-date total to \$771.6 million, which is **\$22.6 million, or 2.9 percent, below estimate**.

Realty transfer tax revenue was \$34.1 million for April, \$9.7 million below estimate, bringing the fiscal-year total to \$377.3 million, which is **\$67.8 million, or 15.2 percent, less than anticipated**.

Other General Fund tax revenue, including cigarette, other tobacco products, malt beverage, liquor and table games taxes, totaled \$183.5 million for the month, \$19.6 million above estimate and bringing the year-to-date total to \$1.5 billion, which is **\$10.7 million, or 0.7 percent, above estimate**.

Non-tax revenue totaled \$215.1 million for the month, \$71.8 million below estimate, bringing the year-to-date total to \$553.7 million, which is **\$44.5 million, or 7.4 percent, below estimate**.

In addition to the General Fund collections, the **Motor License Fund** received \$278.8 million for the month, \$19.6 million above 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 **\$2.2 billion, which is \$700,000 below estimate.**

Source: Department of Revenue Press Release, 5/1/2017

Senate Environmental Committee to Hold Confirmation Hearing on May 9

On May 5, 2017, state Senator Gene Yaw (R-23) announced that the Senate Environmental Resources and Energy Committee will be holding a confirmation hearing on Tuesday, May 9th, at 9AM in Room 8-EA East Wing of the State Capitol Building, to consider the nomination of Patrick McDonnell, who has been nominated by Governor Tom Wolf to serve as Secretary of the Pennsylvania Department of Environmental Protection (DEP).

If approved by the Committee and confirmed by the full Senate, Mr. McDonnell would succeed John Quigley as Secretary of the Department, who resigned in May 2016.

Prior to serving as Acting DEP Secretary, Mr. McDonnell served as director of policy for the Department, where he oversaw the agency's regulation and policy development processes. In addition, Mr. McDonnell ran the State Energy Office and was charged with coordination of renewable energy and energy efficiency issues.

Prior to returning to DEP, Mr. McDonnell was executive policy manager for former Commissioner Pamela A. Witmer of the Pennsylvania Public Utility Commission, focusing on electric, natural gas and water issues as well as cybersecurity and the impact of environmental regulation on energy markets.

Previously, Mr. McDonnell spent 13 years with DEP in a variety of roles. As deputy secretary for administration, he managed the budget, human resources, information technology and oversaw the facilities management functions of the agency. He

also previously served as policy director and as an assistant to the special deputy secretary. He began his career at DEP working in the State Energy Office on energy efficiency, renewable energy, and green building projects.

Tuesday's confirmation hearing will be streamed LIVE at <http://www.senatorgeneyaw.com/>.

Source: Senator Yaw Press Release, 5/5/2017

EPA Still Concerned About DEP Drinking Water Program, Urges Temporary Funding To Hire Staff Sooner

In a letter dated April 12, the U.S. Environmental Protection Agency responded to DEP's plan to correct deficiencies in the state's Safe Drinking Program by saying it is "encouraged" by the plan, but said they remain concerned about the ability of DEP to hire staff quickly enough to meet minimum federal inspection and other standards.

DEP told EPA in February part of its plan is to put a \$7.5 million increase in drinking water fees in place to support the hiring of up to 33 additional staff. To do that, however, requires adoption of the fees by regulation that can take up to 2 years.

The Environmental Quality Board is [scheduled to take the first step](#) in adopting the Safe Drinking Water Program fee increases on May 17 when it considers putting a proposed regulation out for public comment.

However, EPA's letter goes on to say -- "EPA remains concerned about Pennsylvania's program performance in the interim until staff are hired in 2018 and trained and productive in the year afterward."

EPA recommended DEP "seek a temporary funding source to begin the hiring process earlier."

Until new staff is hired, EPA agreed DEP should “continue to prioritize drinking water sanitary survey inspections and target its limited resources to ensure the highest level of public health protection.”

DEP will also submit quarterly updates on its progress to correct the deficiencies in the program [EPA outlined in December](#) and is required to “alert EPA to any new challenges or changes in the proposed timeline.”

A copy of EPA’s April 12 letter is available [online](#).

Background

[EPA notified DEP’s Safe Drinking Water Program in December](#) that its lack of resources to enforce minimum federal requirements could be grounds for taking primacy away from Pennsylvania.

Primacy means DEP administers the federal Safe Drinking Water Program in Pennsylvania for the federal government under state law.

EPA’s review said Pennsylvania failed to conduct the minimum number of sanitary surveys of water systems -- once every 3 years for community water supplies and once every 5 years for non-community systems -- schools, camps, bulk water suppliers.

Because of the lack of staff, DEP completed only 1,847 sanitary surveys in FY 2015-16 compared to 3,177 in FY 2009-10.

EPA also pointed out, the lack of staff meant the number of unaddressed Safe Drinking Water Act violations doubled over the last 5 years from 4,298 to 7,922. “This increased risk to public health is of concern to EPA,” the letter said.

Another concern EPA outlined was “a large amount of pertinent information was missing from the files” involving DEP’s enforcement of Pennsylvania’s lead and copper rule, the regulation of lead in drinking water supplies.

DEP has been discussing a proposed [\\$7.5 million fee increase package](#) to make up for state

General Fund budget cuts with the agency’s [Technical Assistance Center For Small Water Systems Board](#) since November.

The proposal would not only increase permit review fees, but also impose an annual permit administration fee for the first time.

The Environmental Quality Board is scheduled to take the first step in adopting the Safe Drinking Water Program fee increases on May 17 when it considers putting a proposed regulation out for public comment.

The deficiencies EPA cited in DEP’s Safe Drinking Water Program caused by the lack of resources was a prime topic in Senate and House budget hearings in March.

\$100 Million at Risk

If Pennsylvania loses primacy in enforcing federal Safe Drinking Water Act requirements, it loses \$5.5 million in annual funding to support its regulatory program, \$100 million on federal Drinking Water Revolving Fund monies to fund water system improvements through PennVEST and subjects state water systems to double permitting if EPA takes over that responsibility and DEP enforces Pennsylvania’s Safe Drinking Water Act.

Source: PA Environmental Digest, 5/8/2017

Citizens Advisory Council Meeting Cancellation

The May 17, 2017, meeting of the Citizens Advisory Council is **cancelled**. The next regular council meeting is scheduled for Tuesday, June 20, 2017, at 10 a.m. at the Rachel Carson State Office Building, Harrisburg. The agenda and meeting materials are available at www.dep.pa.gov.

Questions concerning the meeting may be directed to Leeann Murray at (717) 787-8171 or <mailto:lemurray@pa.gov>.

Source: PA Bulletin, [5/6/2017](#)

SRBC to Hold Public Hearing on Water Project Applications, Comprehensive Plan Amendments, Request for Waiver, and Proposed Fee Changes

Written comments accepted through May 22, 2017

The Susquehanna River Basin Commission (SRBC) will receive public comment at a hearing on Thursday, May 11, 2017. The subjects covered by the hearing include applications for several water withdrawal and consumptive use projects; amendments to the Comprehensive Plan for the Water Resources of the Susquehanna River Basin; a request for waiver of Code of Federal Regulations Title 18, Sections 806.3 and 806.4 by EOG Resources, Inc., and proposed fee changes.

The SRBC Commissioners are scheduled to vote on these and other action items at their next business meeting on Friday, June 16, 2017, in Entriiken, Pa.

The hearing will be held at the Pennsylvania State Capitol, Room 8E-B, East Wing, Commonwealth Avenue, Harrisburg, Pa. The hearing will begin at 2:30 p.m. and end at 5 p.m. or when public testimony concludes, whichever comes first. For parking options, see <http://parkharrisburg.com/destinations/pennsylvania-state-capitol/>.

Members of the public who are planning to present oral testimony at the public hearing are encouraged to notify SRBC prior to the hearing of their intent and to indicate the subject of their comment. The notices are to be directed to Mr. Jason Oyler, General Counsel, Susquehanna River Basin Commission, 4423 N. Front Street, Harrisburg, PA 17110, Telephone: (717) 238-0423, ext. 1312, Fax: (717) 238-2436.

The list of 25 project applications, Comprehensive Plan amendments, proposed fee changes, and options for submitting comments

electronically are all available on SRBC's Public Participation Center at <http://www.srbc.net/pubinfo/publicparticipation.htm>. SRBC will accept written comments until May 22, 2017; comments may be submitted electronically through SRBC's Public Participation Center or mailed or faxed to Mr. Oyler.

SRBC's guidelines for public hearings include (see full set on the [website](#)):

- Anyone wishing to attend the hearing must sign-in and show photo identification.
- Signage, posters, banners or other display media will be permitted only in designated areas.
- The press is permitted to set up and use video and recording devices in a designated area. The public is permitted to use small, hand-held devices that remain in their possession and are used in a non-disruptive manner.

Source: SRBC Press Release, 5/4/2017

Speaker Turzai Opposes Wolf's Tech Tax

House Speaker Mike Turzai (R-Allegheny) issued the following statement regarding the proposed tax on computer services in Gov. Tom Wolf's budget proposal for Fiscal Year 2017-18:

"The governor's budget proposal this year includes more than \$1 billion in new and higher taxes on the citizens of Pennsylvania. Among his tax proposals, he proposes an expansion of the sales tax to include data processing, hosting and related services; custom computer programming services; computer system design services; computer facilities management services; and other computer related services.

"The governor's proposal for a tech tax is not new. A similar tax was adopted in 1991 under Gov. Robert Casey, but was repealed in 1997 under Gov. Tom Ridge. It was a job killer then, and it would be a job killer today.

“According to the Pittsburgh Technology Council’s 2016 State of the Industry Report, technology and related companies in the 13-county region in southwestern Pennsylvania employ 302,535 individuals, comprising 24 percent of the area’s workforce. Their combined payroll is \$22 billion annually, representing more than 35 percent of the region’s total wages, which is at a record high.

“Pennsylvania has seen tremendous growth in the technology sector over the past two decades. These are good, family sustaining jobs that could easily be moved out of state.

“Many of us oppose Gov. Wolf’s tech tax, along with his other tax increase proposals. That is why the House passed a budget on April 4 that actually reduces spending from the current fiscal year.”

Source: Representative Mike Turzai Press Release, 5/3/2017

PEMA: House GOP Budget Would Compromise Public Safety

In a letter sent last month to the four chairmen of the House and Senate committees on Veterans Affairs and Emergency Preparedness, Richard D. Flinn Jr., director of the Pennsylvania Emergency Management Agency, said that proposed budget cuts in House Bill 218 - the House Republican budget proposal - would severely limit the agency's capacity to serve counties and citizens of the commonwealth.

"We are dedicated to using our limited resources wisely and efficiently, in support of a cooperative and seamless government that works for all Pennsylvanians," Flinn wrote. "A spending cut of this magnitude, unfocused and on top of the changes we have already proposed, would cause significant difficulties."

Flinn said the proposed 6.5 percent cut in General Government Operation (GGO) funding will result in staff furloughs that would impact the 24-hour Commonwealth Watch and Warning Center

(CWWC), training and exercise staff, and specialized technicians and personnel who deploy and work directly with emergency personnel in counties impacted by disasters and emergencies.

In addition, House Bill 218 cuts \$4.7 million in disaster relief funding that is required under the terms of the federal Public Assistance program as a state match to the \$38 million available to dozens of applicants in Bradford, Centre, Lycoming and Sullivan counties after devastating flooding last October. Flinn said the proposed cut means repair efforts in those communities likely would not be completed.

On top of reduced state funding, Flinn said the potential loss of \$10 million in federal funding through the Homeland Security Grant Program and the Emergency Management Performance Grant Program would force the agency to cut an additional 20 positions and result in the loss of funding for 35 county emergency management positions.

Flinn thanked the chairmen for their continued support of PEMA and encouraged them to contact him to discuss the impact of the proposed state budget cuts. The full text of the letter can be viewed [here](#).

Source: PEMA Press Release, 5/3/2017

Senate Bill Would Fill Funding Gap in DEP’s Underground Storage Tank Program

Legislation introduced last week by Sen. John Yudichak (D-Luzerne), Minority Chair of the Senate Environmental Resources and Energy Committee -- [Senate Bill 649](#) -- would fill an urgent funding gap in DEP’s Underground Storage Tank Program by authorizing the transfer of an additional \$4 million from the Underground Storage Tank Indemnification Fund to pay for administrative expenses.

The legislation would also extend DEP’s underground storage tank environmental cleanup

and pollution prevention programs another five years. The programs were set to expire June 30, 2017.

DEP regulates the installation and ongoing operations of underground and aboveground storage tanks to prevent leaks, spills and tank failures under the state's [Storage Tank and Spill Prevention Act](#). Pennsylvania also has primacy to enforce federal underground storage tanks in the state.

DEP regulates over 40,000 aboveground (about 17,400) and underground storage tanks (about 22,500) in Pennsylvania. DEP did a [presentation](#) to the Storage Tank Advisory Committee in December 2016 on the funding gap in the Storage Tank Program.

The Storage Tank Act was passed in 1989 following the January 2, 1988 catastrophic failure of an aboveground storage tank 20 miles upstream of Pittsburgh which caused 1 million gallons of diesel oil to spill into the Monongahela River.

The spill caused up to \$15 million in damage and 23,000 residents of Pittsburgh were without water for a week during a period of extremely cold weather. The spill also caused water shortages downstream on the Ohio River as the oil moved passed water intakes. About 1,200 residents of nearby Jefferson Borough were evacuated due to the fear of an explosion in the area from a gasoline leak.

Of the over 22,500 underground storage tanks DEP regulates, there were a reported [192 confirmed spills](#) from those tanks in federal fiscal year 2016, a decrease from 246 that occurred in 2014.

The Trump Administration has proposed eliminating grants to states to administer the federal underground storage tank program in federal FY 2018.

The Underground Storage Tank Indemnification Fund is an insurance fund administered by the Department of Insurance and a Fund Board which provides cleanup insurance to owners of underground tanks based on a per gallon fee paid by tank owners.

The bill is now in the Senate Environmental Resources and Energy Committee. A [sponsor summary](#) is available.

To learn more about storage tank regulation, visit DEP's Storage Tanks [webpage](#).

Source: PA Environmental Digest, 5/8/2017

New GIS Open Data Site Puts Maps of Pennsylvania Environmental Information at Public's Fingertips

The Pennsylvania Department of Environmental Protection (DEP) has put a trove of environmental data at the public's fingertips with a geographic information system (GIS) [open data map site](#).

"DEP has a lot of location-based information that citizens can find useful," said DEP Acting Secretary Patrick McDonnell. "In line with Governor Wolf's calls for improved state government transparency, efficiency, and customer service, we've put a wealth of data in one online place so that people can more easily find information about the air, land, and water where they live."

Focused primarily on geographic information, the GIS open data site aggregates and simplifies DEP's public data on abandoned mine lands, air quality, coal mining, hazardous waste, industrial mining, land recycling, oil and gas, public water supply, radiation, streams and lakes, waste management, water pollution control, and water resources.

Visitors can browse these categories or drill down into the details, for example, searching for natural gas wells or impaired streams near a street address, zip code, or town. They can view the data as a map, a table, or charts and download data into spreadsheets or embed it into their own applications or websites.

Most data are updated daily. Currently there are 300 data sets, and DEP will be adding more. Users who'd like to suggest data for inclusion can email the DEP Geospatial Data Center at rapgeospatialdatacenter@pa.gov

Because it's map-based, the GIS site doesn't replace all DEP data tools. For example, users can search for permitted oil and gas wells by location, but not simply by year.

Available to anyone, the DEP GIS tool may be especially useful to environmental professionals, businesses, industry, government agencies, journalists, and others seeking raw data they can download easily for analysis, visualization, and sharing. The site is accessible across platforms and devices.

The DEP GIS data are also available on [OpenDataPA](#), a central repository for all open data sets published by state agencies. Governor Wolf signed an executive order in 2016 to establish to create the state's open data program and open data site to support transparency, learning and research and civic engagement.

Source: DEP Press Release, 5/5/2017

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