
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*

DEP Secretary: House Republican Budget Proposal Put Public Health at Risk

*Proposed cuts would affect air and drinking water
quality*

The Pennsylvania Department of Environmental Protection (DEP) warns that cuts to environmental and public health programs in the proposed budget from House Republicans could put air and water quality at risk. In a letter to the chairmen of the House and Senate Environmental Resources and Energy Committees, Secretary Patrick McDonnell outlined six key ways the proposed budget would impact public health, safety, and economic development.

"A spending cut of this magnitude -- unfocused and on top of the changes we have already proposed and the cuts we have received, including a reduction of 754 positions over the past decade -- would put Pennsylvania's environmental and public health at risk," said DEP Secretary Patrick McDonnell.

Among the impacts of the proposed budget would be:

- 600 fewer inspections of public water systems, which provide clean drinking water to 83% of the Commonwealth population
- Fewer underground mine inspectors that ensure safe working conditions for Pennsylvania's coal miners
- Longer wait times for permit reviews, slowing down economic development and undercutting improvements that DEP has made to the permit review process

A fee package that would increase and implement new fees on public water systems has been introduced to fund additional staff for the program. In December 2016, the U.S. Environmental Protection Agency warned DEP that continued staff shortages and underinvestment in the program could lead to Pennsylvania losing primacy over the program. Loss of primacy for the program would strip DEP's authority to regulate drinking water, as well as remove millions of dollars of funds for communities to upgrade their safe drinking water facilities.

In addition to the cuts outlined in the letter, Sec. McDonnell noted that possible cuts to DEP's budget from federal sources would further exacerbate these issues. Combined, funding cuts at the state and

federal level would hamper infrastructure projects and the jobs that those projects create.

Along with the effects that funding cuts at the state level would cause, DEP also outlined the impacts of federal budget cuts in a letter to the Pennsylvania congressional delegation. Copies of that letter can be found [here](#).

Source: DEP Press Release, 6/15/2017

Governor Wolf Praises Senate Action to Form Bipartisan Lead Task Force

On June 13, 2017, Governor Tom Wolf praised the formation of a bipartisan task force to investigate the scope of Pennsylvania's lead exposure problem. Senator John Yudichak (Luzerne/Carbon) led the charge for the Senate to pass a resolution to form the task force. The task force includes administration representatives, including the Secretaries of Health, Environmental Protection, and Labor and Industry, and the Physician General (or their designees).

"We know that a number of areas of the commonwealth are dealing with various issues related to lead and this demands comprehensive investigation and action," Governor Tom Wolf said. "My administration looks forward to participating and assisting in this effort. We've learned on issues like pensions, fair school funding, and the opioid epidemic that these statewide issues demand people coming together and hashing out a path forward. I thank the Senate, particularly Sen. Yudichak, for leading on this vital issue. I look forward to participating in the task force's work and recommendations as we work to address lead issues facing many communities."

The resolution calls for the Senate to establish a task force on lead exposure comprised of the chairs of the Environmental Resources and Energy Committee and the Health and Human Services Committee and two members appointed by the Senate President pro tempore and the Minority Leader. An advisory committee of the Joint State Government Commission will conduct a

comprehensive review of Pennsylvania law and public policy related to lead exposure and abatement practices and then submit a report to the task force and full Senate within 18-months. The report must assess the age of housing and infrastructure, lead exposure threats, and identify the prevalence of lead in structures where children spend significant time.

Source: Governor Wolf's Press Office, 6/13/2017

PUC Details \$173 Million Distribution of Gas Drilling Impact Fees; Total Fee Distribution Now Tops \$1 Billion

On June 15, 2017, the Pennsylvania Public Utility Commission (PUC) posted detailed information about this year's distribution of Impact Fees on natural gas producers, totaling \$173,258,900, on the PUC's interactive [Act 13 website](#).

Over the past six years, the PUC has collected and distributed more than \$1.2 billion in Impact Fees to communities across Pennsylvania.

County and municipal governments directly affected by drilling will receive a total of \$93,128,340 for the 2016 disbursement year. Additionally, \$62,085,600 will be placed into the Marcellus Legacy Fund, which provides financial support for environmental, highway, water and sewer projects, rehabilitation of greenways and other projects throughout the state. Also, \$18 million will be distributed to state agencies specified by the Act.

The PUC has forwarded the information for payment and expects checks to be distributed in early July.

This year's distribution is approximately \$14.5 million lower than last year, driven by a continued reduction in the price of natural gas - which again resulted in a \$5,000 per well reduction in the fee paid this year - along with the increasing age of

many wells, which also reduces the per-well fee. This decline has resulted in funding changes for many individual municipalities, as detailed on the PUC's [Act 13 site](#).

Extensive details regarding the Impact Fee distribution are available online, including specifics on funds collected and distributed for each year since 2011. Visitors can search and download statistics such as distributions to individual municipalities or counties; allocation and usage of those funds, based on reports submitted by various municipalities; eligible wells per county/municipality; and payments by producers.

The PUC's is responsible for implementing the imposition, collection and distribution of an unconventional gas well fee (also called a drilling impact fee) was established by the Unconventional Gas Well Impact Fee Act, signed into law as Act 13 of 2012.

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 <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, 6/15/2017

PUC Announces Appointments to Consumer Advisory Council

On June 14, 2017, the Pennsylvania Public Utility Commission (PUC) announced a series of appointments to its [Consumer Advisory Council](#) (CAC), which provides input to the PUC on issues important to utility customers. Members of the CAC will serve two-year terms, from July 1, 2017, through June 30, 2019.

New CAC members include:

- **Sonny Popowsky**, former Pennsylvania Consumer Advocate (serving from 1990 to 2012), brings an extensive state and national background in consumer and utility issues. Popowsky, of Philadelphia, was appointed to the CAC by Gov. Tom Wolf.
- **Christopher M. Winters Sr.**, of Wernersville, Berks County, has experience in legislative affairs, constituent services, research and public relations. Winters was appointed by Rep. Thomas R. Caltagirone, Minority Chairman of the House Consumer Affairs Committee.

Additionally, the Commission ratified the reappointment of the following CAC members:

- **Troy T. Geanopulos**, founder of several energy efficiency companies over the past 20 years, is currently the co-founder and Chief Executive Officer of The Efficiency Network (TEN), a tech-enabled provider of building efficiency services headquartered in Pittsburgh. Geanopulos was reappointed by Lt. Gov. Mike Stack.
- **Ralph G. Douglass**, of Bensalem, Bucks County, was reappointed by Sen. Robert M. Tomlinson (R-Bucks), the Majority Chairman of the Consumer Protection and Professional Licensure Committee. Douglass is semi-retired from service as President of PECA Inc., an electronics design and manufacturing firm. Douglass current serves as chairman of the CAC.
- **Javier R. Toro**, of Fountain Hill, Lehigh County, was appointed by Sen. Lisa M. Boscola (D-Lehigh), the Minority Chair of the Senate Consumer Protection and Professional Licensure Committee. He is a Customer Care

Supervisor for the Community Action Committee of the Lehigh Valley, and also is responsible for weatherization.

- **George J. Silvestri Jr.**, of Souderton, Montgomery County, was reappointed by Rep. Robert W. Godshall (R-Montgomery), the Majority Chairman of the House Consumer Affairs Committee. Silvestri is an author and a retired engineer in the Power Generation Division of the Westinghouse Electric Corp.

The PUC also reappointed the following at-large members of the CAC:

- **Lillian Carpenter**, a retired educator from Pittsburgh, a former member of the Pittsburgh Board of Education, and a member of the Board of Directors for the Pittsburgh Homeless Children's Education Fund.
- **Patrick M. Cicero**, Director of the Pennsylvania Utility Law Project (PULP), a statewide legal aid office, based on Harrisburg, that serves low-income households in utility and energy matters. He is a resident of Mechanicsburg, Cumberland County.
- **Timothy B. Hennessey** is a licensed insurance agent with Advantage Insurance in Pottstown, Montgomery County, and owner of Phoenix Festival Productions, an event-planning company in North Coventry Township, Chester County. Hennessey currently serves as vice chairman of the CAC.
- **Chad Quinn**, of Lawrence County, is Chief Executive Officer of Pittsburgh-based Dollar Energy Fund, which works to improve the quality of life for households experiencing hardships by providing utility assistance and other services that lead to self-sufficiency.
- **Dr. Tina M. Serafini**, a professor, curriculum designer/consultant and trainer for T.M. Serafini & Associates LLC, and a resident of Clearfield.
- **Joseph E. Toner III**, Chairman of the Uwclan Township Board of Supervisors and President of

the Chester County Association of Township Officials.

The Consumer Advisory Council advises the PUC Commissioners on matters related to the protection of consumer interests under the jurisdiction of the PUC. Council meetings are held bimonthly and are open to the public. Members serve without compensation.

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Source: PUC Press Release, 6/14/2017

Susquehanna River Basin Commission: 40% Reduction in Municipal Permit Fees, Streamlined Regulatory Process

On June 12, 2017, the [Susquehanna River Basin Commission](#) told members of the House State Government Committee a three-year intensive management reorganization has resulted in a more than 40 percent reduction in municipal permit fees, overall streamlining of its regulatory process and creation of a Public Water Supply Assistance Program to offer technical assistance and further fee reductions to small municipal water supply systems.

Testifying at a public hearing of the House State Government Committee, SRBC Executive Director Andrew Dehoff, P.E., said that an entirely new management team installed over the past three years took a very aggressive approach responding to concerns expressed about SRBC operations from regulated communities.

“There has been a lot of attention on water quality lately, both in Pennsylvania and nationwide. And safe drinking water is certainly critically important,” Dehoff said. “But the quality of the water is irrelevant if nothing comes out when you turn on the tap. That’s SRBC’s unique role, and that’s why for nearly 40 years we have been reviewing and approving withdrawals of water from groundwater wells.” Dehoff explained the SRBC’s groundwater rules are designed “to ensure that communities have sustainable, reliable sources of water to provide to their homes, businesses and industries.”

While the Department of Environmental Protection is charged with ensuring water purity and drinkability, SRBC focuses on the quantity of water and the reliability of sources. “Sustainable and reliable, to us, means that their sources can continue to provide needed water, even during times of drought, and can do so without conflict.”

He said one of the lingering issues is that many towns are counting on old, unproven wells to supply water for future growth. “Our long-term goal is that communities will collect the information they need to provide certainty that their groundwater sources will meet long-term needs.”

Dehoff praised the operators of water supply systems in the Basin. “The men and women that make up the boards of the water authorities and townships and boroughs they serve are exemplary public servants,” the SRBC head said. “They are conscientious and dedicated to doing what is right for their communities.”

He also summarized some of the many projects undertaken using SRBC funding to enhance, expand and improve water supplies in the Susquehanna River Basin. One Commission effort involves restoring abandoned coal mining sites in Clearfield, Indiana and Schuylkill Counties.

“The project in Schuylkill County isn’t yet complete, but in Clearfield and Indiana counties we are observing wild trout living and thriving in waterways that haven’t supported trout in a century,” Dehoff said.

“In Cumberland County, we partnered with a community to address a recurring sinkhole problem that also is helping the township meet its state and federal stormwater requirements,” he noted.

SRBC also assisted the Lancaster County Planning Commission with water aspects of their County Comprehensive Plan, and completed a study of favorable groundwater locations to assist in development planning.

[Digest Editor’s Note: Rep. Moul (R-Adams) said at the hearing “SRBC exceeds its authority when it regulates groundwater.” This statement is, since the [Susquehanna River Basin Compact](#) specifically says the Commission “may regulate and control withdrawals and diversions from surface waters and ground waters of the basin” Article 11 Regulation of Withdrawal and Diversions; Protected Areas and Emergencies.]

[Digest Editor’s Note: House Republicans last week **passed** [House Bill 922](#), co-sponsored by Rep. Moul, Rep. Will Tallman (R-Adams) and others opposed to what the SRBC does, removing new SRBC employees from the State Employees Retirement System. The move will only increase costs to SRBC and member states like Pennsylvania and make SRBC raise fees.]

For more information about programs, initiatives and upcoming training and other events, visit the Susquehanna River Basin Commission website. [Follow SRBC on Twitter](#). Visit [SRBC’s YouTube Channel](#).

Source: PA Environmental Digest, 6/19/2017

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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.