
WUC

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



GOVERNMENT RELATIONS UPDATE

From Milliron & Goodman Government Relations, LLC.

200 North 3rd Street ♦ Suite 1500 ♦ Harrisburg, PA 17101 ♦ Phone: 717-232-5322 ♦ Cell: 717-574-3963 ♦
Erik A. Ross, Associate ♦ www.millirongoodman.com

Harrisburg, PA

Erik@millirongoodman.com

July 24, 2017 -- Issue 1047

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

PA Tax Amnesty Collections Exceed Estimate; Program generates \$114.5 million for General Fund, surpassing the \$100 million projection

The 2017 PA Tax Amnesty Program will provide \$114.5 million for the 2016-17 fiscal year budget, exceeding the \$100 million net revenue estimate, the Pennsylvania Department of Revenue announced today.

“By running the tax amnesty program efficiently, the department will provide more revenue than expected for the general fund,” said Secretary of Revenue C. Daniel Hassell. “The temporary program enabled tens of thousands of individuals and businesses to settle their state tax debt and make things right with the commonwealth.”

Act 84 of 2016 authorized a tax amnesty that waived all penalties and half of the interest for eligible individuals or businesses that applied to the program and paid delinquent state taxes between April 21 and June 19, 2017.

A 5 percent penalty will be added to the accounts of taxpayers who were eligible for the program, but did not participate.

The preliminary tax amnesty collections totals may be revised slightly in the coming weeks.

For more information on the Department of Revenue, visit www.revenue.pa.gov, or visit our Facebook, which can be found [here](#).

Source: Department of Revenue Press Release, 7/19/2017

Governor Wolf Nominates Jerry Oleksiak to Serve as Secretary of Labor and Industry

On July 21, 2017, Governor Tom Wolf announced that he will nominate Jerry Oleksiak, a special education teacher and the president of the 180,000 member Pennsylvania State Education Association, to serve as Secretary of Labor and Industry.

“Throughout his 32 years in the classroom and as a voice for hundreds of thousands of workers across

Pennsylvania, Jerry has been dedicated to improving education and training, and the support of family-sustaining jobs," Governor Wolf said. "I am confident that Jerry can lead the Department of Labor and Industry to build on our improving business climate to encourage companies to locate and expand in Pennsylvania and to provide apprenticeships and other job training programs so workers have the skills to succeed in the 21st century economy."

In his three decades in the classroom, primarily in the Upper Merion Area School District, Oleksiak dedicated his career to educating students with special needs. As a local and region PSEA leader, he worked to ensure that the educators he represented were paid fairly. And, as a PSEA state officer for ten years, he led efforts to fund Pennsylvania schools, reform standardized testing, and advocate for working people in all walks of life.

"I thank the governor for the opportunity to join his administration," Oleksiak said. "I have always fought for working families and I see this as a great opportunity to help create good-paying, family-sustaining jobs across our state.

"No matter where you live or what you do for a living, Governor Wolf and I want to make sure that all Pennsylvanians have jobs that can open doors for a better future for their families," Oleksiak said. "That makes sense for our state's economy, the businesses that create jobs, and the men and women who make our state work."

Throughout his career, Oleksiak has collaborated with employers, employees, and community groups in order to create partnerships that benefit all stakeholders.

He used that experience to lead the 180,000 member PSEA, the largest professional association in Pennsylvania. Before becoming president in 2015, he served as PSEA vice president, treasurer, and as a member of the board of directors.

Oleksiak received his Master's degree in Education as well as a Bachelor's degree in International Relations and a teaching certificate in social studies from Saint Joseph's University.

Secretary Kathy Manderino is leaving the Department of Labor and Industry to join the Pennsylvania Gaming Control Board.

Source: Governor Wolf's Press Office, 7/21/2017

Pennsylvania's Unemployment Rate Remains at 5.0 Percent in June

On July 21, 2017, the Pennsylvania Department of Labor & Industry released its [employment situation report](#) for June 2017.

Pennsylvania's unemployment rate was unchanged over the month, remaining at 5.0 percent in June. The commonwealth's rate remained above that of the United States (4.4 percent), which was up one-tenth of a percentage point from May. Over the year, the Pennsylvania and national unemployment rates both declined by one-half of a percentage point.

Pennsylvania's civilian labor force was down 1,000 over the month to 6,475,000. Resident employment decreased by 3,000, while the unemployment count rose by 2,000.

Pennsylvania's nonfarm jobs count was up 6,100 to 5,936,400 in June. Although seven of the eleven supersectors added jobs, the largest movement was a decline of 6,000 in education and health services. The two largest increases both resulted in record highs – professional and business services was up 4,900 to 813,800 and leisure and hospitality rose 4,600 to 573,500.

Total nonfarm jobs in Pennsylvania were up 1.3 percent from June 2016, while jobs in the United States were up 1.6 percent. Seven supersectors in the commonwealth added jobs over the year, with three adding more than 20,000. The largest increase over the past 12 months was in education and health services (up 29,800), while the largest decline was in manufacturing (down 12,200).

Additional information is available on the L&I [website](#) or by following us on [Facebook](#), [Twitter](#), and [YouTube](#).

Note: The above data are seasonally adjusted. Seasonally adjusted data provide the most valid month-to-month comparison.

Source: Department of Labor & Industry Press Release, 7/21/2017

Environmental Justice Advisory Board Meeting Cancellation

The Environmental Justice Advisory Board meeting scheduled for Tuesday, August 1 has been cancelled. The next meeting will be held on Tuesday, November 14 in the Rachel Carson State Office Building, Harrisburg. Questions should be directed to Glenda Davidson at (717) 783-4759 or gldavidson@pa.gov. Agenda and meeting materials are available at <http://www.dep.pa.gov>.

Source: Pennsylvania Bulletin, [7/22/2017](#)

PA Supreme Court Ruling: Injured Worker Impairment Review Evaluations are Unconstitutional

Ruling to create havoc for employers, increase costs, disrupt workers' comp system

The Pennsylvania Supreme Court ruled that a section of the state's Workers' Compensation Act is unconstitutional because guides used by physicians for determining an employee's level of disability come from a private source - the American Medical Association. The National Federation of Independent Business (NFIB), which represents 14,000 small businesses in Pennsylvania said the ruling puts employers in the untenable position of being unable to determine if an

employee is permanently or just partially impaired and whether their benefits should continue.

"Small businesses with a limited staff already have a difficult time when an employee goes on temporary disability. This court decision prevents a doctor's review of that worker's progress and their ability to return to work," said Kevin Shivers, executive state director of NFIB PA. "This decision by the Supreme Court throws employers, and the state's workers' comp system into total turmoil and significantly raises costs."

The case, Protz v WCAB (Derry Area School District), involved an employee who hurt her knee on the job. After temporary total disability leave and benefits, the worker was later evaluated by a physician and found to be only 10-percent disabled. Her status was changed to reflect a partial disability and the duration of benefits became limited. The employee challenged the evaluation.

"As a result of the court's decision, employees found by licensed physicians to be just minorly disabled, are now likely to head to the courthouse seeking a reinstatement of full disability benefits," said Shivers.

Due to the ruling, the Pennsylvania Bureau of Workers' Compensation is immediately stopping the process of designating physicians to perform Impairment Rating Evaluations.

Source: NFIB Press Release, 7/22/2017

State pipeline safety legislation proposed by Comitta

State Rep. Carolyn Comitta, D-Chester, has announced plans to introduce three new pieces of legislation that would bolster the state's ability to protect private wells for its citizens, enhance interagency communication and create pipeline siting authority.

These bills follow her recent announcement calling for a state Pipeline Safety and Communication Board.

"After reading the Pipeline Infrastructure Task Force Report from February 2016 and speaking with residents, municipal officials, first responders, the secretary of Department of Environmental Protection and the chair of the Public Utility Commission, it was clear to me that we could be doing a lot more to ensure better communication and safety as it pertains to pipelines," Comitta said. "Talking with these agency heads helped to identify what was needed and areas where legislation would be helpful to them. I am happy to respond to this need."

The first bill would address the PUC's lack of siting authority for intrastate pipelines.

A second bill would amend the **PUC Confidential Security Information Disclosure Protection Act** in order to permit agencies to communicate sensitive information with each other.

The disclosure act was passed after 9/11 with the intent to protect information from getting into the wrong hands; however, it overreaches and restricts sharing of certain information between agencies, an unintended consequence, Comitta said. A third bill would grant the DEP enforcement of drilling regulations around private wells.

Source: Rep. Comitta Press Release, 7/19/2017

Baltimore City One of 12 Selected by EPA to Apply for New Water Infrastructure Funding

The U.S. Environmental Protection Agency is inviting the Baltimore City Department of Public Works to apply for a \$200 million federal loan to improve its water infrastructure. Baltimore City is one of 12 projects in nine states invited to apply for more than \$2 billion in Water Infrastructure Finance and Innovation Act (WIFIA) loans. These projects were selected from a group of 43 projects that submitted letters of interest to EPA in April 2017.

When awarded, the funds will be used to help Baltimore City complete a set of projects to repair, rehabilitate, replace, and upgrade its wastewater collection and treatment, water treatment and distribution, and stormwater management systems. These projects would improve the sanitary sewer collection; ensure the reliability and performance of the pumping stations and Maryland's two largest wastewater treatment plants; improve the drinking water distribution system to address reliability and performance, which provides direct public health benefits; and meet Clean Water Act permit requirements and obligations through stormwater improvements.

"Rebuilding America's infrastructure is a critical pillar of the President's agenda," said EPA Administrator Scott Pruitt. "These large-scale projects will improve water quality for 20 million Americans, especially those communities that need it the most - such as rural and urban communities."

"Maryland appreciates EPA's support for clean and affordable water infrastructure in Baltimore," said Maryland Secretary of the Environment Ben Grumbles. "Innovative financing and strong partnerships will help us in our continued efforts to restore and protect our most precious natural asset, the Chesapeake Bay."

"On behalf of Mayor Catherine E. Pugh, I'm delighted and honored to be invited to apply for this federal funding," said Baltimore Department of Public Works Director Rudolph S. Chow, P.E. "Our application covers important construction projects in Baltimore's water, sewer, and stormwater utilities, and helps us carry out our mission to support the health, environment, and economy of our City and the region. Just as importantly, this funding assistance helps alleviate the burden placed on our local ratepayers."

This year's projects will also leverage more than \$1 billion in private investment, in addition to other funding sources including EPA's State Revolving Fund (SRF) loans to help finance a total of \$5.1 billion in water infrastructure investments. The selected projects demonstrate the broad range of project types that the WIFIA program can finance including wastewater, drinking water, stormwater, and water recycling projects.

An invitation to apply indicates that EPA believes the selected projects will be able to attain WIFIA loans. However, the selected projects are not guaranteed loans. Selected projects must still submit an application for a WIFIA loan, pass a creditworthiness assessment, negotiate mutually-agreeable terms, and execute a credit agreement to receive WIFIA funding.

Established by the Water Infrastructure Finance and Innovation Act of 2014, the WIFIA program is a new federal loan and guarantee program at EPA that aims to accelerate investment in our nation's water infrastructure by providing long-term, low-cost supplemental credit assistance for regionally and nationally significant projects. For more information on all the WIFIA projects, click [here](#).

For more information about the WIFIA program, click [here](#).

Source: EPA Press Release, 7/19/2017

Governor Wolf Announces \$75 Million Investment in Water Infrastructure Projects in 20 Counties

On July 19, 2017, Governor Tom Wolf announced the investment of \$75 million for 23 drinking water, wastewater, storm water and non-point source projects across 20 counties through the Pennsylvania Infrastructure Investment Authority (PENNVEST).

"PENNVEST initiated its new fiscal year of funding by approving loans and grants for a wide variety of water quality improvement projects in all corners of the Commonwealth", said Governor Wolf. "These projects and the environmental, economic development and public health benefits that they create will further our collective goal of a cleaner and safer place for our families to enjoy as well as my vision for a better Pennsylvania, both now and for years to come."

The funding comes from a combination of state funds approved by voters, federal grants to

PENNVEST from the Environmental Protection Agency and recycled loan repayments from previous PENNVEST funding awards. Funds for the projects are disbursed after bills for work are paid and receipts are submitted to PENNVEST.

For more information, visit www.pennvest.pa.gov or call 717-783-6798.

A list of project summaries follows.

PENNVEST Drinking Water Projects

Bedford County

Bedford Township Municipal Authority received a \$3,685,000 loan to eliminate the use of almost 100 drinking water wells, many of which are contaminated, and install four miles of distribution lines and a 522,000 gallon storage tank to provide clean and safe drinking water to the homes currently using these wells.**

Clearfield and Jefferson Counties

Falls Creek Borough Municipal Authority received a \$2,000,000 loan to construct more than two miles of drinking water transmission line in order to connect to the City of Dubois' system and thereby provide the authority's customers with a dependable supply of safe drinking water.**

Erie County

Corry City Municipal Authority received a \$11,200,000 loan to construct more than five miles of new drinking water distribution lines and make a variety of other improvements as the first phase of its drinking water system renovation.**

Indiana County

Indiana County Municipal Services Authority received a \$5,198,598 loan and a \$4,760,402 grant to make a variety of improvements to five different drinking water systems that are operated by the authority in order to ensure the provision of safe drinking water to the residents served by these systems.**

Lawrence County

Wampum Borough received a \$460,000 loan to construct a supplemental drinking water filtration system that will improve the quality of the drinking water provided to residents, along with related monitoring equipment and a building to house that equipment.

Mifflin County

Newton Hamilton Borough received a \$2,789,322 loan and a \$1,386,678 grant to eliminate leaks and increase flow by replacing almost three miles of asbestos cement pipe distribution lines with new ten-inch ductile iron pipe as well as make other improvements to the borough's distribution system.

Northampton County

Hillendale on the Delaware, Inc. received a \$310,000 loan to construct a building that will house an above ground water storage tank, a disinfection system and booster pumps, as well as make other improvements to its drinking water treatment and distribution system.

Tioga County

Upper Tioga River Regional Authority received a \$6,463,664 loan and a \$2,455,336 grant to construct a new drinking water distribution system to serve residents of Covington, Putnam and Richmond Townships.**

PENNVEST Wastewater Projects

Bedford County

Bedford Township Municipal Authority received a \$2,146,210 loan to construct almost four miles of new sewage collection lines as well as a pump station to eliminate malfunctioning on lot systems.**

Cambria County

- Franklin Borough received a \$668,682 loan and a \$612,318 grant to replace about half a mile of deteriorated 100 year-old sewage collection pipe as well as replace 36 house lateral lines.

- Johnstown City received a \$5,580,000 loan to replace more than four miles of sanitary sewer laterals in the Ohio Street and Moxham areas of the city in order to reduce infiltration and inflows of excess water into the city's sanitary sewer system.**
- Johnstown Redevelopment Authority received an \$8,134,750 loan to rehabilitate or replace more than two miles of interceptor sewers in the Homerstown/Ohio Street area of Johnstown City.**

Centre County

Potter Township received a \$1,677,623 loan and a \$1,378,094 grant to construct a 14 thousand gallon per day sewage treatment plant, three and a half miles of new force mains as well as install fifty-seven new septic tanks.

Huntingdon County

Mapleton Area Joint Municipal Authority received a \$179,576 loan and a \$164,440 grant to upgrade its existing sewage treatment system by installing a new clarifier to be used in conjunction with existing clarifiers and also to construct a new pump station.

Montour County

Cooper Township Municipal Authority received a \$3,146,493 loan and an \$861,007 grant to construct more than nine miles of new sewage collection and transmission lines as well as a new pump station.

Warren County

North Warren Municipal Authority received a \$4,250,000 loan to construct and install a variety of improvements to its existing sewage treatment facility in order to improve the treatment process and the quality of the water it discharges.**

Washington County

Chartiers Township received an \$875,000 loan to create a new gravity sewage collection system by

constructing almost two miles of new collection lines.

Wyoming County

Lemon Township & Tunkhannock Joint Municipal Authority received a \$642,500 loan to design a new sewage collection and treatment system, including almost 10 miles of low pressure force mains, a 120 thousand gallons per-day treatment plant and other facilities to serve 382 residences in the township.

Non-point Source Water Quality Improvement Projects

Clarion County

Armstrong Conservation District received a \$925,754 grant to install a variety of best management practices, including infiltration trenches, vegetated swales, revegetation and reforestation along trails as well as removal of coal refuse.**

Centre County

Tri-Municipal Park received a \$107,891 loan and a \$215,778 grant to construct vegetated swales, rain gardens and a detention/infiltration basin in order to eliminate storm water runoff into a sinkhole and a nearby stream.**

Lancaster County

Chester County Conservation District and Elam King received a \$394,520 grant to install a new manure storage structure, animal walkways, roof gutters and downspouts and other facilities in order to reduce storm water runoff and nutrients from entering the nearby stream.**

Snyder County

Middleburg Borough received a \$978,500 grant to construct almost a mile of new storm sewers, 32 storm sewer inlets, and 1,400 feet of drainage swales.

York County

York County Rail Trail Authority received a \$950,000 grant to construct a 1.2 mile section of new trail and an on-site infiltration system in order to enhance the naturally occurring riparian buffer on the adjacent portion of Codorus Creek.**

** denotes funding is sourced from the Drinking Water State Revolving Loan Fund (DWSRF) or Clean Water State Revolving Loan Fund (CWSRF)

Source: PennVEST Press Release, 7/19/2017

#

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.