
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*

Wolf Administration Announces Project to Provide Drinking Water to 148 Homes and Businesses Affected by Legacy Mining Operations in Clearfield County

On behalf of Governor Tom Wolf, the Pennsylvania Department of Environmental Protection (DEP) announced funding for an Abandoned Mine Land (AML) project to construct a public waterline to serve 148 homes and businesses with public drinking water.

"The Pine Grove Waterline Project will eliminate health and safety hazards to the community and provide a safe, reliable public drinking water supply," said DEP Secretary Patrick McDonnell. "Residents here have struggled with diminished water supply and degraded water quality for too long."

Existing water supplies in the area do not meet minimum state and federal drinking water standards due to impacts of legacy underground and surface

coal mine operations. The project will include the construction and installation of a pump station and water storage tank, and construction of approximately 69,300 linear feet of waterline. The tank and pump station will facilitate future expansion of the waterline service.

"This project not only promotes public health by providing safe drinking water to residents, but it also promotes economic development by providing vital infrastructure to support businesses, making future development in the area possible," said McDonnell.

The Pine Grove Waterline Project is part of the Abandoned Mine Land Reclamation Pilot Program, funded by \$30 million from the Office of Surface Mining Reclamation and Enforcement (OSMRE), U.S. Department of Interior. Projects were chosen for their strong potential for combined community, economic, and environmental outcomes.

Joining Secretary McDonnell in discussing the importance of this project at today's event and touring the waterline route in Lawrence Township, Clearfield County, were United States Congressman Glenn Thompson and representatives from OSMRE, the Foundation for Pennsylvania Watersheds, the Clearfield Municipal Authority, and Bee Kind Winery.

Source: DEP Press Release, 10/16/2017

Governor Wolf Announces Department of Homeland Security Grants Pennsylvania REAL ID Enforcement Extension

*Applies to Residents' Access to Federal Facilities
through October 10, 2018*

On October 18, 2017, Governor Tom Wolf announced that the Department of Homeland Security (DHS) has granted Pennsylvania a REAL ID enforcement extension through October 10, 2018. This extension means that Pennsylvania residents will not face access issues when entering federal facilities or boarding commercial aircraft through that date.

"I am thankful that DHS has recognized Pennsylvania's efforts in becoming compliant with the REAL ID Act," said Governor Wolf. "REAL ID is a priority for PennDOT, and we look forward to being able to offer REAL ID-compliant products as an option for our customers."

PennDOT anticipates that REAL ID-compliant driver's licenses will be available at the customer's option in March 2019. Customers are encouraged to begin gathering the required documentation as soon as possible, giving them ample time to prepare. More information about what documents will be required is available on PennDOT's Driver and Vehicle Services website.

More information about REAL ID, including frequently asked questions, can be found at <http://www.dmv.pa.gov>.

Source: Governor Wolf's Press Office, 10/18/2017

Extension of NPDES General Permit for Stormwater Discharges Associated with

Construction Activities (PAG-02)

The Department of Environmental Protection extended for 12 months the availability of the current National Pollutant Discharge Elimination System General Permit for Stormwater Discharges Associated with Construction Activities. Documents are available online. Questions should be directed to Sean Furjanic, PE at (717) 787-2137 or sefurjanic@pa.gov.

Source: Pennsylvania Bulletin, [10/21/2017](#)

EQB: Proposed Rulemaking - Triennial Review of Water Quality Standards

The Environmental Quality Board proposed to amend Chapter 93 (relating to water quality standards) to fulfill the Federally-required triennial review of water quality standards as mandated by the Federal Clean Water Act. Details and information on public hearings are available in the Pennsylvania Bulletin.

Comments should be submitted to Environmental Quality Board, PO Box 8477, Harrisburg, PA 17105-8477.

Source: Pennsylvania Bulletin, [10/21/2017](#)

SRBC: Proposed Rulemaking - General Policies

The Susquehanna River Basin Commission published proposed rules intended to codify in the regulations and strengthen the commission's Access to Records Policy providing rules and procedures for the public to request and receive the Commission's public records.

Comments should be submitted by November 13 to Jason E. Oyler, Esq., General Counsel, Susquehanna River Basin Commission, 4423 N.

Front Street, Harrisburg, PA 17110-1788, or by e-mail to regcomments@srbc.net.

A public hearing will be held on November 2 from 2:30 p.m. to 5 p.m. at the State Capitol, Harrisburg.

Source: Pennsylvania Bulletin, [10/21/2017](#)

PENNVEST Approves \$11.5 Million Loan for Warminster Township Municipal Authority to Remove Drinking Water Contaminants

On October 18, 2017, state Senator Stewart J. Greenleaf (R, Montgomery/Bucks) announced that PENNVEST, the Pennsylvania Infrastructure Investment Authority, has approved an \$11,583,000 low interest loan for Warminster Township to fund the treatment of public water wells to remove **PFOS / PFOA** contaminants.

The loan will allow the township to fund the construction of 12 treatment units that utilize Granular Activated Carbon filtration in order to treat the water to levels of “No Detect” for Perfluorinated compounds (PFC).

Two of the wells contain PFC levels above what is recommended by the Environmental Protection Agency. The filtration systems will eliminate all detectable levels of the contaminants.

The project is expected to control the contaminant plume and may prevent contamination in other areas, including for residents who use private wells.

“I am very pleased that PENNVEST made this possible for Warminster residents,” said Senator Greenleaf. “We are working to ensure that everything possible is done to restore completely safe drinking water for all communities affected by contamination. These very low interest loans are

vital for municipalities to finance vitally important projects.”

Source: Senate Republican Communications, 10/18/2017

Governor Wolf Announces Investment in Water Infrastructure Projects in 12 Counties

On October 18, 2017, Governor Tom Wolf announced the approval of 15 drinking water, wastewater, storm water, and non-point source projects across 12 counties through the Pennsylvania Infrastructure Investment Authority (PENNVEST).

“PENNVEST continues our commitment to clean water with the approvals of these loans and grants for a variety of water quality improvement projects in all corners of the commonwealth.” said Governor Wolf. “These projects benefit the environment, economic development, and public health and will further our shared goal of a clean and safe environment for our families to enjoy, as well as, my vision for a better Pennsylvania, both now and for years to come.”

A list of project summaries follows:

PENNVEST Drinking Water Projects:

Bucks County

- *Warminster Township Municipal Authority* received a \$11,583,000 loan to construct 12 units to treat the water to levels of “Non-Detect” level for Perfluorinated compounds. *

Cambria County

- *Reade Township Municipal Authority* received a \$1,570,000 loan to replace approximately 1,350 feet of distribution line, 8,750 feet of raw water transmission line, and 420 residential meters.

Clearfield and Jefferson Counties

- *Falls Creek Borough Municipal Authority* received a \$1,329,200 loan and \$670,800 grant

to construction an interconnection with the City of DuBois, a control meter vault, pressure reducing valve vault and 12,600 feet of water transmission line.

PENNVEST Wastewater Projects:

Cambria County

- *Ebensburg Municipal Authority* received a \$9,000,000 loan to replace 60,500 feet of main line piping, manholes and laterals comprising most of the wastewater collection system. **
- *Hastings Area Sewer Authority* received a loan of \$9,520,899 and \$3,154,101 grant to replace approximately 56,000 feet of existing sewer mains, 275 manholes, 695 laterals/observation ports and all other necessary appurtenances. **
- *City of Johnstown* received a \$10,900,000 loan to construct 33,900 feet of sewer line, 8,400 feet of pipe liner, 205 manholes and 510 lateral inspection ports. **
- *West Taylor Township* received an \$856,623 loan and \$343,377 grant to rehabilitate sewer lines, manholes, and extension of service.

Elk and Jefferson Counties

- *Brockway Area Sewer Authority* received a \$2,993,603 loan and \$1,510,765 grant to upgrade components at the wastewater treatment facility, replace sewer lines, pump stations and force main.

Erie County

- *Lake City Municipal Sewer Authority* received a \$4,612,000 loan to upgrade and expand their wastewater sewer facilities, provide a new lift station and force main. This project supports the retention of 420 local commercial and industrial jobs.

Fayette County

- *Fairchance-Georges Joint Municipal Sewage Authority* received a \$15,759,284 loan and \$4,247,716 grant to expand the capacity of the existing treatment facility, as well as a pump station and 89,750 ft. of sewer line extension into Georges Township. **

McKean County

- *Bradford Sanitary Authority* received a \$4,652,200 loan and \$2,347,800 grant to construct two new aerobic digesters, new chlorine building, extended outfall diffuser, sludge dewatering, belt filter presses, activated sludge pumps and other related treatment facility rehabilitation and upgrades.

Monroe County

- *White Oak Country Estates Property Owners Association* received a \$775,000 loan to construct a new pre-cast concrete in ground package plant.

Non-point Source Water Quality Improvement Projects:

Allegheny County

- *Homestead Borough* received a \$1,209,656 loan to install green infrastructure in a partnership with Steel Valley School District. The project will capture and infiltrate all the runoff from the site through the installation of four infiltration trenches with 18,900 cubic feet of storage.

Storm Water Projects:

Cumberland County

- *Mount Holly Springs Borough* received a \$1,640,650 grant to install approximately 2,088 feet of storm sewer pipe, 245 feet of grass drainage swales, installation of 26 inlets and installation of one rain garden and adjacent bollards.

Northampton County

- *Bangor Borough* received a \$1,986,826 grant to eliminate the existing slate box culvert and replace it with a 66" storm sewer adequately sized to convey storm flows and prevent further property damage.

* denotes projects that have Drinking Water State Revolving Funds

** denotes projects that are funded with Clean Water State Revolving Funds

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 have been paid and receipts submitted to PENNVEST.

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

Source: PENNVEST Press Release, 10/18/2017

Shale Tax Legislation Clears House Finance Committee, O'Neill Says

Legislation to enact a severance tax on natural gas production in the Commonwealth cleared its first hurdle on October 18, 2017 passing the House Finance Committee by a bipartisan vote of 16-9, announced Finance Chairman Rep. Bernie O'Neill (R-Bucks).

O'Neill offered a comprehensive amendment to House Bill 1401, which was authored by Rep. Gene DiGirolamo (R-Bensalem).

"This amendment is an example of both parties working together to find agreement on a concept supported by the majority of Pennsylvanians," O'Neill said. "With this modest shale tax, I believe we've struck the right balance between asking drillers to pay their fair share and giving them room to grow and continue providing jobs and economic benefits to our state."

[House Bill 1401](#) would impose an incremental severance tax based on the average annual market value of natural gas in addition to the current per-well impact fee. The tax would apply to unconventional gas wells that are also subject to the state's impact fee. The rate would start at 2 cents per thousand cubic feet of natural gas if the price is not more than \$3 and increase to a maximum of 3.5 cents if the market price is greater than \$5.99.

"This proposal uses an incremental approach to ensure we are not taxing this industry out of the state," O'Neill said.

House Bill 1401 would include safeguards for landowners and leaseholders in natural gas-producing regions, by ensuring that producers may not pass on the severance tax.

"We are long overdue to have a broader conversation on this issue, and Pennsylvanians are ready to hear it. Moving this proposal to the full House for consideration will allow that conversation to occur," O'Neill said.

Under the bill, revenues collected as a result of the tax would be deposited into the General Fund.

Source: Rep. O'Neill Press Release, 10/18/2017

Sewer and Septic Repair Loan Program Expanded to include Repairs to Existing Sewer Connections for Homeowners

Previously, program only covered first-time sewer connections, not repairs

The Pennsylvania Infrastructure Investment Authority (PENNVEST) and the Pennsylvania Housing Finance Agency are expanding a program intended to help homeowners with repairs and connections to septic and sewer systems. The goals are to help homeowners deal with the unexpected expenses related to this work and to protect water quality in Pennsylvania.

The Homeowner Septic Program previously covered repairs to residential septic systems and first-time connections to a public sewer. It now is being expanded to include loans for repairs to existing sewer line connections to homes.

This latest enhancement is in addition to other improvements made to the loan program in the last two years. For instance, it was previously announced that the loan program now has expanded eligibility requirements, can approve loan amounts up to \$25,000 (including loans for manufactured homes), and has increased the number of local and regional lending participants.

"We're excited to be expanding this program for homeowners who already are connected to a public sewer system but need to repair the lateral from their house to the main line," said PENNVEST Executive Director Brion Johnson. "The cost of these repairs can be burdensome, but now homeowners have some place to turn for help."

PHFA's Executive Director and CEO Brian A. Hudson Sr. added, "What makes these sewer line repairs so challenging for homeowners is that they usually are an unexpected expense, and they can be costly. So the fact that we offer an affordable loan to help soften the financial impact should be welcome news for homeowners."

The lenders who originate the Homeowner Septic Program loans are: Liberty Mortgage Corporation, Erie; The Muncy National Bank, Muncy; Widget Financial Credit Union, Erie; American Bank, Allentown; Erie FCU, Erie; and Members' Choice Financial Credit Union, Danville. Together they make the Homeowner Septic Program available statewide. PHFA expects to have additional lenders joining the program in coming months.

Homeowners who want more information or want to start the PENNVEST application process should contact one of these [participating lenders](#). They can also call PHFA at 1-855-U-Are-Home (827-3466), and then press "0" to be connected with the agency's Customer Solutions Center. Information is available on [PHFA's website](#), too.

Lenders interested in participating in the Home Septic Program should visit the PHFA website <https://www.phfa.org/programs/repairs.aspx>, too, or call Roberta Schwalm with PHFA at (717) 780-3838.

About PHFA

The Pennsylvania Housing Finance Agency works to provide affordable homeownership and rental housing options for older adults, low- and moderate-income families, and people with special housing needs. Through its carefully managed mortgage programs and investments in multifamily housing developments, PHFA also promotes economic development across the state.

Since its creation by the legislature in 1972, it has generated more than \$13.4 billion of funding for more than 169,670 single-family home mortgage loans, helped fund the construction of 132,531 rental units, and saved the homes of nearly 49,000 families from foreclosure. PHFA programs and operations are funded primarily by the sale of securities and from fees paid by program users, not by public tax dollars. The agency is governed by a 14-member board.

Source: Pennsylvania Housing Finance Agency, 10/17/2017

House Sends Admin Code Bill to Governor WITH Environmental Riders

On October 18, 2017, the House concurred in Senate amendments to the Administrative Code bill that is part of the Senate budget package -- [House Bill 118](#) (Kaufer-R-Luzerne). The action sends the bill to the Governor for his action.

The bill contains a series of environmental riders, including:

- **Recycling Fee Extension:** Removes the sunset date for the \$2/ton municipal waste recycling fee and funds will remain in the Recycling fund for grants.
- **Solar Borders:** Requiring solar energy credits under the Alternative Energy Portfolio Standards to be purchased within Pennsylvania. [[Senate Bill 404](#) this session, [House Bill 2040](#) last session.]
- **Manganese Standard:** Directs the Environmental Quality Board to adopt a proposed manganese standard within 90 days that includes the 1 milligram/liter manganese standard established under [25 Pa Code Chapter 93.7](#) and insure the standard is met at the point of intake for water suppliers ([25 Pa Code Chapter 96.3](#)). The 1 milligram/liter standard is 20 times the level of manganese that water suppliers are allowed to have in their water

supplies, according to EPA's secondary maximum contaminant level.

- **Conventional Oil & Gas Wastewater Treatment:** Requires water treatment facilities providing water disposal services exclusively to conventional oil and gas wells shall be allowed to operate under existing permits through December 31, 2019. [Supported by conventional oil & gas drilling industry and applies to three privately-operated conventional wastewater treatment facilities.]
- **Wyoming County State Park:** Requires DCNR to conduct a feasibility study for the establishment of a state park in Wyoming County, including an appraisal of the fair market value of property proposed for a state park. [No funding provided.]

Sen. John Yudichak (D-Luzerne), Minority Chair of the Senate Environmental Resources Committee, said this about passage of the bill: "By providing a permanent funding mechanism, we are not only supporting our local government recycling collection programs, we are also fueling our local economies by aiding markets for waste industry employers and our manufacturing sector, which frequently relies on recyclable materials," said Sen. Yudichak.

"We are making significant progress in our clean energy sector with nearly 70,000 jobs statewide. Renewables are filling energy needs throughout the state, including in Carbon County, which boasts the state's largest solar park that will ultimately produce enough electricity to fuel 3,000 homes," Sen. Yudichak added.

Click [here](#) for a copy of the House Fiscal Note and summary. Click [here](#) for a copy of the Senate Fiscal Note and summary.

Source: PA Environmental Digest, 10/23/2017

House Passes Tax Code Bill with NO Environmental Riders, Returns To Senate

A bipartisan vote of 70 Republicans and 32 Democrats Tuesday was enough to pass a Tax Code bill -- [House Bill 542](#) (Thomas-D- Philadelphia)-- another attempt at putting a revenue package on the Governor's desk to support the \$31.9 billion General Fund budget the General Assembly passed in June.

House Majority Leader David Reed (R-Indiana) said the bill authorizes the Commonwealth Financing Authority to borrow \$1.5 billion by securitizing or "liquidating" the Tobacco Settlement and possibly some other General Fund monies, would apply the Sales Tax to online marketplaces (\$43.5 million) and impose a new 12 percent assessment on fireworks purchases (\$31.7 million).

Also included are provisions related to the Net Operating Loss in the event of an adverse PA Supreme Court decision*, changes to the timing and withholding of individual and lease taxes, a deduction for manufacturing innovation and reinvestment was added along with establishing two film production tax credit districts and an entertainment economic enhancement program tax credit for rehearsal areas.

There is no commercial storage, hotel or natural gas severance tax. Click [here](#) for more on the severance tax.

There are no environmental riders and the Wild Resource Conservation Tax Checkoff is also extended indefinitely.

Click [here](#) for a House Fiscal Note and summary.

The bill now goes back to the Senate for a concurrence vote.

Senate Majority Leader Jake Corman (R-Centre) said Wednesday the Senate will give the House revenue package "serious consideration" over the next few days and hopefully come back next week ready finish work on the budget, adding "there is a lot of value in getting this done." He said amending what the House sent over and returning it and expecting success was a longshot at best.

Gov. Wolf's office said the House proposal does not meet the [Governor's targets](#) for new, recurring revenues and again urged the General Assembly to pass a natural gas severance tax.

The Governor's Office expressed the hope this proposal will serve as a launching point for the next, and hopefully final, round of budget negotiations.

Other Budget Pieces

The other parts of Majority Leader Reed's revenue package, but not yet scheduled for action by the House, are:

- **Administrative Code Bill** -- [House Bill 118](#) (Kaufer-R-Luzerne) -- was approved October 18, 2017 without changes and sent to the Governor who is expected to sign in or let it become law. It does include environmental riders that concern many groups, but it also extends the \$2/ton Recycling Fee indefinitely and requires solar energy credits under the Alternative Energy Portfolio Standards Program to be purchased within Pennsylvania. Click [here](#) for more;
- **\$300 million in special fund transfers** (picked by the Governor in some options) to the General Fund using any one of several bills as potential vehicles; and
- \$200 million as a result of gaming expansion possibly using [House Bill 271](#) (Ortitay-R-Allegheny) now in the Senate Rules Committee.

Rep. Reed also said it was a House Republican goal to pass funding for state-related universities.

What's Next?

House Republicans Thursday canceled voting session for the week of October 23 saying they were waiting for the Senate to act on budget bills. While the Speaker put members on a 12-hour call, the next scheduled session days for the House start the week of November 13, after the election.

The Senate is still set to return to voting session October 23, and then they too will be off until November 13.

There are likely to be more twists and turns in the bumpy 115 day ride to finishing the state budget.

Then, in just over 3 months, Gov. Wolf presents his FY 2018-19 budget and we start all over again!

Source: PA Environmental Digest, 10/23/2017

House Passes Utility, Natural Gas Pipeline Safety PA One Call Bill, Returns to Senate

On October 18, 2017, the House gave final approval to [Senate Bill 242](#) (Baker-R-Luzerne) adding unconventional and larger conventional natural gas gathering lines to the [PA One Call](#) utility safety program.

There are now an estimated 100,000 miles of unmapped natural gas pipelines in Pennsylvania vulnerable to hits from construction and digging equipment.

Prime sponsor Sen. Lisa Baker (R-Luzerne) noted in a background memo on the bill there are more than 6,000 incidents of striking utility lines every year, with approximately half involving natural gas lines because facility owners do not join the PA One Call program or for other reasons. Click [here](#) for more.

The bill now returns to the Senate for a concurrence vote. A [House Fiscal Note](#) and summary is available.

Source: PA Environmental Digest, 10/23/2017

Water Resources Advisory Committee to Discuss New E&S General Permit for Small Projects, Water Permit Fee Increases Oct. 25

The DEP [Water Resources Advisory Committee](#) is scheduled to meet on October 25 to discuss a new proposed PAG-01 General Permit covering erosion and sedimentation from small projects and a proposal to increase water quality permit review fees.

Small Project PAG-01

The recommendations for a new general permit covering small projects-- five acres or less-- came out of 7 listening sessions DEP held earlier this year with consultants and permit applicants on the Chapter 102 erosion and sedimentation control and NPDES permitting process.

All projects of one acre or more in size had been covered by the existing PAG-02 General Permit for stormwater discharges associated with construction activities or an individual NPDES Water Quality permit.

When DEP did an evaluation of its workload and the applications it receives, they found as many as 40 or 50 percent of the permit applications covered projects of five acres or less.

The new General Permit is being proposed to cover smaller, simpler, low impact projects, like a farmer putting up a barn on level ground. The intent is to allow DEP to focus its limited staff resources on projects that are larger and have more potential to negatively impact on the environment.

Permit Fee Increases

DEP had discussed fee increase proposals covering Chapter 91 (Water Quality Management) and 92a (NPDES) permit starting in March of 2016, including one that would phase-in fee increases over five years.

An updated analysis of funding and costs for these programs by DEP shows revenue will be needed much sooner just to maintain the existing program given the loss of other state funding. DEP will be discussing an option to take out the proposed phase-in.

The meeting will be held in Room 105 Rachel Carson Building starting at 9:30.

For more information and available handouts, visit the DEP Water Resources Advisory Committee [webpage](#). Questions should be directed to Diane Wilson by calling 717-787-3730 or send email to: diawilson@pa.gov .

Source: PA Environmental Digest, 10/23/2017

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