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# 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*

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### Media Advisory – Senate Environmental Resources and Energy Committee to Hold Public Hearing on Lead Exposure and Mitigation

The state Senate Environmental Resources & Energy Committee will discuss lead exposure and mitigation during an upcoming public hearing, according to Committee Chairs Senator Gene Yaw (R-23) and Senator John Yudichak (D-14).

The hearing will be held **Monday, October 30th, 2017 beginning at 11:00 AM** at the John P. Cosgrove Center, Pittston Memorial Library, 47 Broad Street in Pittston, PA 18640.

Committee members will receive an overview of existing state services, environmental and public health policies, as well as gain insight from public- and private-sector individuals with experience in lead testing or mitigation.

Those expected to offer testimony during the hearing include Lisa Daniels, Acting Deputy Secretary for Water Programs, Department of

Environmental Protection; Dr. Loren Robinson, Deputy Secretary for Health Promotion and Disease Prevention, Department of Health; Jennifer Berrier, Director, Bureau of Occupational and Industrial Safety; Michael Lombardo, Vice Chair, Pittston Redevelopment Authority; Henry Radulski, Health Director for the City of Wilkes-Barre; Cherie Gudz, Vice President, Environment, Health and Safety, SGS; and David Kaufman, Vice President, Engineering, Pennsylvania American Water.

To watch the hearing online, visit:  
<http://environmental.pasenategop.com/> .

**Source:** Senate Republican Communications,  
10/27/2017

### IRRC Submits Comments to the Environmental Quality Board

Comments are available on the IRRC website at:

- **Environmental Quality Board: #7-521:**  
[Safe Drinking Water; General Update and Fees](#)

The regulatory review process in Pennsylvania is a two-stage process. The submission of comments on this regulation concludes IRRC's formal role at the proposed stage.

The promulgating agency is required to respond to all comments received on their proposed regulation when submitting the final regulation with or without changes to IRRC and the legislative standing committees.

Commissioners:

- Chairman George D. Bedwick
- Vice Chairman John F. Mizner, Esq.
- W. Russell Faber
- Murray Ufberg, Esq.
- Dennis A. Watson, Esq.

The Independent Regulatory Review Commission provides oversight and review of all proposed and existing rules and regulations issued by all departments, boards, commissions, agencies or other authorities of the Commonwealth, excluding the Legislature, Fish and Boat Commission, the Game Commission, and any court, political subdivision, or municipal or local authority. IRRC also acts as a clearinghouse for complaints, comments and other input regarding existing, proposed, final-form and final-omitted regulations.

For recent news and updates on Commission proceedings or information about IRRC, visit our website at <http://www.irrc.state.pa.us/> and follow IRRC on Twitter: @PA\_IRRC.

Source: IRRC Press Release, 10/25/2017

## One Call Expansion Protects Communities and Workers

Legislation recently approved to extend and expand the provisions of the PA One Call law will improve public safety, according to Sen. Lisa Baker (R-20th District) who sponsored the measure.

“This bill is a substantial improvement in prevention and protection, building upon a solid and

proven system,” she said. “We are extending a sound law and expanding its reach to further provide community and worker protection.”

Also known as 811, PA One Call is a communications system that helps prevent damage to underground utilities and avoid tragedies by requiring companies and people to “Call Before You Dig.” That information is then used to determine if there are any lines at-risk in the area, so they can be marked prior to excavation.

The new provisions include consolidating enforcement through the PUC, adding coverage of pipelines in Class 1 rural areas, making damage reporting mandatory, broadening mapping requirements to better locate new and existing lines, and establishing a Damage Prevention Committee to help provide oversight and promote best practices.

“By implementing some common sense safety measures, we are improving the system and acting to help prevent catastrophes,” Baker added.

It is estimated there are more than 6,000 “hits” each year, approximately half involving natural gas lines. These incidents jeopardize the public, place workers at risk, and compromise infrastructure. Preventing pipeline damage increases safety and reduces costs.

The [bill](#) now heads to the governor for his signature.

[SEE ATTACHED FACT SHEET FOR MORE INFORMATION](#)

Source: Senator Baker Press Release, 10/24/2017

## PUC Commends General Assembly for Approval of Key Safety Enhancements to PA One Call Program

On October 23, 2017, the Pennsylvania Public Utility Commission (PUC) commended members of the General

Assembly for crafting and approving legislation focused on enhancing the Pennsylvania One Call System (PA One Call), as part of a statewide effort to reduce the number of "hits" on underground utility infrastructure and better safeguard the public.

"There are about 6,000 reported hits on underground facilities across Pennsylvania every year, which means that a pipeline or other vital utility system is struck once every 20 minutes during the average workday," noted Commissioner John F. Coleman Jr., who has been a strong advocate for safety improvements. "Our goal from Day One is to cut the number of those incidents by eliminating exemptions and strengthening enforcement, as part of a focused program to reduce risks to our contractors, utility workers and residents."

The PA One Call system alerts utilities within an intended digging area and prompts them to mark where their facilities are located on that property. State law requires contractors and residents to contact PA One Call at least three business days prior to excavation, but exemptions have allowed some facility owners to not participate in the program and avoid marking their lines - or allowed some excavation to occur without contacting PA One Call - resulting in added risks to contractors and bystanders and, unfortunately, at least one recent deadly accident.

"Speaking from my experience in the industry and as a farmer, I am acutely aware of the potential dangers of underground lines and the dependence workers in the field have in knowing where hazards lie," PUC Vice Chairman Andrew Place told legislative leaders in a personal plea for enhancements to the PA One Call program. "Strengthening this program will impact both public safety and public confidence in energy and utility development across Pennsylvania."

Senate Bill 242, which was approved by a 188-1 vote in the State House and 50-0 in the State Senate, addresses past exemptions to the PA One Call law. Additionally, the legislation shifts enforcement authority to the PUC, which will use a dedicated enforcement team and "damage prevention program" modeled after other successful state

efforts, to target a 50% reduction in hits within the next five years.

"We thank Senator Baker for her prime sponsorship of this important legislation and the General Assembly for addressing this key safety issue," said PUC Chairman Gladys M. Brown. "This is a step forward for utility, contractor and consumer safety in Pennsylvania and we will now turn our attention to implementing these improvements."

The PUC has been a strong advocate for changes in the PA One Call program aimed at addressing key concerns, such as:

- Facility owners who do not join PA One Call;
- Excavators who do not call before digging;
- Entities who do not respond when alerted of a project;
- Structural damages that are not reported; and
- Violations that are not enforced.

"Hits on underground utility systems are not only a hazard to workers and bystanders, but also result in service interruptions, possible environmental damage and costly repairs to damaged lines - which drives up the cost of utility service for everyone," said Commissioner David W. Sweet. "The improvements to the PA One Call law are the result of a collaborative effort by legislators, contractors, utilities, municipalities and other stakeholders, all with a shared goal of making Pennsylvania a safer place to live and work."

For more information on the PA One Call program, visit <http://www.pa1call.org/>.

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, 10/23/2017

## SRBC to Hold Public Hearing on Water Project Applications and Proposed Rulemaking

*Written comments accepted through Nov. 13, 2017*

The Susquehanna River Basin Commission (SRBC) will receive public comment at a hearing on **Thursday, Nov. 2, 2017**. The subjects covered by the hearing include applications for several water withdrawal and consumptive use projects and a proposed rulemaking, which would amend the Commission's regulations to codify and strengthen its Access to Records Policy.

The SRBC Commissioners are scheduled to vote on these and other action items at their next business meeting on Friday, Dec. 8, 2017, in Annapolis, Md.

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 18 project applications, proposed rulemaking, 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 Nov. 13, 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, 10/25/2017

## Wolf Administration Signs Agreement to Regulate, Monitor Water Releases to Delaware River

The Pennsylvania Department of Environmental Protection (DEP) has signed a revised multi-state agreement that will continue water releases into the Delaware River from three New York City reservoirs. These releases support a variety of water uses in the portion of the river that forms the eastern border of the Commonwealth, and will prevent threats to public health and the environment.

"Our focus has been and will continue to be protecting our water and land resources under all scenarios. It is important that we preserve our right to do so," said DEP Secretary Patrick McDonnell. "This new agreement protects Pennsylvania's water supplies and wildlife, as well as the recreational and

sporting activities that take place in the Delaware River Basin."

The three New York City reservoirs (Pepacton, Cannonsville and Neversink) are located at the headwaters of the Delaware River. Since 1954, Pennsylvania, New York, New York City, New Jersey and Delaware have jointly managed water resources that are vital to the river's health, especially in times of low flows and floods. The most recent agreement, signed in 2007, expired in May. The new 10-year agreement establishes a revised Flexible Flow Management Program (FFMP), which provides protection for the resources in the Delaware River Basin. The agreement also requires the parties to study ways to better manage those resources in the future.

Because the Delaware River supplies water for a multitude of purposes, carefully monitoring and regulating its flow is essential to downstream water supplies, protecting fisheries and wildlife habitats, enhancing flood mitigation, and inhibiting the upstream movement of salt water in the Delaware Estuary.

More information on the FFMP agreement can be found at <http://www.ahs.dep.pa.gov/NewsRoomPublic/Redirector.aspx?varURL=https://water.usgs.gov/osw/odr/m/>.

Source: DEP Press Release, 10/23/2017

## **DRBC Supports the Decree Parties' 10-Year Extension of the Flexible Flow Management Program**

**O**n October 26, 2017, the Delaware River Basin Commission (DRBC) recognized with appreciation the new 10-year, two-part Flexible Flow Management Program (FFMP) that was unanimously approved by the parties to the 1954 U.S. Supreme Court Decree, which are the basin states of Delaware, New Jersey, New York, and Pennsylvania and the City of New York (NYC) (the decree parties).

"This new agreement helps to balance the water supply needs of the four basin states and NYC," said DRBC Executive Director Steve Tambini. "At the same time, the agreement continues to evolve to better protect aquatic life, enhance flood mitigation and recreation, manage droughts, and repel the upstream migration of salty ocean water into the Delaware Estuary during periods of low river flow."

The new agreement guides the releases of water from New York City's Neversink, Pepacton, and Cannonsville reservoirs, flow objectives in the main stem Delaware River, and out of basin diversions by New York City and New Jersey. The most recent iteration of the agreement expired in May. Since then, the decree parties have negotiated the new agreement using updated forecasting tools and data.

"We are proud to have furnished the decree parties with expert modeling and technical support, along with the staff level coordination needed for informed decision-making. Members of the DRBC staff worked hard to ensure the parties had the best possible information as they developed this new plan," said Tambini.

The decree parties were also supported by the DRBC's Regulated Flow Advisory Committee (RFAC), a DRBC technical working committee focused on flow management that provides a vehicle for public input to the decree parties. Many of the changes in the 2017 FFMP were made in response to constructive public input obtained through the RFAC process.

"As the agreement enters the implementation stage, DRBC staff will continue to offer its technical expertise and RFAC process to support and advise the decree parties as they consider ways to continue to adapt and improve relevant water resource management within the Delaware River Basin," said Tambini.

The DRBC is a federal/interstate government agency responsible for managing the water resources within the Delaware River Basin without regard to political boundaries. The five commission members are the governors of the basin states (Delaware, New Jersey, New York, and Pennsylvania) and the commander of the U.S. Army

Corps of Engineers' North Atlantic Division, who represents the federal government.

To learn more about the commission, please visit [www.drbc.net](http://www.drbc.net) or follow DRBC on Twitter at [@DRBC1961](https://twitter.com/DRBC1961).

Source: DRBC Press Release, 10/26/2017

## DEP Publishes Pennsylvanians' Input on Environmental Justice from Statewide Listening Tour

As a next step in reshaping its environmental justice office, the Pennsylvania Department of Environmental Protection (DEP) has published the transcripts and a document listing all comments received during DEP's statewide listening tour on environmental justice. The tour, held at nine locations around the state, solicited feedback on DEP's policies regarding environmental justice, which is the principle that communities and populations should not be disproportionately exposed to adverse environmental impacts.

As DEP continues to review the comments, staff are analyzing how environmental justice communities are defined, examining improvements to receiving public input, and developing best practices to ensure communities are sufficiently engaged during the decision-making processes. This review, as well as continuing conversations with the public, will help steer revisions to existing DEP policies and procedures.

"The Office of Environmental Justice fulfills a critical role within DEP – ensuring that all Pennsylvanians, especially those who have historically been disenfranchised, are fully involved in decisions that affect their environment and community," said DEP Secretary Patrick McDonnell. "These listening sessions started a meaningful dialogue on how we can improve on our responsibility to ensure environmental justice."

Secretary McDonnell hosted nine listening sessions across the state between April 12 and May 25, 2017, hearing from residents about their perspectives on environmental justice.

The Department solicited input on the following questions:

- What environmental justice concerns are most pressing in your community?
- Do you feel that the current definition of an environmental justice community (20% poverty and/or 30% minority) properly represents the needs of your community and the Commonwealth at large?
- Do you feel the DEP is engaged with marginalized communities to ensure that they have a voice in the decision-making process? How can the DEP be more engaged with these communities?
- What tools have you used to find out information on DEP permitting/enforcement actions?
- What ways can the DEP be more effective at sharing information with the public?
- How can the DEP be more effective at receiving public input?
- What resource(s) is your community lacking that the DEP can provide that would assist in efforts to ensure environmental equity?
- What additional steps can be taken by the Department to effectively reach out to these vulnerable communities to ensure that their concerns are taken into consideration?

The comments received from 149 individuals and organizations will help drive revisions to the program and the process of engaging the public during permitting, enforcement, and grantmaking.

The comments will be discussed in detail at the November 14 meeting of DEP's Environmental Justice Advisory Board. The board provides guidance to DEP on environmental justice policies.

Information on the Environmental Justice Advisory Board and meeting materials can be found at:

<http://www.dep.pa.gov/PublicParticipation/EnvironmentalJustice/Pages/default.aspx>

The listening tour documents can be found at:  
<http://www.dep.pa.gov/PublicParticipation/OfficeofEnvironmentalJustice/Pages/default.aspx>

The Office of Environmental Justice can be reached by email at [RA-EPOEJ@pa.gov](mailto:RA-EPOEJ@pa.gov)

Source: DEP Press Release, 10/23/2017

## Sewage Advisory Committee Workgroup Meetings

The Sewage Advisory Committee workgroup will meet at 9:30 a.m. on the following dates:

- November 2, 2017 in Room 105, Rachel Carson State Office Building, 400 Market Street, Harrisburg, PA;
- November 15, 2017 in the Desert Room, Keystone Building Meeting Center, 400 North Street, Suite 114 East, Harrisburg; and
- November 30, 2017 in the 4th Floor Training Room, Rachel Carson State Office Building, 400 Market Street, Harrisburg.

Questions can be directed to Janice Vollero at (717) 772-5157.

Source: Pennsylvania Bulletin, [10/28/2017](#)

## EQB Proposed Rulemaking – Triennial Review of Water Quality Standards; Correction to Public Hearing

The date and address of the public hearing at the Northeast Regional Office are corrected as follows to be held at 2:00 p.m.:

- December 6, 2017 Department of Environmental Protection Northeast Regional Office 2nd Floor Conference Room 2 Public Square Wilkes-Barre, PA 18701;
- December 8, 2017 Department of Environmental Protection Southcentral Regional

Office Susquehanna Conference Room 909  
Elmerton Avenue Harrisburg;

- December 14, 2017 Department of Environmental Protection Southwest Regional Office Waterfront Conference Rooms A and B 400 Waterfront Drive Pittsburgh, PA 15222.

Persons wishing to present testimony at a hearing are requested to contact the Environmental Quality Board, PO Box 8477, Harrisburg, PA 17105-8477, (717) 787-4526 at least 1 week in advance of the hearing to reserve a time to present testimony.

Source: Pennsylvania Bulletin, [10/28/2017](#)

## Governor Wolf Announces \$25.4 Million Investment in Clean Water Infrastructure Impacting Seven Counties

On October 27, 2017, Governor Tom Wolf announced the investment of \$25.4 million in loan funding for a public/private partnership project covering seven counties in northcentral and northwestern Pennsylvania that will serve to preserve, protect and improve water quality while supporting core economic opportunities with the commonwealth's important lumber industry.

The loan funding was approved by the Pennsylvania Infrastructure Investment Authority (PENNVEST) Board of Directors.

"This is an example of how government and private sector interests can intersect to protect the environment, and improve water quality as we help preserve important segments of our forested areas all the while creating jobs and economic opportunities as they are managed for future generations," said Governor Wolf.

"The Department of Conservation and Natural Resources (DCNR) Bureau of Forestry has been working closely with PENNVEST, the Department of Environmental Protection, local officials and industry leaders to help pull together this important

project that will provide working conservation easements to allow sustainable forestry, protect high quality streams, and mitigate acid mine drainage," said DCNR Secretary Cindy Adam Dunn.

Dunn noted that a conservation easement limits certain uses or prevents subdivision and fragmentation from taking place on the land, which still remains in private hands to continue to provide economic benefits in the form of jobs and property taxes.

The funding for this project 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](http://www.pennvest.pa.gov) or call 717-783-6798.

#### Non-point Source Water Quality Improvement Project:

Cameron, Clinton, Elk, Jefferson, McKean, Potter, Venango Counties

**\*\*** Lyme Timber Company LP received a \$25,450,115 loan to support the purchase of 23 large tracts of privately owned forest land, placing over 9,362 acres into working forest conservation easement, and an acid mine drainage restoration project within the Sterling Run property. This project is expected to create over 50 new forestry jobs over the next several years and leverage over \$91,000,000 in private investment.

\* denotes projects that have Drinking Water State Revolving Funds

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

**Source:** Governor Wolf Press Release, 10/27/2017

## Governor Wolf to Examine Overhaul of Pennsylvania's

## Professional Licensing System

Governor Tom Wolf has signed an [executive order](#) to begin a review of the commonwealth's professional licenses to benchmark Pennsylvania's licensing requirements against national and regional averages. The review will ensure that professional licenses are free from unnecessary barriers to opportunity from excessive licensing requirements, fees and policies that unnecessarily block hardworking Pennsylvanians from the career of their choice, while also protecting against public harm.

"Requiring a license to work in certain jobs helps to keep all of us safe, but those requirements should be fair relative to other states in our region and across the country," said Governor Tom Wolf. "Overly burdensome requirements and fees can block some workers – especially minorities or spouses in military families who move frequently – from starting a career and supporting their families."

"With this executive order, I am tasking the Commissioner of the Bureau of Professional and Occupational Affairs within the Pennsylvania Department of State. The commissioner will work with the various licensing boards and commissions to give them the tools they need to more efficiently regulate their industry."

The commissioner will partner with the 29 boards and commissions in Pennsylvania to study each board's licensing process, fees, training and continuing education requirements. The commissioners will prepare a report comparing Pennsylvania's requirements with other states in our region and across the nation and include any reciprocity agreements with other states.

The Bureau of Professional and Occupational Affairs within the Pennsylvania Department of State provides administrative and legal support to professional and occupational licensing boards and commissions. Approximately 20 percent of Pennsylvania workers need a license to do their job. The share of workers with an occupational license has grown rapidly since the 1950s.

“We need to find the right balances in our licensing requirements so talented and skilled workers can do their jobs and support our economy as we continue to attract business to Pennsylvania and develop a strong workforce,” said Governor Wolf. “Looking for ways to modernize our licensing process for workers is an important part of that process.”

The boards and commissions included in the executive order are the **State Board of Accountancy**, the State Architects Licensure Board, the State Board of Auctioneer Examiners, the State Board of Barber Examiners, the State Board of Certified Real Estate Appraisers, the State Board of Chiropractic, the State Board of Cosmetology, the State Board of Crane Operators, the State Board of Dentistry, the **State Board for Professional Engineers, Land Surveyors, and Geologists**, the State Board of Funeral Directors, the State Board of Landscape Architects, the State Board of Massage Therapy, the State Board of Medicine, the State Board of Nursing, the State Board of Nursing Home Administrators, the State Board of Occupational Therapy, the State Board of Optometry, the State Board of Osteopathic Medicine, the State Board of Pharmacy, the State Board of Physical Therapy, the State Board of Podiatry, the State Board of Psychology, the State Board of Social Workers, Marriage and Family Therapists, and Professional Counselors, the State Board of Speech-Language Pathology and Audiology, the State Board of Vehicle Manufacturers, Dealers, and Salespersons, the Navigation Commission, and the Real Estate Commission.

The commissioner’s findings will be submitted to the governor within seven months from the effective date of the order.

**Source:** Governor Wolf Press Release, 10/25/2017

## **Final Budget Bills Littered With Bad Environmental Riders; A Budget That Failed To Address ANY Environmental Shortfalls**

The Senate and House Thursday finished work on the final pieces of the budget revenue package to deal with the state’s \$2.2 billion budget deficit and fund the FY 2017-18 budget.

They passed Tax Code, Fiscal Code, gaming expansion and Education Code bills, along with bills funding the state-related universities of Penn State, Pitt, Temple, Lincoln and the University of Pennsylvania Veterinary School and sent them to Gov. Wolf.

The previous week they passed an Administrative Code bill that completes the package.

Senate Majority Leader Jake Corman (R-Centre) and House Majority Leader David Reed (R-Indiana) both expressed the hope their work on the revenue package will not only fill the budget hole left over from last year, but this year and next fiscal year as well.

With their budget work done, the Senate and House will break for the election and are not scheduled to return to Harrisburg until November 13.

### **Key Elements Of Revenue Package**

Here are the key ingredients in the revenue package:

- \$1.5 billion borrowed by securitizing or “liquidating” the Tobacco Settlement monies Pennsylvania receives;
- \$300 million in special fund transfers to the General Fund to be picked by the Governor;
- \$200 million transfer to General Fund from the Professional Liability Joint Underwriting Association Fund;
- \$238.5 million from gaming expansion application and license fees, \$25 million from iGaming, \$10 million for Lottery Fund--recurring revenue of an estimated \$80 to \$90 million;
- \$43.5 million from expanding Sales Tax to online marketplaces;

- \$31.7 million from a 12 percent tax on expanding the kinds of fireworks purchased in the state; and
- Hope that state revenues continue to run above estimates.

## Tax Code

The Senate Wednesday voted 29 to 21 to send a Tax Code bill -- [House Bill 542](#) (Thomas-D-Philadelphia) -- to the Governor's desk with **NO unrelated environmental riders**.

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 are no commercial storage, hotel or natural gas severance taxes.

There are no unrelated environmental riders or a natural gas severance tax, but it does include a provision extending the Wild Resource Conservation Tax Checkoff indefinitely.

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

## Fiscal Code

The House Tuesday voted 109 to 75 to send a Fiscal Code bill -- [House Bill 674](#) (Sponsor Withdrew) -- to the Governor with a long list of environmental riders and a general provision requiring the transfer of \$300 million from unnamed special funds to the General Fund to balance the state budget.

The transfer provision requires the Governor to develop the list of special funds from which to take the \$300 million and then submit that list to the State Treasurer.

The bill was passed after attempts to amend the bill and declare it unconstitutional with respect to the provisions dealing with cessation of oil and gas well royalties were beaten back.

## Environmental riders include:

- **Oil and Gas Lease Fund:** Transfers \$20 million [supposed to be \$35 million] from the Oil and Gas Lease Fund to the Marcellus Shale Legacy Fund for distribution to the Environmental Stewardship Fund and \$15 million transferred to the Marcellus Legacy Fund to transfer to the Hazardous Sites Cleanup Fund.
- **Air Pollution Act Transfer:** Transfers \$30.4 million from a [settlement](#) by the Attorney General relating to violations of the Air Pollution Control Act by Volkswagen received during the fiscal year to the General Fund.
- **Small Water And Sewer System Funding:** \$15 million available for small water and sewer projects with a cost of not less than \$30,000 or more than \$500,000. Transfers an additional \$10 million from Building PA Program to small water and sewer projects.
- **Funding Sewer/Water Laterals:** Allows public municipal authorities to use funds to replace private water and sewer laterals.
- **Susquehanna and Delaware River Basin Commissions:** Authorizes the Auditor General to [audit the river basin commissions](#) and the commissions shall reimburse the Auditor General for the cost of the audit. In addition, no more than 25 percent of the appropriations to the commissions may be spent in any quarter.
- **Increase Access To Natural Gas:** \$6 million transfer from the Building Pennsylvania Program to the Natural Gas Infrastructure Development Fund to improve access to retail use of natural gas for schools, hospitals and businesses.
- **Repeals Drilling Moratorium End Date In Southeast:** Repeals the January 1, 2018

expiration on the drilling moratorium in the South Newark Basin in Southeast PA.

- **Temporary Cessation Of Oil & Gas Wells:** Provisions relating to payments of royalties during periods of nonproduction.
- **Washington Crossing State Park:** Requires DCNR to spend \$2.2 million on maintenance and upkeep of the park.

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

### Administrative Code

The House and Senate Wednesday sent the Administrative Code bill -- [House Bill 118](#) (Kaufer-R-Luzerne) -- containing a whole series of environmental riders to the Governor for his action, even though they gave final approval to the bill on October 18.

The environmental riders (some bad, a few good) include:

- **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. [Supported by the coal industry. Click [here](#) for more.]
- **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.]

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

### FY 2017-18 Spending Plan Failed To Address ANY Environmental Shortfalls

Just to refresh everyone's memory, the General Fund spending plan passed June 30 and that became law without Gov. Wolf's signature failed to address ANY of the environmental shortfalls pointed out during multiple Senate and House budget hearings this year.

The budget bill -- [House Bill 218](#) (Saylor-R-York) -- did not address the shortfalls in DEP's Safe Drinking Water Program criticized by EPA for failing to have the resources to meet minimum federal requirements for inspections and other obligations.

DEP's General Fund budget in the new year -- **\$147.7 million** -- is \$17.9 million **BELOW** what it was in 1994-95 -- \$165.6 million and **40 percent BELOW** what it was in 2002-03 -- \$245.6 million. Plus a \$118 million balance left from FY 2015-16. Since 2002-03, the General Assembly cut DEP's General Fund budget 40 percent.

This means DEP will have to continue to rely on permit fee increases to fund its programs.

### Agency Highlights

Some other budget highlights include:

**DEP:** slight decrease from \$148.3 million to \$147.7 million, that's higher than the House

Republican-passed budget in April of \$139.3 million.

- Personnel line-items essentially level funded
- Conservation Districts same as last year \$2.5 million
- West Nile Virus & Zika Virus slight cut \$5.3 million to \$5.2 million
- Black Fly same as last year \$3.3 million
- Susquehanna River Basin Commission cut in half \$473,000 to \$237,000
- Delaware River Basin Commission cut in half \$434,000 to \$217,000
- Interstate Commission On The Potomac River cut in half \$46,000 to \$23,000
- Chesapeake Bay Commission same as last year \$275,000

**DCNR:** Slight decrease from \$106.9 million to \$105.5 million, that's higher than the House Republican-passed budget, but primarily due to a significant increase in using General Fund monies to fund agency operations, rather than the Oil and Gas Lease Fund monies.

However, there is still a \$4.7 million overall increase in DCNR budget (not shown on the budget spreadsheet) as a result of a transfer from the Lease Fund.

There is a total transfer of \$61.2 million from the Fund -- \$11.2 million of that to pay for DCNR State Park and Forestry operations and \$50 million to fund recreation and conservation projects ([page 366, House Bill 218](#)). [Gov. Wolf put \$500,000 from State Park Operations in [budgetary reserve in August](#).]

- Heritage Parks same as last year \$2.875 million [Gov. Wolf put \$625,000 of this in [budgetary reserve in August](#).]

**Agriculture:** Slight increase from \$143.6 million to \$144.1 million, that's higher than the House Republican-passed budget in April, but due primarily to \$30 million in funding for the University of Pennsylvania Veterinary School

- Conservation Districts same as last year - \$869,000

- Nutrient Management Fund same as last year - \$2.7 million

Click [here](#) for the FY 2017-18 Senate Republican budget spreadsheet. Click [here](#) for the FY 2017-18 Senate Democratic budget spreadsheet.

Click [here](#) for House Republican budget spreadsheet. Click [here](#) for the Senate Democratic summary of DCNR, DEP budget.

Click [here](#) for Senate Democratic Agriculture budget summary.

### Quick Budget Bill Scorecard

Here's a quick scorecard on all the budget-related bills now on the Governor's desk:

- **Tax Code bill** -- [House Bill 542](#) (Thomas-D-Philadelphia) -- does **NOT have the harmful environmental riders**. Click [here](#) for House Fiscal Note and summary.
- **Fiscal Code bill** -- [House Bill 674](#) (sponsor withdrew) **WITH \$300 million in fund transfers, environmental riders**. Click [here](#) for House Fiscal Note and summary.
- **Administrative Code bill** -- [House Bill 118](#) (Kaufer-R-Luzerne) -- **WITH** environmental riders. Click [here](#) for Senate Fiscal Note and summary.
- **State-Related Universities** -- [Senate Bill 325](#) (University of Pennsylvania), [Senate Bill 326](#) (Penn State), [Senate Bill 327](#) (Pitt), [Senate Bill 328](#) (Temple), [Senate Bill 329](#) (Lincoln University) -- **were signed into law Friday by Gov. Wolf**.
- **Severance Tax** -- **NOT** part of the FY 2017-18 budget package, the natural gas production severance tax bill -- [House Bill 1401](#) (DiGirolamo-R- Bucks) -- was removed from the Table and is now on the House Calendar for action.

## **The Next Budget**

And in a little more than three months, Gov. Wolf will present his FY 2018-19 budget proposal and we start this all over again.

**Source:** PA Environmental Digest, 10/30/2017

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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.*