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



GOVERNMENT RELATIONS UPDATE

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

WaterSense Celebrates 6th Annual Fix a Leak Week on March 17-23, Encouraging Americans to Join the Race to Find and Fix Common Household Leaks

EPA's WaterSense program and its partners are celebrating Fix a Leak Week by encouraging Americans to chase down common household leaks. The average American household loses more than 10,000 gallons of water each year to leaks - that's more than 1 trillion gallons of water wasted nationwide. In keeping with this year's theme, "Chasing Leaks", WaterSense partners from across the country are sponsoring running races, hands-on demonstrations, student contests, and other community events to raise awareness about the need to fix leaking plumbing and irrigation fixtures.

To kick things off, EPA's WaterSense program will host its annual "#Fixaleak Week Twitter Party" on Monday, March 17, 2014 from 2:00 - 3:00 pm ET. Search for and use the hashtag #fixaleak to learn more and help spread the word about the

importance of fixing leaks or follow @EPAWaterSense on Twitter. Learn more <http://www.epa.gov/watersense/>

Source: EPA Water Headlines, 3/11/2014

Commissioners Select New DRBC Executive Director

On March 10, 2014, the Delaware River Basin Commission (DRBC) announced that Steven J. Tambini has accepted the position of Executive Director, effective August 1, 2014.

"We are pleased to welcome Steve Tambini as the DRBC Executive Director," said Commission Chair Pro Tem Michele Siekerka, who represents New Jersey Gov. Chris Christie. "Steve's background and experiences are sure to be of great benefit to the ongoing work of the commission."

A formal resolution officially appointing Mr. Tambini will receive action by the commissioners at their next business meeting on March 12. He succeeds Carol R. Collier, who is retiring on that date after 15 years of service.

"Carol Collier has been a dedicated advocate for the protection of the natural resources and potable

water supply in the Delaware River Basin," Ms. Siekerka said. "Her dedication and leadership at DRBC will be greatly missed."

Chief Administrative Officer Richard C. Gore will serve as Acting Executive Director until Mr. Tambini assumes his new duties on August 1.

Mr. Tambini, 54, is a native of New York and a long-time resident of Burlington County, N.J. He brings over 30 years of experience in water supply engineering and water resource planning, management and operations to the DRBC. Prior to his current position as Vice President of Operations at Pennsylvania American Water, Mr. Tambini held important leadership posts at New Jersey American Water. He played a key role in the planning, implementation and regulatory approval for the development of New Jersey American's Delaware River Regional Water Treatment plant and Tri-County Water Supply, which successfully addressed regional groundwater decline in South Jersey and continues to provide water supply to numerous N.J. communities in Burlington, Camden, and Gloucester counties. During his career, Mr. Tambini has also provided engineering leadership to American Water subsidiaries serving 12 other states that encompassed a wide range of water resource and water supply challenges and projects.

Mr. Tambini's work on both the Pennsylvania and New Jersey sides of the Delaware River has allowed him to develop and build relationships with regulators and stakeholders throughout the basin. He currently serves on the board of directors for the Water Resources Association of the Delaware River Basin, the National Association of Water Companies - Pennsylvania Section, and the Rancocas Conservancy. Mr. Tambini previously served on the board of trustees for the American Water Works Association - New Jersey Section (AWWA NJ) and he chaired the AWWA NJ Water Utility Council, which was responsible for legislative and policy issues related to water. He was a member of the New Jersey Governor's Water Supply Advisory Council for a number of years, where he represented his industry and worked with the state's Department of Environmental Protection on numerous water supply and water resource initiatives, including the development of the Water Supply Master Plan.

Steve Tambini holds a B.S. degree in Civil and Environmental Engineering and a M.S. degree in Environmental Engineering, both from Clarkson University in Potsdam, N.Y. He is a registered professional engineer in New Jersey and New York.

Mr. Tambini will be only the fourth executive director in the DRBC's 53-year history. The incumbent, Carol Collier, was appointed in 1998. Preceding them were Gerald M. Hansler (appointed in 1977) and James F. Wright (appointed in 1962). Mr. Tambini's selection concludes a national search process undertaken by the commissioners that began soon after Ms. Collier announced her retirement plans in September.

The DRBC is a federal/interstate government agency responsible for managing the water resources within the 13,539 square-mile Delaware River Basin without regard to political boundaries. The five commission members are the governors of the basin states (Del., N.J., N.Y., and Pa.) and the commander of the U.S. Army Corps of Engineers' North Atlantic Division, who represents the federal government.

Information about the DRBC can be found on its web site at www.drbc.net.

Source: DRBC Press Release, 3/10/2014

Casey Statement on Senate Passage of Flood Insurance Reform

On March 13, 2014, U.S. Senator Bob Casey (D-PA) released the following statement on the Senate's passage of flood insurance reform:

"By passing this legislation, Congress has struck a balance addressing the fiscal sustainability of the flood insurance program while preventing the most dramatic rate increases. This bill will provide much-needed relief to the thousands of Pennsylvanians who are experiencing dramatic rate increases and many more who are at risk of similar hikes. Homeowners should be able to get the protection they need at affordable rates. That is why I

supported the original Senate version of this bill, and voted in favor of the House language today. This bill will protect policyholders from the most dramatic and unaffordable premium increases by capping individual rate increases at a maximum of 18-percent annually. This legislation also asks FEMA to strive to keep premiums at a maximum of 1 percent of the value of coverage. These affordability measures will help ensure that we have a strong, sustainable flood insurance program that does not hurt local property markets or burden homeowners with unaffordable premiums.”

Source: Senator Casey Press Release, 3/13/2014

PA Chamber Applauds State House Lawmakers for Action on Labor Dispute Legislation; Removes labor exemptions for harassment, stalking and bomb threats from Crimes Code

Maintaining its longstanding focus on commonsense and responsible labor reforms, the Pennsylvania Chamber of Business and Industry today applauded state House lawmakers for passing legislation that removed an exemption from prosecution for certain crimes that are committed as part of a labor dispute. [House Bill 1154](#), sponsored by Rep. Ron Miller (R-York), strikes language from the state's Crimes Code that currently prevents law enforcement from intervening in disputes involving stalking, harassment and even bomb threats.

"When it comes to instances of intimidation and harassment at the workplace, nothing should stand in the way of law enforcement having the ability to prosecute aggressive parties that cross the line into unlawful behavior," said PA Chamber President and CEO Gene Barr. "This measure is a commonsense solution to a problem that should have never existed. It takes steps to protect all parties to a labor dispute - including unions, workers and employers -

and we appreciate those who supported the bill for making the right choice."

The PA Chamber has been among House Bill 1154's leading proponents, testifying in support of the legislation before the House Judiciary Committee in August 2013. Although intimidation and harassment among organized labor unions are far more the exception than the rule, startling examples of egregious activity still exist.

News of the recent arrests of Philadelphia-area union members in connection with the alleged 2012 burning and vandalism of a Quaker meetinghouse construction site brought a new focus to this issue. The arrests also validated a longstanding concern among businesses that intimidation and violence still remain a dark side of organized labor in Pennsylvania.

"It's important that we make it very clear that most unions don't engage in the type of activity that allegedly occurred in Philadelphia," said Barr. "But it is equally as important to ensure that there are safeguards in place that allow law enforcement to intervene when necessary."

Following the news of the incident in Philadelphia, the PA Chamber noted that had House Bill 1154 been in place, circumstances may not have escalated as they did.

"In cases of harassment and stalking, as with any criminal activity, law enforcement needs to be afforded the power to pursue cases as they see fit," Barr added. "This legislation ensures that these actions are no longer shielded from prosecution, and it helps ensure that all workers and businesses are fairly protected."

House Bill 1154, which passed by a vote of 115-74, will now head to the state Senate for that chamber's consideration. The PA Chamber looks forward to working with Senate lawmakers to help move this legislation forward in the coming months.

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The Pennsylvania Chamber of Business and Industry is the state's largest broad-based business association, with its statewide membership

comprising businesses of all sizes and across all industry sectors. The PA Chamber is The Statewide Voice of Business.

Source: PA Chamber Press Release, 3/12/2014

DEP Reaches Agreement with Bucks County Water and Sewer Authority

On March 10, 2014, the Department of Environmental Protection (DEP) announced it has reached an agreement with Bucks County Water and Sewer Authority that will systematically address current and future sewage capacity, foster growth and protect the environment.

The parties have agreed that, through a combination of corrective actions and earned credits, the 13 municipalities served by the authority will be able to manage their sewage flows and gain new connections.

The settlement calls for comprehensive Act 537 municipal planning to address existing and future needs, improvements to the existing sewage infrastructure, completion of necessary upgrades and removal of stormwater.

Today's agreement puts an end to pending litigation, and terminates further discussion of a proposed sewage storage tank on the Neshaminy interceptor.

It also releases requested connection credits for 2014.

"DEP has been committed to reaching an agreement with the Authority that would leverage sound planning and promote a strong future for the communities it serves," Regional Director Cosmo Servidio said. "When implemented, the sewage planning and improvements required by this agreement will benefit not only the Bucks County communities in the service area, but the entire region."

The release of connection credits for 2015-2017 will be tied to the completion of milestones for corrective work and planning.

Source: DEP Press Release, 3/10/2014

American Water Names Linda G. Sullivan Senior Vice President and Chief Financial Officer

American Water Works Company Inc. (NYSE: AWK), the largest publicly traded U.S. water and wastewater utility company, has announced that effective May 9, 2014, Linda G. Sullivan will become its senior vice president and chief financial officer. Sullivan is succeeding Susan Story, who will become American Water's president and chief executive officer at the company's annual meeting scheduled for May 9, 2014.

"American Water is very excited and pleased to have someone with Linda's broad and deep utility experience join our company," said Susan Story, senior vice president and CFO of American Water. "She is a knowledgeable professional with 25 years of progressive leadership in a variety of financial and operational roles. Serving as the senior vice president and chief financial officer of Southern California Edison, one of the nation's largest electric utilities and a subsidiary of Edison International, Linda has led all aspects of finance including strategy, planning, treasury, accounting, risk management, and control functions. Having most recently led a successful company-wide program to enhance growth and optimize Southern California Edison's cost structure, her experience directly correlates with American Water's strategic, long-term goals."

Sullivan will join American Water on April 28, 2014 and will serve in an interim role to ensure a smooth transition to her new role as CFO as Story moves into her new CEO role. Story is replacing current president and CEO Jeff Sterba, who is retiring from American Water on May 9, 2014.

"It's great to have someone with Linda's expertise and team commitment take over for Susan as CFO," said Jeff Sterba, president and CEO of American Water. "Beyond leading all aspects of finance, Linda also brings operational experience, leading supply chain functions, transportation services and facilities management. Like Susan, her commitment to excellent customer service, growth and employee development will help American Water continue the solid financial performance it has delivered and will further enhance our already strong leadership team."

Sullivan has been CFO of Southern California Edison since 2009 and took on additional responsibility for operational support activities in 2012. Prior to becoming CFO, Sullivan was vice president and controller of both Edison International and Southern California Edison for five years. In this role, Sullivan led quarterly audit committee responsibilities, directed corporate accounting functions, Securities and Exchange Commission (SEC) compliance, general ledger, accounts payable and receivable, fixed assets, payroll, tax, financial information systems and external audits.

Sullivan was assistant controller of Edison International from 2001 through 2005. Prior to 2001, Sullivan held a variety of lead financial roles at a number of Edison International's competitive businesses, including retail subsidiaries providing home security, energy efficiency, and operations and maintenance services; and a research and development start-up focused on distributed generation, smart grid technologies, solar rooftop installations and electric vehicle charging stations. From 1991 to 1996, Sullivan performed finance and accounting functions at the corporate level and within an operating business unit at the utility.

Before starting her career at Edison International, Sullivan was a senior auditor with Arthur Andersen, LLP, for three years.

Sullivan is involved in a variety of charitable activities and serves on two boards. She is the chair of the finance committee on the board of Crystal Stairs, Inc., a \$90 million non-profit organization assisting working families with child care services in underserved communities of Los Angeles County, and a member of the board of Executive

Services Corps, which provides coaching, consulting and capacity building to nonprofits throughout southern California.

Sullivan has been a Certified Public Accountant since 1991 (inactive) and a Certified Management Accountant since 1995. She earned her Bachelor of Science degree from Portland State University.

About American Water

Founded in 1886, American Water (NYSE: AWK) is the largest publicly traded U.S. water and wastewater utility company. With headquarters in Voorhees, N.J., the company employs approximately 6,600 dedicated professionals who provide drinking water, wastewater and other related services to an estimated 14 million people in more than 40 states and parts of Canada. More information can be found at www.amwater.com.

Source: American Water Press Release, 3/13/2014

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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.