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# WUC

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



## GOVERNMENT RELATIONS UPDATE

### From Gmerek Government Relations, Inc.

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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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## Technology Innovation for Clean and Safe Water

**E**PA has released a report that expands on its 2013 "Blueprint for Integrating Technology Innovation into the National Water Program," which highlighted EPA's initial ideas and plans for advancing technology innovation across various water programs. The new report provides a more robust business case for the role of technology innovation, and identifies market opportunities for new approaches and technologies, examples of successful entities achieving clean and safe water through innovative technology and actions EPA will take to pursue and solve water resource challenges.

Learn [more](#).

Source: EPA Water Headlines, 4/8/2014

## EPA Awarding Close to \$13 Million to Assist Small Drinking Water and Wastewater Systems

**T**he U.S. Environmental Protection Agency is awarding \$12.7 million in grants to help small drinking and wastewater systems - those serving fewer than 10,000 people - and to private well owners. The grantees will provide training and technical assistance to improve small system operations and management practices, promote system sustainability and support EPA's mission to protect public health and the environment. This funding and technical assistance supports EPA's continuing efforts to promote sustainability and public health protection for communities served by small systems.

Learn [more](#).

Source: EPA Water Headlines, 4/8/2014

## EPA Releases Guide to Help Water Utilities Adopt Sustainable Practices

**O**n April 3, EPA released a guide for water utilities on sustainable and effective practices. Developed with extensive input from utility leaders and states, this document will help water sector utilities of all sizes adopt proven and sustainable practices over time to better serve

communities across the nation. The practices in the document are organized around a series of attributes of effectively managed utilities endorsed by EPA and leading water professional associations.

Learn [more](#).

**Source:** EPA Water Headlines, 4/8/2014

## State Senate Approves Sen. Yaw Landowner Protection Bills

**T**hree bills expanding the rights of landowners who are currently leased with natural gas companies were approved today with strong bipartisan support by the full state Senate, according to prime sponsor, Senator Gene Yaw (R-23).

The legislation, known as the Oil and Gas Lease Protection Package, aims to provide more protections for landowners.

“This three-bill package aims to level the playing field in favor of Pennsylvania landowners who are looking for fair treatment when leasing their land,” Yaw said. “Hopefully, these bills, along with other legislative and investigative efforts that are presently underway, will resolve many of the royalty issues which have been brought to the attention of local legislators. I’m sure the House of Representatives will also see the merit in approving this legislation.”

The first bill, Senate Bill 1236, would expand upon the Oil and Gas Lease Act by allowing royalty interest owners the opportunity to inspect records of natural gas companies to verify proper payments. In addition, the bill requires all royalty payments be made within 60 days of production unless otherwise stated in the contract. Any delinquent payments are to be paid with interest.

The second bill, Senate Bill 1237, would prohibit a gas company from retaliating against any royalty interest owner by terminating their lease agreement or ceasing development on leased property because a royalty interest owner questions the accuracy of current royalty payments. Companies found to have

violated the provisions of this act face civil penalties of up to \$1,000 per day.

The third bill, Senate Bill 1238, would require a gas company to record a surrender document in the county Recorder of Deeds office where the oil and gas well is located within 30 days upon expiration, termination, or forfeiture of an oil and gas lease. The surrender document will release the gas company’s interests in the oil and gas. This is similar to what a mortgage company would be required to do after a mortgage was paid in full.

**Source:** Senator Yaw Press Release, 4/7/2014

## Wagner Named Chairman of Senate Intergovernmental Operations Committee

**N**ewly elected Sen. Scott Wagner (R-28) has been named Chairman of the Senate Intergovernmental Operations Committee.

The Intergovernmental Operations Committee has jurisdiction over proposals to restructure state government, such as consolidating state agencies, with the purpose of cutting costs and improving efficiency.

"I'm eager to get to work chairing the Senate Intergovernmental Operations Committee," said Wagner. "This position provides me an opportunity to promote bills designed to reduce the size of government and slash costs."

The senator was also named Vice Chairman of the Senate Aging and Youth Committee. The panel has been active this year reviewing a series of bills aimed at updating and strengthening Pennsylvania's child protection laws.

In addition, the Senate President Pro Tempore named Wagner to the following committees: Transportation, Veterans Affairs and Emergency Preparedness, Urban Affairs and Housing, and Local Government.

**Source:** Senate Republican Communications, 4/8/2014

## Gainey wants Limit on Utility Increases

While many electric customers saw their variable rate bills soar during the winter, state Rep. Ed Gainey has a legislative proposal that would curtail another potential utility rate hike.

"A lot of attention has been given to the thousands of customer complaints that have been lodged with the Public Utility Commission about variable rate electric bills that doubled, tripled or even quadrupled this winter. But a little-known law from 2012 has the potential to hike utility rates even higher," said Gainey, D-Allegheny.

Act 11 of 2012 allows water, wastewater, natural gas and electric utilities to assess a distribution system improvement charge above a previously established limit.

The law essentially allows a charge to be assessed for upgrades and maintenance of pipelines, meters, poles and towers. Most importantly, according to Gainey, it allows utility companies to recover the costs by passing the cost on to the consumer through a DSIC surcharge on customers' bills.

While there is a 5 percent cap on a DSIC for the amount that can be billed to customers, Gainey said the law allows the PUC to grant a waiver of the cap "if it is determined to be in the public interest." The cap for water companies is 7.5 percent.

Gainey's legislation (H.B. 835) would repeal the portion of the law that allows the waiver.

"While I understand and appreciate that distribution systems need to be updated, I do not believe it to be solely the responsibility of the ratepayer to pay for improvements. Ratepayers and utility customers are already burdened with ever-increasing utility rate increases, and I don't think this exception should be granted to the utility providers," Gainey said.

House Bill 835 awaits action by the House Consumer Affairs Committee, which is holding a

public hearing Thursday at the Allegheny County Courthouse regarding the dramatic variable rate increases experienced this winter.

Source: Rep. Gainey Press Release, 4/9/2014

## Bill Reducing Lead in Water Supply Systems Passes Senate

Sen. John Yudichak (D-Luzerne), Minority Chair of the Senate Environmental Resources and Energy Committee, Tuesday announced the Senate unanimously passed his legislation that would enhance the quality and safety of drinking water by lowering the maximum lead content of plumbing products.

[Senate Bill 1254](#) would make the state Plumbing System Lead Ban and Notification Act consistent with a 2011 change in federal law that became effective on January 4 of this year.

"This bill addresses not only an environmental concern - but it will also greatly improve the quality and safety of our drinking water supply by lowering the amount of lead allowable in plumbing products," Sen. Yudichak said.

Senate Bill 1254 would lower the maximum lead content of plumbing products from 8 percent to .25 percent. The bill would also establish a statutory method for the calculation of lead content.

Sen. Yudichak said the legislation was drafted at the request of the Department of Environmental Protection.

The bill will now go to the House for consideration.

Source: PA Environmental Digest, 4/14/2014

## Governor Corbett Visits Aqua Compressed Natural Gas Fueling Station,

# Discusses How Impact Fee Benefits the Community and Environment

On April 8, 2014, Governor Tom Corbett visited Aqua America Inc.'s (Aqua) compressed Natural Gas (CNG) fueling station in Springfield to see the company's growing fleet of vehicles that use CNG, a clean-burning fuel alternative, and discussed how revenues from Act 13 have been benefitting local communities and protecting the environment.

"We are building a stronger Pennsylvania by leveraging our energy resources to create jobs for working families, grow our economy, and make sure we are protecting our environment for generations to come," Corbett said. "Act 13 not only strengthened oversight of the drilling industry, it allows us to continue growing jobs while cleaning the air at the same time."

In March 2014, Aqua was awarded a \$225,000 Natural Gas Vehicle (NGV) grant from the Department of Environmental Protection's (DEP) Act 13 fund. The grant is being used to fund the purchase of nine additional CNG-fueled dump trucks.

"By partnering with companies like Aqua, we are helping companies reduce their environmental impacts and investing a strong economic future for Pennsylvania," Corbett said.

Aqua intends to use these CNG dump trucks throughout Chester, Delaware, and Montgomery counties as they provide construction services for Aqua customers.

"At Aqua, we led the charge with a small pilot program to ensure efficiency, safety and reliability because we believe this is the right thing to do," Aqua Chairman and CEO Nick DeBenedictis said. "With the assistance of grants like those the governor will speak about today, we continue to add new vehicles to our fleet and plan to expand our van and dump truck fleet of CNG-fueled vehicles in Pennsylvania within the next five years. We thank

Governor Corbett for his strong commitment to cleaner fuel alternatives."

Last month, Gov. Corbett awarded \$7.7 million in Act 13 funding to 25 companies and organizations making the switch to natural gas for their heavy-duty fleet vehicles. Aqua provides water and wastewater services to approximately 3 million people in 10 states. Aqua's Pennsylvania operations involve more than 600 employees who provide water and wastewater services to 1.4 million people in 31 counties.

Act 13 of 2012 was the single largest step in modernizing the state's Oil and Gas Law in nearly three decades. It increased protections for private water supplies, empowered the Department of Environmental Protection (DEP) to issue larger fines and included one of the most progressive hydraulic fracturing fluid disclosure laws in the nation.

The Act also authorized DEP to develop and implement the Natural Gas Energy Development program, funded by impact fees paid by natural gas operators.

The program distributes up to \$20 million in grants over three years, to help pay for the incremental purchase and conversion costs of heavy-duty natural gas fleet vehicles.

Since 2012, Act 13 impact fee revenues have surpassed \$630 million.

To learn more about the Act 13 Natural Gas Vehicle Grant Program, visit [www.dep.state.pa.us](http://www.dep.state.pa.us) and click on the "Natural Gas Vehicle Grant Program" button on the homepage.

**Source:** Governor's Press Office, 4/8/2014

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