



GOVERNMENT RELATIONS UPDATE From Gmerek Government Relations, Inc.

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*PA- Section, American Water Works Association
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Federal Agencies Support Virginia's Innovative Market-based Approach to Improving Water Quality in Chesapeake Bay; Virginia program to serve as model for similar programs across the country

On December 16, 2014, U.S. Environmental Protection Agency (EPA) Administrator Gina McCarthy joined U.S. Department of Agriculture Secretary (USDA) Tom Vilsack, Mike Boots of the White House Council on Environmental Quality (CEQ), Commonwealth of Virginia Governor Terry McAuliffe, a private investor and an Appomattox, Va. farmer to recognize an innovative, market-based nutrient trading program run by Virginia to improve the water quality of Chesapeake Bay.

At the McConnell Safety Transportation Operation Center, in Fairfax, Va., EPA, USDA, and CEQ highlighted the cost-effective program that has saved the Commonwealth more than \$1 million,

demonstrating an innovative means of meeting Clean Water Act stormwater requirements and Virginia state water quality goals for the bay. The program encourages economic investment while reducing phosphorus pollution to local waterways in order to meet water quality goals for the Chesapeake Bay. It is expected similar programs will be established around the nation to provide new revenue sources for agricultural producers while reducing soil erosion and runoff.

"Virginia's nutrient trading program is a strong example of how to create economic opportunity and new income for rural America while protecting and improving local waterways and the Chesapeake Bay," said EPA Administrator Gina McCarthy. "The program is a win for the environment and our economy and we encourage states to look at Virginia as a model and a resource as they adopt similar programs."

"The Chesapeake Bay faces numerous challenges, and the Commonwealth of Virginia is responding with innovative thinking and collaboration across sectors," said Mike Boots, who leads the White House Council on Environmental Quality. "Not only do creative approaches like these provide new markets for private investors and generate new revenue for farmers, they also bolster the strength of our natural resources, improving

their resilience to threats posed by a changing climate and other stressors.” “I am glad the federal government has chosen to recognize this innovative, pro-business program,” said Virginia Governor Terry McAuliffe. “Our nutrient credit trading system is building the New Virginia Economy by protecting our environment and controlling costs for the private sector and the Virginia taxpayer.”

Virginia’s Department of Environmental Quality has created a demand and supply market for land conservation projects that are protective of water quality for future generations. The agency’s stormwater program requires reductions of phosphorus runoff from certain types of road construction projects that can be achieved by purchasing phosphorus credits from state-certified credit banks. Credits purchased are generated by Virginia farmers in the Potomac and James River watersheds, whose farming practices have permanently reduced the amount of phosphorus flowing into those rivers and, ultimately, the Chesapeake Bay. The farm practices are certified by the state as “nutrient credit banks” and come solely from private investors, reducing reliance on public funds and generating a new revenue stream for participating farmers. These credits cost VDOT approximately 50 percent less than other, more traditional engineered pollution reduction practices, such as detention ponds, and underground filters. In addition, these banks advance other goals such as wildlife habitat, stream buffers and land preservation.

USDA video of the Virginia program was highlighted in today’s [event](#).

By advancing the goals of improving the health and regional economy of the Chesapeake Bay as laid out in President Obama’s 2009 Executive Order, nutrient trading is giving farmers additional income opportunities that help keep agricultural lands in production and stretch limited budgets by tapping private sector investments.

EPA and USDA are working together to implement and coordinate policies and programs that encourage water quality trading and will release a web-based water quality trading roadmap tool in early 2015. As part of a joint memorandum of understanding to support trading and environmental

markets, the two agencies are centralizing information for buyers and sellers to utilize water quality trading. This resource library will be searchable and help users find information specific to their needs. Both agencies will sponsor a national conference in 2015 for stakeholders to share experiences and move forward with trading as a valuable tool for driving environmental improvement.

Source: EPA Press Release, 12/16/2014

DEP: Riparian Buffer Amendment; Notice of Availability

The Department of Environmental Protection has made available several documents to be utilized to implement Act 162. Availability of the final technical guidance documents will be announced in the Pennsylvania Bulletin.

Source: PA Bulletin, [12/20/2014](#)

Pennsylvania Unemployment Rate Drops to an Incredible 5.1 Percent

Rep. Mike Turzai (R-Allegheny County) made the following statement praising today's announcement by the Department of Labor and Industry that the state's unemployment rate declined by three-tenths of a percentage point in November to 5.1 percent, the lowest rate in more than six years.

"Our legislative policies of budgeting responsibly and reforming our business tax structure; passing lawsuit abuse reform; rebuilding and modernizing our infrastructure through a combination of private-sector dollars and public funds; enacting regulatory reforms; and much more have yielded results.

"Pennsylvania's unemployment rate has been slashed to 5.1 percent, and, while we still have more work to do, the vast majority of Pennsylvanians

seeking jobs are getting them. It's great news for Pennsylvania, and something of which all members of the House and Senate should be proud."

The number of Pennsylvanians who are working increased by 27,000 in November, while unemployment dropped 22,000. Also, the number of people working or looking for work increased by 5,000, bringing the state's labor force to 6.368 million.

Source: Representative Turzai Press Release, 12/19/2014

Governor-elect Wolf Announces Transition Review Teams

On December 15, 2014, Governor-elect Tom Wolf named individuals to his Transition review teams. To view the team members, click [here](#).

These individuals will work with the agency review heads that were [announced](#) last week. These teams will work with the outgoing administration to better understand the issues and challenges that face the executive branch.

Please note additional members may be forthcoming.

Source: Wolf Transition, 12/15/2014

Rep. Godshall, Rep. Harper Plan to Introduce Water Well Standards Bills

Rep. Robert Godshall (R-Montgomery) and Rep. Kate Harper (R-Montgomery) have both announced plans to reintroduce legislation setting standards for water well constructions.

Legislation -- [House Bill 343](#) (Miller-R-York) -- setting water well standards died in the Senate this year, after passing the House.

"Over 3 million Pennsylvania residents depend upon private water wells, accounting for more than 20,000 new wells drilled here each year," said Rep. Godshall. "Nonetheless, only Pennsylvania and Alaska are without any baseline standards guiding the construction of these drinking water sources."

"My legislation requires our Department of Environmental Protection to adopt rules and regulations recommended by the National Groundwater Association to ensure that our drinking water is protected from contamination resulting from poorly constructed water wells," said Rep. Godshall. "And, because this has been a source of confusion in the past, my legislation clearly prohibits the metering or otherwise taxing the use of private water wells."

"Improperly constructed water wells can lead to poor water quality by providing pathways for bacteria and contaminants such as naturally occurring shallow methane gas to migrate into water supplies," said Rep. Harper. "Ensuring that the well is constructed properly from the start will help to prevent water quality problems in the future."

Source: PA Environmental Digest, 12/22/2014

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