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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
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EQB, CAC, Other Meetings Canceled At DEP Due To Budget Impasse, Others Still On

The Department of Environmental Protection has told several boards and advisory committees to the agency they had to cancel their meetings in October due to the budget impasse.

The meetings include: the October 13 [DEP Water Systems Technical Assistance Center Board](#), the October 20 meetings of the [Environmental Quality Board](#) and DEP's Citizens Advisory Council, the October 21 Agricultural Advisory Board meeting and the October 7 meeting of the Air Quality Technical Advisory Committee.

At the same time, DEP has said the listening sessions on EPA's Clean Power Climate Plan, the Oil and Gas Technical (Marcellus Shale) Advisory Board meeting on October 27, the October 28 meeting of DEP's Pipeline Infrastructure Task Force and the October 29 Conventional Oil and Gas Advisory Committee meeting will go ahead as planned.

There is no word yet on whether other upcoming DEP meetings or workshops will still be held, including the Mining and Reclamation Advisory Board meeting on October 22; the Regulatory Committee of the Aggregate Advisory Board meeting on October 23; the Small Business Compliance Advisory Committee meeting on October 28; and the State Board for Certification of Water and Wastewater Systems Operators meeting on October 29.

Some DEP staff are looking for alternative ways of holding meeting, such as through webcasts or conference calls that do not involve paying travel expenses.

Click [Here](#) for a list of upcoming DEP events.

Source: PA Environmental Digest, 10/12/2015

DEP Secretary: Pennsylvania Will Miss 2017 Chesapeake Bay Cleanup Commitments

DEP Secretary John Quigley told the York Daily Record editorial board Monday Pennsylvania will miss its 2017 commitments to cleaning up the Chesapeake Bay.

“We’re going to miss our 2017 goals,” he said simply and noted this is a problem the Wolf Administration inherited.

He followed up by saying there is a need to reboot the Chesapeake Bay Program and noted he has been reaching out to all Bay stakeholders to develop the revised plan from “square one.”

Among other things, he said, DEP needs to get more data about the practices farmers already have on the ground.

“We also need more resources,” said Quigley. “Over the last 20 years Pennsylvania has spent \$4 billion cleaning up the Bay. The average cost-share BMP (best management practice) is \$45,000 to \$55,000. There are a lot of farmers for whom a \$45-\$55,000 expenditure would put them out of business.

“Gov. Wolf campaigned on the need for a Growing Greener III to put more resources into BMPs and to help the agriculture community,” said Quigley. “At the same time there needs to be an expectation that farmers will do the right thing.

“Really it’s not about the (Chesapeake) Bay, it’s about water quality in Pennsylvania,” said Quigley. “We all have a responsibility to take ownership and responsibility for Pennsylvania’s water quality.”

In response to a question, Quigley said the work in York County on reducing nutrient pollution should be commended. He said he would like to see that model applied statewide.

He said he hoped to announce a new Chesapeake Bay Plan before the end of the year.

Pennsylvania would have had to put practices on the ground to eliminate 10 million pounds of nitrogen and 212 million pounds of sediment from going into our rivers and streams-- in the next 452 days in order to meet the 2017 milestone.

Pennsylvania is even further behind because the state did not meet the 2013 pollution reduction milestones.

In June 2014, the U.S. Environmental Protection Agency reported Pennsylvania exceeded its 2013 Chesapeake Bay cleanup milestone for phosphorus by 242,000 pounds, but fell short in meeting the nitrogen goal by 2 million pounds and sediment reduction milestone by nearly 116 million pounds.

If Pennsylvania doesn’t meet the milestones, it leaves EPA free to come up with its own plan on how the state can meet them, and as Rep. Garth Everett (R-Lycoming) said during DEP’s budget hearing, “It isn’t pretty.”

At his budget hearing in March, DEP Secretary John Quigley acknowledged, to his credit, Pennsylvania is not meeting its commitments to clean up Pennsylvania watersheds contributing water to the Bay and promised a plan to reboot the program to get it back on track.

Quigley and Agriculture Secretary Russell Redding reiterated their commitment to reboot Pennsylvania’s plans to meet Bay cleanup milestones at the July Chesapeake Bay Executive Council meeting.

The question is what position the U.S. Environmental Protection Agency and other stakeholders will take on Pennsylvania not meeting its milestone commitments.

Click [Here](#) to watch the video of the York Daily Record interview. (The comments on the Chesapeake Bay come at minute 42.)

Source: PA Environmental Digest, 10/12/2015

Bartolotta's Treated Mine Water Bill Signed Into Law

A proposal introduced by Senator Camera Bartolotta (R-46) to reduce the use of fresh water in oil and gas drilling operations was signed into law on October 8, 2015.

Act 47 clarifies legal liabilities associated with the use of treated mine water in oil and gas operations. The use of treated mine water holds the potential to significantly reduce the withdrawal demand on Pennsylvania rivers, lakes and streams.

A number of oil and gas companies already use treated mine water in place of fresh water in the natural gas extraction process, but concerns regarding liability issues have prevented many companies from utilizing this approach.

"It is imperative for lawmakers to support efforts to protect our environment and develop our natural resources safely and responsibly," Bartolotta said. "The use of treated mine water by natural gas companies is an innovative approach that will help preserve millions of gallons of fresh water, and I am thankful that more companies will have the freedom to explore this option."

Bartolotta, who serves as Vice Chair of the Senate Environmental Resources and Energy Committee, emphasized that the new law does not weaken any existing environmental safeguards designed to protect public health. It only clarifies parties that could be held responsible if the mine water is not treated or utilized properly.

Source: Senator Bartolotta Press Release, 10/8/2015

DEP Accepting Applications for 2016 Environmental Education Grants; Applications are due by December 18

Projects and programs geared toward environmental education are now eligible to apply for grants from the Department of Environmental Protection's (DEP) Environmental Education Grants. Schools, colleges and universities, county conservation districts, nonprofit organizations, municipalities, and businesses can to apply for the grants.

The grants provide funding to develop programs and projects that support environmental education about issues including:

- **Sustainable Living:** Rain gardens, rain barrels, clean energy, radon protection, composting, and other related topics.
- **Chesapeake Bay and Watershed Education:** Reducing non-point source pollution, abandoned mine drainage/reclamation, water conservation, private water wells, groundwater, and other related topics.
- **Air Quality:** Ground level ozone, climate change, transportation, and electric generation issues.
- **Brownfields:** Brownfield redevelopment and creating sustainable communities.
- **Energy:** Energy efficiency and conservation, as well as, school energy teams, natural gas, coal, wind, solar, and other clean energy sources and technologies.
- **Keystone Energy Education Program (KEEP):** School energy teams to reduce school building's energy use.
- **Climate Change:** Climate change and mitigation strategies.
- **Environmental Literacy:** Engage educators and stakeholders in content standards and field-based environmental education.
- **Environmental Education Certification:** Develop and implement institutionalized and community-based certification programs designed for teachers, naturalists, and educators working in schools and environmental education facilities.
- **Natural Landscaping and Trees:** Native plant landscaping, riparian buffers, and invasive plant management.
- **Connecting Children with Nature:** Immersive outdoor education.

Eligible projects include, but are not limited to, teacher professional development; curriculum integration; outdoor learning resources, such as trails, shelters, streamside plantings, and educational programming; transportation to field study sites; water chemistry testing equipment; and educational events. Grants are awarded for up to \$3,000.

In April, DEP awarded 110 grants totaling more than \$304,000 to groups in support of environmental education programs across the state. Since the program's inception, DEP has awarded more than \$9.8 million in grants.

The program was established by the Environmental Education Act of 1993 and mandates that 5 percent of some pollution fines and penalties collected annually by DEP be set aside for environmental education.

Applications are available online at www.dep.state.pa.us, or by contacting DEP's Environmental Education and Information Center at 717-772-1828 or adevine@pa.gov. The deadline to apply is December 18.

Source: DEP Press Release, 10/5/2015

House Rejects Governor's Tax Package, Signifies a New Start for PA Budget Talks, House Majority Leader Says

On October 7, 2015, the Pennsylvania House of Representatives rejected Gov. Tom Wolf's latest revenue proposal for a 2015-16 budget. The proposal included a \$1.4 billion income tax hike on Pennsylvania's workers and the nation's highest severance tax on the natural gas industry, which would collect only \$67 million. The House vote was 73 to 127.

House Majority Leader Dave Reed (R-Indiana) scheduled the vote in an effort to move budget talks forward after more than three months without an agreement. The governor was given a week to garner support for his tax package.

Reed issued the following statement in regard to the bill's defeat:

"Today, the governor finally saw what we have been telling him for months – there is not enough support to pass his tax package. It is really as simple as that. We put his plan up for a vote, as promised, and as predicted, it failed.

"We hope the governor and his administration will look at this vote in a realistic manner so we can move forward on negotiating a budget that makes sense for the taxpayers of Pennsylvania. It is time to come back to the table and honestly negotiate a reasonable and responsible spending plan to fund our schools and core functions of government.

"Our constituents want to ensure their tax dollars go as far as they can, and that's why we need real public pension reform. We also need some type of liquor reform to grow revenues and improve customer convenience. And to protect residents from growing local school costs, we need real dollar-for-dollar property tax relief for all taxpayers.

"These are the issues we hope to address with a final budget. Tomorrow will mark 100 days without one. We hope to spend it meeting with the governor in earnest negotiations so we can get badly needed funds to our schools and human service agencies, while keeping state government in operation."

The governor's plan called for a 16 percent increase in the Personal Income Tax, from 3.07 percent to 3.57 percent.

Wolf's severance tax proposal would have been in addition to the impact fee already paid by drilling companies. Combined, the two levies would have resulted in a 14.7 percent tax rate, the highest in the nation.

Additionally, the governor wanted to expand the Property Tax/Rent Rebate Program, providing additional rebates to eligible senior citizens and persons with disabilities. However, a majority of the Commonwealth's property owners would have seen no tax relief under the Wolf proposal.

Source: Rep. Reed Press Release, 10/7/2015

House Vote on Revenue Package Builds Momentum for Budget

House Democratic leaders said a vote held on October 7, 2015 on a revenue package designed to close Pennsylvania's deficit and make critical investments in schools, human services and tax relief to thousands of state residents adds critical momentum to bipartisan negotiations toward a Pennsylvania budget.

"While the vote on this specific plan was not successful, the debate showed widespread acknowledgement from both Democrats and Republicans that Pennsylvania's fiscal challenges are serious," Democratic Leader Frank Dermody said.

"It also showed, contrary to claims we've been hearing for months, that Democrats could put up significant votes for the broad-based revenues and natural gas extraction tax which Governor Wolf has called for and we know Pennsylvania needs."

"In his remarks today, the Republican leader challenged all members of the House to think outside the box as we continue to work toward a budget solution," Democratic Whip Mike Hanna said. "We will continue to do that in the Democratic Caucus, and we hope Republicans will join us, as well."

"The previous Republican proposal that the governor vetoed in June certainly wasn't 'outside the box.' As a repeat of the last four Corbett budgets, it simply did not provide the recurring, sustainable and predictable revenues necessary for a workable, balanced budget," Hanna said. "We cannot go back there. We need to continue moving forward."

Democratic Appropriations Chairman Joe Markosek stressed that Democrats still believe new revenues must be part of the eventual budget solution.

"The reality of the budget situation is that without new, recurring forms of revenue, the budget gap will continue to grow, property taxes will

continue to climb and our schools and human services providers will continue to be underfunded," Markosek said. "We still have a lot of work to do, but I am optimistic we can pass a responsible state budget."

The leaders said the House action today demonstrates that the Democratic Caucus remains firmly in support of Gov. Wolf in the effort to enact a state budget that recognizes and addresses the state's fiscal reality.

"We were given just days to come up with a responsible revenue plan that would allow Pennsylvania to pay its bills not just this year, but next year and in the future," Dermody said.

"We were able to do that and still invest in our schools, keep income taxes for Pennsylvania residents below those of all our neighbors, bring to Pennsylvania the benefits from natural gas that other producer states are already enjoying, and finally offer tax relief to seniors, veterans, people with disabilities and middle-class households," Dermody said.

"While one plan did not pass today, it was a step in the right direction and we're hopeful it will serve to point future negotiations in the direction they need to go – toward a budget that takes Pennsylvania forward instead of backward."

Source: House Democratic Caucus, 10/7/2015

Christiana: Wolf Severance Tax Proposal Would Crush Industry

Rep. Jim Christiana (R-Beaver/Washington) issued the following statement in response to Gov. Tom Wolf's latest severance tax proposal, which is expected to be included as part of a tax package expected for a vote in the state House on October 7, 2015:

"Gov. Wolf's latest severance tax plan is no compromise; it's the same reckless policy repackaged in shiny paper. A 3.5 percent severance tax, plus 4.7 cents per thousand cubic feet plus the

impact fee at current market prices, equals the governor slapping a 14.7 percent tax on an industry.

"The governor's 14.7 percent severance tax is not even within the realm of reasonable, especially when combined with the second-highest Corporate Net Income Tax rate in the country. The governor continues to ignore all the truck drivers, pipe fitters and electricians who rely on this industry to further his political agenda.

"Kicking an industry in the teeth when it's laying off our constituents while justifying it with an opinion poll exposes Gov. Wolf's lack of executive leadership. Taxing the natural gas industry in Pennsylvania today makes as much sense as if we had assessed a punitive tax on the housing industry in 2009 or the airline industry in 2002.

"His Democrat allies in the House support his true intentions. Minority Chairman of the House Environmental Resources and Energy Committee Rep. Greg Vitali (D-Delaware) exposed these intentions before the U.S. Environmental Protection Agency at a Clean Power Plan hearing on Sept. 30, when he said, 'We need a severance tax because when you tax something you curb the incentive for further use.' The governor should be transparent about his real intentions to drive the natural gas industry out of Pennsylvania and to prop up wind and solar power. And to prove this point, we have to look no further than his own proposal, which earmarks severance tax revenues for handouts to wind and solar companies - not education. "

Source: Rep. Christiana Press Release, 10/6/2015

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