



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*

Governor Wolf Statement on Completion of 2016-2017 Budget

Governor Wolf released the following statement on the completion of the 2016-2017 budget:

"Over the last several months, I have worked together with Republicans and Democrats to achieve major progress on issues including the legalization of medical marijuana, the passage of historic liquor reform, and the enactment of a fair funding formula that ensures basic education funding is distributed to schools based on a district's unique needs.

"Recently, we also came together to pass a budget that included historic investment in education at all levels and much-needed funding to combat Pennsylvania's heroin crisis. Today's passage of a revenue package means that we avoid another lengthy impasse, our budget is balanced this year, and we have greatly reduced the commonwealth's structural budget deficit. I will sign this revenue package.

"This package is an important step forward and includes sustainable, recurring revenue that makes significant progress toward reducing our structural deficit. When I took office, I inherited a deficit of more than \$2 billion and schools that were devastated from drastic funding cuts.

"I have fought hard to turn things around and move the commonwealth forward. We have made progress - our schools have seen historic funding increases and the deficit has been significantly reduced. We still have much work to do in next year's budget, and I look forward to continuing to work with legislative leaders on important issues facing Pennsylvania.

"Now that this year's budget is complete, it is imperative that we all continue working together to focus on our greatest public health crisis - Pennsylvania's opioid abuse and heroin use epidemic. While the budget allows us to expand treatment for individuals suffering from addiction, we can and should do more to address this matter that is plaguing all of our communities. My administration will keep its focus on this issue and I will continue preparing for the upcoming special session."

Source: Governor's Press Office, 7/13/2016

Governor Wolf Signs School Code, Fiscal Code, Tax Code, and Non-preferred Appropriations Bills

On July 13, 2016, Governor Wolf signed the school code, fiscal code, tax code and the non-preferred appropriations.

[Act 84 - HB 1198](#) - Amends the Tax Reform Code, in tax for education, further providing for crimes; and, in corporate net income tax, providing for amended reports.

[Act 85 - HB 1605](#) - sponsored by Rep. James - Amends Fiscal Code, in cigarette sales, for def., records & penalties; in oil & gas wells, for Fund & heritage areas; in special funds, State Workers' Insurance Board; Race Horse Development Fund; budget implementation; PLCB, DHS.

[Act 86 - HB 1606](#) - sponsored by Rep. Christiana - Amends Public School Code, in prelim. provisions, providing for duties of Advisory Committee; in districts, for data collection; for finances; payroll tax; teachers; diabetes care; grants; community college; allocating appropriation.

[Act 17A - HB 2137](#) - sponsored by Rep. Adolph - Supplement to act to accept grant of Public Lands, by the U.S., to several states, for endowment of Agricultural Colleges making appropriations for carrying the same into effect; & providing for basis for payments of appropriation.

[Act 18A - HB 2138](#) - sponsored by Rep. Adolph - Supplement to the University of Pittsburgh--Commonwealth Act making appropriations for carrying the same into effect; & providing for a basis for payments, for method of accounting & for certain fiscal information disclosure.

[Act 19A - HB 2139](#) - sponsored by Rep. Adolph - Supplement to the Temple University--Commonwealth Act making an appropriation for carrying the same into effect; providing for a basis for payments; for method of accounting & for certain fiscal information disclosure.

[Act 20A - HB 2140](#) - sponsored by Rep. Adolph - Supplement to the Lincoln University--Commonwealth Act making an appropriation for carrying the same into effect; & providing for a basis for payments, for method of accounting & for certain fiscal information disclosure.

[Act 21A - HB 2141](#) - sponsored by Rep. Adolph - Act making appropriations to the Trustees of the University of Pennsylvania.

Source: Governor Wolf's Press Office, 7/14/2016

Wolf Administration Distributes Zika Prevention Kits for Pregnant Women

On July 14, 2016, the Pennsylvania Department of Health launched the commonwealth's latest initiative to help protect Pennsylvanians from the Zika virus. Prevention Kits for Pregnant Women are being distributed to provide education about the virus and list the steps that can be taken to avoid mosquito bites, as well as prevent the insects from multiplying around homes.

"While Zika is spread primarily by mosquitoes that are infected with the virus, it also can spread through sexual contact with individuals who have the disease," said PA Department of Health Secretary Dr. Karen Murphy. "Because Zika poses serious health risks for babies born to women who contracted the virus during pregnancy, the kits include health education materials and prevention tools to avoid mosquito bites and sexual transmission of the disease to pregnant women. Using the products in the Zika Prevention Kit can help protect you and your loved ones from the virus."

Beginning today, the department will start distributing Zika Prevention Kits for Pregnant Women around the commonwealth. The kits contain EPA-registered insect repellent for skin, permethrin spray repellent for treating clothing and shoes, standing water tablets for killing mosquito larva, condoms to prevent sexual transmission of Zika, and educational materials in both English and

Spanish. The kits will be available free of charge to pregnant women and can be obtained locally at health departments, federally qualified health centers, community health centers, WIC offices and other non-profit organizations that service women who are either low-income or homeless.

The kits are limited in quantity and will be distributed to organizations based on population, with distribution greatest in the southern part of the state. Pregnant women can visit www.zika.pa.gov to find a kit provider in their local area. Electronic versions of the educational inserts can also be found on the department's website and are available for download in both English and Spanish.

Zika is a mosquito-borne virus that can cause mild symptoms, such as fever, rash, joint pain and pink eye. Zika rarely kills or causes serious disease. However, the virus presents a major threat to pregnant women or women who plan to become pregnant. Zika infection during pregnancy has been linked to serious birth defects, including microcephaly in which babies' heads are smaller than normal.

Other measures that pregnant women can take to prevent mosquito bites include:

- Wearing light-colored, lightweight, loose-fitting clothing that covers hands, arms, legs and other exposed skin;
- Staying and sleeping in air-conditioned or screened rooms or under a mosquito net when outdoors; and
- Staying indoors when mosquitoes are most active.

The mosquito that primarily carries the disease has rarely been found in Pennsylvania. A related type of mosquito that can potentially carry Zika has been found in southern and southeastern Pennsylvania. At present, this mosquito does not appear to be as effective at spreading Zika.

Currently, the only confirmed cases of Zika in Pennsylvania are in individuals who contracted the virus while visiting [one of the areas where the virus is actively spreading](#). At this time, no cases of Zika in Pennsylvania or in the continental U.S. have occurred as a result of locally acquired infections.

As temperatures rise in the commonwealth and remain in place throughout the summer months, the risk of limited local transmission of Zika virus by the type of mosquitoes that potentially carry it will increase.

"In partnership with the Department of Health, we advise all Pennsylvanians to take precautions to reduce and control mosquito populations in their area and to take appropriate actions to protect themselves from mosquito bites," said PA Department of Environmental Protection Acting Secretary Patrick McDonnell. "DEP personnel and county partners are monitoring for the presence of mosquitoes that have the potential to transmit the Zika virus."

Although the *Aedes aegypti* mosquito remains the primary carrier of the Zika virus, *Aedes albopictus* has also been implicated as a secondary carrier of this disease. While *Aedes aegypti* has not been found in Pennsylvania since 2002, *Aedes albopictus* has been found throughout the major metropolitan areas of southern Pennsylvania. These species are different from ones DEP currently surveys and require different tactics.

The Aedes types of mosquitoes that can potentially transmit the Zika virus bite during the daytime. To control all mosquitoes outside your home or business:

- Install or repair and use window and door screens.
- Once a week, empty and scrub, turn over, cover, or throw out any items that hold water like buckets, toys, pools, birdbaths or trash containers. Mosquitoes lay eggs near water.
- Use an outdoor flying insect spray where mosquitoes rest – dark, humid areas like under patio furniture or under the carport or garage.
- Have clogged roof gutters cleaned every year, particularly if the leaves from surrounding trees have a tendency to plug up the drains.
- If you have a septic tank, repair cracks or gaps. Cover open vent or plumbing pipes with wire mesh that consists of holes smaller than an adult mosquito.

Additional information on Zika virus can be found on the Department of Health's website, www.zika.pa.gov.

Source: DEP Press Release, 7/14/2016

The Time to Invest in America's Water Infrastructure is Now

By Jim Gebhardt, Water Finance Center Director

Communities across the country are facing the immediate challenges of aging and inadequate drinking water and wastewater infrastructure. Most of our country's underground water infrastructure was built 50 or more years ago, and in some older cities, water mains are a century old. The implications of deteriorating infrastructure can be felt nationwide- each year our country experiences about 240,000 water main breaks, \$2.6 billion is lost as our water mains leak trillions of gallons of treated drinking water, and billions of gallons of raw sewage are discharged into local surface waters from aging sewer overflows.

[Learn more.](#)

Source: Water Headlines from EPA, 7/14/2016

EPA Continues Work with States to Improve Protection from Lead in Drinking Water

By Joel Beauvais, Deputy Assistant Administrator for the Office of Water

Taking action to address lead in drinking water is a top priority for EPA. We are continuing our robust work on implementation and compliance with the Lead and Copper Rule (LCR), working closely with states, who under the Safe Drinking Water Act are the first line of oversight of drinking water systems. During the past six months, EPA has engaged with every

state drinking water program to ensure they are addressing any high lead levels and fully implementing the current rule.

On February 29, 2016, EPA sent letters to all Governors, state environment and public health commissioners, and tribal leaders outlining specific steps they should take to enhance oversight of LCR implementation. Today, we are providing our response to the letters received from states and are making the state responses available on our website.

Currently, every state has confirmed - either in its initial response to the February 29 letters or in follow-up communications with EPA - that state protocols and procedures are fully consistent with the LCR and applicable EPA guidance, including protocols and procedures for optimizing corrosion control. States have indicated that they already posted or will post state LCR sampling protocols and guidance to their public websites. In addition, many states have provided examples of how they are promoting transparency and public education.

[Learn more.](#)

Source: Water Headlines from EPA, 7/14/2016

DEP Invests \$2.2 Million in Stormwater Projects to Improve Local Water Quality

The Pennsylvania Department of Environmental Protection (DEP) announced more than \$2.2 million in grants to improve urban stormwater management today for 19 projects in the Susquehanna River watershed. These grants will fund projects to reduce stormwater runoff through best management practices like stream restoration, rain gardens, and other green infrastructure.

“Reducing stormwater runoff is a key component of improving local water quality,” said Acting DEP Secretary Patrick McDonnell. “These

grants help to improve communities and clean up Pennsylvania's streams and rivers."

The awards are part of the Local Stormwater Best Management Practice (BMP) Implementation Program, which helps cut down on sediment and nutrient runoff into waterways. Currently the grants are limited to communities within the Chesapeake Bay watershed. Many of the projects have financial matching or in-kind contributions in addition to the grant from DEP.

Projects eligible for funding under the program include (but are not limited to) urban stream restoration, rain gardens, urban tree planting, and green roofs. More information on the program can be found at the DEP [website](#). The full list of grant awardees is below.

Projects awarded grants and grant amounts:

- Camp Hill Borough: Willow stream restoration project. \$200,000
- Capital Region Water (Harrisburg): Downspout planter pilot project. \$40,800
- Carlisle Borough: Carlisle Green Streets project. \$143,400
- City of Altoona: Spring Run tree planting. \$11,547
- City of Harrisburg: Harrisburg Fire Station gray water roof. \$194,616
- City of Lancaster: Long's Park water quality improvement project (vegetative swales and floating wetlands). \$200,000
- City of Lebanon: Riparian buffers and landscaping. \$93,797
- Clarks Summit Borough: Water quality revitalization project (rain garden, tree planting). \$167,604
- Derry Township: Public parking lot BMP, porous asphalt and vegetated islands. \$200,000
- East Hempfield Township: East Hempfield Township Maintenance Facility (rain garden, swales, oil grit separator). \$117,636
- East Hempfield Township: Village Grande development outfall bioretention. \$61,467
- East Lampeter Township: Municipal complex green infrastructure. \$170,842
- East Pennsboro Township: West Treemont existing dry detention BMP conversion. \$79,200

- Kingston Township: Kingston Township Center Street Park rain garden. \$35,400
- Lehman Township: Jackson Rd infiltration trench. \$62,500
- Lititz Borough: Lititz Run – Oak Street stream/floodplain restoration. \$180,000
- Londonderry Township: Hillside farm bioswales. \$36,129
- Paxtang Borough: Paxtang Parkway rain garden. \$80,000
- York County Prison: Conversion of stormwater retention basins to bioretention basins \$200,000

Source: DEP Press Release, 7/12/2016

Reminder of what's In the FY 2016-17 Budget for the Environment: Nothing Much

On June 30, the last day of the FY 2015-16 Fiscal Year, the House and Senate passed a \$31.52 billion General Fund budget bill--[Senate Bill 1073](#) (Browne-R-Lehigh) -- and Gov. Wolf allowed it to become law without his signature at midnight on July 11.

The bill increases higher education line items by 2.5 percent and funding for Community Colleges to \$232,111,000 from the \$226,450,000 the House had in its version of the budget.

The budget numbers for DEP and DCNR are nothing more than cost-to-carry numbers. The Senate did increase the Heritage Parks Program line-item to \$2.8 million from the \$2.25 million the House approved.

The budget bill also includes an increase in DCNR's in-lieu of tax payments for State Forest land.

Click [here](#) for a spreadsheet from Senate Republicans showing differences between FY 2015-16 and FY 2016-17 Senate-passed budget. Click [here](#) for a Senate Fiscal Note and summary. Click [here](#) for a narrative summary by the House Democratic Appropriations Committee staff.

Source: PA Environmental Digest, 7/18/2016

Fiscal Code Bill Amendments Cut \$39 Million from Environmental Funds

House Bill 1605 (James-R-Butler), the Fiscal Code vehicle that will help implement the FY 2016-17 state budget, was given final approval by the Senate and House Wednesday and signed into law a short time later by Gov. Wolf.

The bill redirects \$39 million in monies from the Environmental Stewardship (Growing Greener) Fund, the Recycling Fund, a CFA green building program and other special funds to the state's General Fund to help balance the budget.

The fund transfers and other provisions of House Bill 1605 include:

- Transfer monies from these funds to General Fund: \$5 million from Alternative Fuels Incentive Fund and \$9 million from Recycling Fund;
- Limits transfers from the Marcellus Legacy Fund to Environmental Stewardship Fund to \$20 million (should be \$35 million, the second year in a row funding has been limited) and limits the transfer from the Marcellus Legacy Fund to the Hazardous Sites Cleanup Fund \$5 million (a \$10 million cut);
- Transfers \$12 million from CFA High Performance Green Buildings Program to the CFA Natural Gas Infrastructure Development Program (second year in a row this transfer was made).

The bill also includes language that exempts any well that does not penetrate the Onondaga horizon from the Oil and Gas Conservation Law which came from [Senate Bill 1145](#) (Yaw-R-Lycoming).

Other provisions in the bill would establish the DCNR Heritage Parks Program in law and increase

in-lieu of tax payments for DCNR State Forest Land.

Click [here](#) for a copy of the 57-page amendment language. Click [here](#) for the Senate Fiscal Note and summary.

Source: PA Environmental Digest, 7/18/2016

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