

---

# WUC

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



## GOVERNMENT RELATIONS UPDATE

From Milliron & Goodman Government Relations, LLC.

---

200 North 3<sup>rd</sup> Street ♦ Suite 1500 ♦ Harrisburg, PA 17101 ♦ Phone: 717-232-5322 ♦ Cell: 717-574-3963 ♦  
Erik A. Ross, Senior Associate ♦ [www.millirongoodman.com](http://www.millirongoodman.com)

---

Harrisburg, PA

[Erik@millirongoodman.com](mailto:Erik@millirongoodman.com)

November 19, 2018 -- Issue 1112

---

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

---

### Re-Elected House Republican Majority Chooses 2019-20 Leadership Team by acclamation, Turzai elected caucus-designee for speaker and Cutler elected majority leader

**O**n November 13, 2018, the 110 members of the incoming Pennsylvania House Republican Caucus once again elected Rep. Mike Turzai (R-Allegheny) as their choice for speaker of the House and chose Rep. Bryan Cutler (R-Lancaster) as the new majority leader for the upcoming 2019-20 legislative session.

Today's caucus election comes seven days after Republicans retained control of the House for a fifth consecutive term. This is just the second time since 1924 that Republicans have maintained control of the House for more than four terms in a row.

Turzai's and Cutler's elections highlighted this morning's reorganization session of the Republican Caucus. The formal election for speaker will take

place in the full House when the 2019-20 session begins on Jan. 1, 2019.

Republicans hold a 110-93 majority in the state House, but two vacancies will exist on swearing-in day: Rep. Sid Michaels Kavulich (D-Lackawanna) died in October, and Rep. Vanessa Lowery Brown (D-Philadelphia) was convicted of violating state conflict of interest laws and accepting bribes. The speaker will set special election dates in January.

The caucus leadership elections took place this morning in the House Majority Caucus Room. The 19 newly elected Republican members who will begin their terms in January participated in the balloting. Members who are leaving office did not participate in the election.

Turzai said: "I am humbled to earn the caucus' faith to be nominated to serve as speaker. I look forward to working with all members to move Pennsylvania forward in the next session with a principled but commonsense agenda focused on fiscal responsibility; private sector job creation; transparent, limited government; and respect for long-standing values."

Cutler said: "Our caucus has consistently led on protecting Pennsylvanians from tax increases. As we head into an historic fifth term in the majority, we will continue to prioritize being responsible with

the taxpayers' hard-earned money. We will also focus on running government as efficiently and transparently as possible, ensuring our students have the tools and opportunities they need to succeed and working to create an environment which promotes job growth and economic prosperity.

"I am incredibly appreciative of the caucus' vote of confidence in me, and I look forward to working with them for the good of all Pennsylvanians."

Benninghoff said: "I am humbled and grateful to have been entrusted to serve my Republican colleagues as Majority Whip. We will, together, stay true to our commitment to stand up for taxpayers, support hard-working families, encourage job growth and improve educational opportunities for our children. This newly elected leadership team has an exciting opportunity, and also a responsibility, to work hard and accomplish big things for Pennsylvania. I'm thankful to be part of that team, and I look forward to this next session with great expectation."

Saylor said: "Pennsylvanians can be assured we will continue budgeting responsibly as we keep an eye on state revenues and expenditures. The House Appropriations Committee will keep its focus on effectiveness of state programs and whether they match their intent."

The Republican leadership team includes:

**SPEAKER OF THE HOUSE DESIGNEE:** Rep. Mike Turzai (28th District, Allegheny County) is completing his second term as speaker. He was elected majority leader for two sessions, serving in that capacity from 2011-14. Turzai was first elected to the House in 2001 and previously served as whip during the 2009-10 legislative session and Republican Policy Committee chairman during the 2007-08 session.

**MAJORITY LEADER:** Rep. Bryan Cutler (100th District, Lancaster County) was elected to the House in 2006. Cutler, a lifelong resident of Lancaster County, is currently completing his second term as majority whip. Prior to his election to the House, Cutler worked in the health care industry and attended law school.

**WHIP:** Rep. Kerry Benninghoff (171st District, Centre and Mifflin counties) was elected to the House in 1996. Benninghoff is concluding his second term as Republican Policy Committee chairman. Previously, Benninghoff served as chairman of the House Finance Committee, chairman of the Cancer Caucus and chairman of the Rural Health Caucus.

**APPROPRIATIONS CHAIRMAN:** Rep. Stan Saylor (94th District, York County) was first elected to the House in 1992 and is currently completing his first term as Appropriations chairman. From 2011 to 2014, Saylor served as majority whip, and in the 2009-10 session, he was the Republican Policy Committee chairman.

**CAUCUS CHAIRMAN:** Rep. Marcy Toepel (147th District, Montgomery County) was first elected to the House in 2010. Prior to being elected, Toepel served in various positions in the Montgomery County government. This will be her second term as caucus chairman.

**POLICY COMMITTEE CHAIRMAN:** Rep. Donna Oberlander (63rd District, Armstrong, Clarion and Forest counties) was elected to the House of Representatives in 2008. Oberlander is concluding her second term as caucus secretary. Previously, she chaired the House Oil and Gas Caucus, and the House Diabetes Caucus.

**CAUCUS ADMINISTRATOR:** Rep. Kurt Masser (107th District, Columbia, Montour and Northumberland counties) was first elected to the House in 2010. This will be Masser's second term in the leadership position.

**CAUCUS SECRETARY:** Rep. Mike Reese (59th District, Westmoreland and Somerset counties) was first elected to the House of Representatives in 2008. Prior to his election to the House, Reese worked at the University of Pittsburgh and Westmoreland County Community College. Immediately prior to his House election, he served as the Westmoreland County Assistant Director of Financial Administration.

**Source:** House GOP Press Release, 11/13/2018

## House Democrats choose leaders for new session

On November 13, 2018, members of a significantly stronger House Democratic Caucus re-elected Rep. Frank Dermody to lead them in the 2019-20 session along with a leadership team featuring several new faces.

“More Democratic candidates successfully flipped seats to our side this year than in any election in the last 44 years,” said Dermody, D-Allegheny/Westmoreland. “I’m honored to be chosen to continue leading the House Democratic Caucus as we go forward together, fighting for our Plan For Pennsylvania.”

Dermody noted that 30 of the 93 Democrats elected to the House are women, the largest number ever. Overall, 24 new people are joining the House Democratic ranks to serve their first term as lawmakers.

In other caucus elections held today, Rep. Jordan Harris of Philadelphia was chosen as Democratic whip, responsible for making sure that Democrats attend session and understand the specifics of legislation. Harris, 34, was first elected to the House in 2012 and is currently chairman of the Pennsylvania Legislative Black Caucus.

Rep. Matt Bradford of Montgomery County will chair the Democratic side of the House Appropriations Committee. He has served in the House since 2008 and previously was Democratic chairman of the State Government Committee.

Rep. Joanna McClinton will be the new caucus chair, responsible for conducting caucus meetings on each day of voting session. She represents the 191st District in parts of Philadelphia and Delaware County and has served in the House since 2015.

Rep. Rosita Youngblood of Philadelphia was re-elected caucus secretary. Rep. Mike Sturla of Lancaster will serve again as chairman of the Democratic Policy Committee. And Rep. Neal Goodman of Schuylkill County was chosen again to serve as caucus administrator.

All the Democratic members who are returning to office in 2019 as well as the 24 newly elected Democrats took part in today’s meeting to choose their leadership team.

The full House will be sworn in and begin the new session at noon on Jan. 1, 2019.

**Source:** House Democratic Caucus, 11/14/2018

## Senate Republicans Elect Leadership Team for 2019-20

On November 14, 2018, Senate Republicans elected their leaders for the 2019-20 legislative session.

Senator Joe Scarnati (R-25) has been nominated once again to serve as **President Pro Tempore**. The full Senate will vote on Scarnati's nomination when it reconvenes in January. As President Pro Tempore, he will be responsible for appointing the chairpersons and members of the standing committees of the Senate. He will also play a significant role in negotiations with the Administration and the House of Representatives.

Senator Jake Corman (R-34) will serve his third term as **Majority Leader**. His duties include overseeing the legislative agenda, developing policies and strategies for the Senate Republican Caucus, and playing a key role in floor debates. He will also have a major role in negotiating issues with the Administration and House of Representatives and in coordinating action on the Senate floor.

Leadership of the **Appropriations Committee**, one of the most influential of the standing committees, will remain with Senator Pat Browne (R-16). The committee reviews all legislation for its fiscal impact and plays a crucial role in developing the state budget.

Senator John Gordner (R-27) was re-elected **Majority Whip**. His duties include acting as assistant floor leader, working to gain support for legislation and assuring that Republican policies

and strategies are maintained through the cooperative efforts of the majority caucus.

Senator Bob Mensch (R-24) will continue to serve as **Majority Caucus Chairman** for the new legislative session. As chairman he presides over Republican caucus meetings to discuss bills and amendments and to develop caucus strategy.

As the **Majority Caucus Secretary**, Senator Richard Alloway (R-33) will continue to oversee all executive nominations submitted to the Senate for confirmation. He will coordinate the review of the background and experience of nominees and ensure that proper documentation is submitted.

Senate Republicans welcomed two new members. Senator-elect Judy Ward was elected to represent the 30th Senatorial District. A registered nurse for over 20 years, Ward served two terms in the House of Representatives. Senator-elect Kristin Phillips-Hill was elected to represent the 28th Senatorial District after serving two terms in the House of Representatives. She has extensive volunteer experience and is a former small business owner.

**Source:** Senate Republican Communications, 11/14/2018

## **Pennsylvania Senate Democratic Caucus Re-Elects Full Leadership Team**

**O**n November 14, 2018, the entire leadership team of the Pennsylvania Senate Democratic Caucus was reelected to serve its membership for the 2018-19 legislative session.

The Senate Democratic Caucus won five new seats in the 2018 midterm elections and will have 21 members in the coming session. The new and returning members elected this Caucus Leadership Team:

**Leader** - Jay Costa, Jr.

**Whip** - Anthony Hardy Williams

**Appropriations Committee Chair** - Vincent Hughes

**Chair** - Wayne D. Fontana

**Secretary** - Larry Farnese

**Policy Committee Chair** - Lisa Boscola

**Administrator** - John Blake

**Vice Chair, Appropriations Committee** - Judy Schwank

"It has been an honor to serve as the Leader of this caucus, and I am again honored that my colleagues have trusted me with this responsibility for another session," said Senate Democratic Leader Jay Costa, Jr. "We have a dynamic, passionate caucus and I know this leadership team will serve them well. I look forward to swearing in our new and returning members this January, and then getting to work."

**Source:** Senate Democratic Communications, 11/14/2018

## **Wolf Administration Offers Grants to Support Alternative Fuel Infrastructure Projects**

**T**he Pennsylvania Department of Environmental Protection (DEP) is announcing the availability of approximately \$1 million in grants to support the installation of publicly accessible alternative fuel infrastructure projects in designated major transportation corridors.

"Improving the availability of alternative fueling stations not only meets the demand of this growing sector, it also helps reduce the greenhouse gases that are driving climate change," said DEP Secretary Patrick McDonnell. "It is in Pennsylvania's interest to improve access to these cleaner options to power our vehicles."

Examples of eligible projects include electric vehicle charging stations, compressed natural gas refueling stations, and propane refueling stations. All projects must be fully accessible to the public and be located within the designated alternative fuel corridors of I-76, I-276, I-376, I-476, I-70, I-79, I-90, I-95, and I-80.

The funding is made possible through the commonwealth's FAST (Fixing America's Surface Transportation) Act. This special solicitation under the AFIG (Alternative Fuels Incentive Grants) Program is designed to provide long-term certainty for surface transportation infrastructure planning and investments.

Individual project awards will provide up to a fifty percent reimbursement and be capped at \$500,000. Proposed projects must be standalone and cannot rely on receiving funding from multiple applications. For additional application requirements and restrictions visit [here](#).

Applications must be submitted online through the [Electronic Single Application system](#). Applications must be received by 4:00 PM on Friday, February 8, 2019. The grant solicitation may be extended or re-opened at the discretion of DEP.

Source: DEP Press Release, 11/13/2018

## **Wolf Administration Announces \$50 Million Investment to Improve Recreation, Community Revitalization across Pennsylvania**

**O**n November 15, 2018, Governor Tom Wolf announced an investment of \$50 million for 280 projects across Pennsylvania that will create new recreational opportunities, conserve natural resources and help revitalize local communities.

"Many of the projects being funded - improvements to local parks, trails and river access - bring opportunities for outdoor recreation closer to home, and are the features that help attract families, visitors, and businesses that provide jobs to communities," Governor Wolf said. "This \$50 million in grants will support communities throughout Pennsylvania working to protect and improve natural amenities for our citizens.

Investments are being made in a variety of proposals, including: 39 trail projects; protecting nearly 4,172 acres of open space; 10 projects for planting riparian buffers along streams; 16 projects for rivers conservation; and 126 projects to develop or rehabilitate recreation, park and conservation areas and facilities.

The grants are administered by the Department of Conservation and Natural Resources. Funding comes from the Keystone Fund, which is generated from a portion of the realty transfer tax; the Environmental Stewardship Fund; the ATV/Snowmobile Fund generated through fees for licenses; and federal monies including the Land and Water Conservation Fund.

Projects are funded throughout Pennsylvania. A [complete list](#) by county is available on the DCNR website.

Additionally, more than \$2.1million is being provided to Heritage Areas for projects including advancing river and trail towns, closing gaps in Pennsylvanian's destination trails, developing heritage tourism initiatives, improving educational and interpretative signage and planning and marketing heritage tourism events.

Source: Governor Wolf Press Release, 11/15/2018

## **Independent Fiscal Office: State Faces over \$1.7 Billion Budget Deficit in FY 2019-20**

**O**n November 15, the Independent Fiscal Office reported in its [Economic & Budget Outlook Report](#) state government faces over \$8 billion in deficits over the next 5 fiscal years due to rising costs, and in spite of better than expected increases in state revenue.

IFO projects a \$1.71 billion deficit in FY 2019-20, a \$1.56 billion deficit in 2020-21, a \$1.44 billion deficit in 2021-22, a \$1.75 billion deficit in 2022-23 and a \$1.58 billion deficit in 2023-24.

The report blames the same old culprits-- \$1 billion in one-time funding sources used to balance

the FY 2018-19 budget and increasing health and human service program costs.

Interestingly, the same [IFO report in November of 2017](#) projected a "structural deficit" in FY 2019-20 budget of \$1.86 billion, a 2020-21 deficit of \$1.77 billion, a \$1.78 billion deficit in 2021-22 and a \$2.18 billion deficit in 2022-23.

So a year brought some improvement, but clearly the structural deficit problem has not gone away.

"Expenditures are expected to increase by \$2.70 billion in FY 2019-20, which is roughly \$1.70 billion more than the projected increase in net revenues," said Matthew Knittel, Director of the IFO. "The factors driving the unusually large growth in expenditures in the budget year are associated with more than \$1.0 billion in one-time funding sources used to balance the FY 2018-19 budget, as well as FY 2019-20 increases in state costs associated with health and human service programs."

In addition, a new sales and use tax transfer to the Public Transportation Trust Fund beginning in FY 2022- 23 reduces revenue by approximately \$500 million annually and contributes to the shortfall in the final two years of the forecast.

The IFO described the imbalance as "potential" because policymakers have various tools to control expenditures on a temporary or permanent basis.

The IFO said several other factors affect projections of the Commonwealth's fiscal condition in the forecast period, including:

- The projections include mandatory (also referred to as the cost-to-carry) and non-mandatory expenditures. The potential FY 2019-20 imbalance is estimated at \$1.48 billion if the financial statement incorporated only mandatory expenditures.
- Over the last four years of the forecast (FY 2020-21 through 2023-24), three factors drive lower growth in expenditures: (1) SERS and PSERS employer contribution rates stabilize, (2) a contraction of the school age population

restrains the growth of Pre-K-12 expenditures and (3) the aging of the Commonwealth's workforce (high wage employees retire and are replaced with less experienced, lower wage staff).

### Recession Caution

The IFO said the report does not assume that a recession occurs over the five-year budget window, therefore, the economic forecast represents a "best case" scenario. However, the report includes a cautionary note on the economic and revenue implications of a recession.

A recent survey of economists by the Wall Street Journal indicates that most economists believe that a recession is more likely than not to occur over the next three years.

Click [here](#) for a copy of the report.

**Source:** PA Environmental Digest Blog, 11/16/2018

## **PUC Chair Brown and Vice Chair Place Join in Commemorating Life and Legacy of Linda Taliaferro, First African-American Woman to Lead PUC**

**P**ennsylvania Public Utility Commission (PUC) Chairman Gladys M. Brown and Vice Chairman Andrew Place today joined an array of leaders and advocates from the public and private sectors in recognizing the life and legacy of Linda C. Taliaferro, who guided the PUC through turbulent times during the late-1970s and 1980s and served as a trailblazer and role model for many who have followed.

At the time of her appointment in 1979, Taliaferro was only the third woman to ever serve on the Commission, and in April 1983 she became the first African-American woman to Chair the PUC. Her wide-ranging career included service as

an attorney, a regulator, a utility board member, a professor and an advocate for minorities and low-income groups.

"Linda's leadership at the Pennsylvania PUC - guided by a firm belief that it was essential to make objective decisions, based on the facts, science and economics of an issue, rather than a political agenda - continues to frame the way we strive to operate today," said Chairman Brown in her opening remarks. "Additionally, her insight that deregulation serves to increase the impact of regulatory actions, clearly holds true today."

Today's program, presented by the Harrisburg chapter of [American Association of Blacks in Energy](#) (AABE) and Harrisburg University of Science and Technology, explored the spirit of Taliaferro's regulatory role - perhaps best encapsulated in a magazine profile of her titled ["With Electricity and Justice for All."](#)

Panelists at today's program included current PUC Vice Chairman Andrew G. Place and past Chairman/Commissioner James H. Cawley (who served alongside Taliaferro on the PUC), along with Pennsylvania Consumer Advocate Tanya McCloskey, and many others. The discussions touched on diversity and inclusion in energy matters and included recollections from those who served with, or were inspired by, Linda Taliaferro.

Taliaferro's leadership in Pennsylvania touched numerous major utility issues, including the aftermath of the nuclear powerplant accident at Three Mile Island and the regulation of rates for nuclear generators in Pennsylvania; the break-up of AT&T and restructuring of local telephone companies; deregulation of the trucking industry, accompanied by PUC's Motor Carrier safety inspections; and early state efforts to promote electric conservation and weatherization programs. Additionally, Taliaferro was a co-founder of AABE, which works to foster a strong national voice in energy policies.

The Pennsylvania Public Utility Commission balances the needs of consumers and utilities; ensures safe and reliable utility service at reasonable rates; protects the public interest; educates consumers to make independent and

informed utility choices; furthers economic development; and fosters new technologies and competitive markets in an environmentally sound manner.

Visit the PUC's [website](#) for recent news releases and video of select proceedings. You can also follow us on Twitter, Facebook, LinkedIn, Instagram and YouTube. Search for the "Pennsylvania Public Utility Commission" or "PA PUC" on your favorite social media channel for updates on utility issues and other helpful consumer information.

Source: PUC Press Release, 11/16/2018

## **PUC Announces PA One Call Disciplinary Actions against Facility Owners, Excavators and Project Owners Involved in Cases across PA**

**T**he Pennsylvania Public Utility Commission (PUC) filed disciplinary action against 68 facility owners, excavators and project owners during the first meeting of the PA One Call Damage Prevention Committee (DPC) in Harrisburg this month.

A [comprehensive list of summaries and action](#) is available on the PUC's website. Fines are payable to the Commonwealth of Pennsylvania.

The creation of the committee was authorized by [Act 50 of 2017](#), which enhances Pennsylvania's Underground Utility Line Protection Act - also known as the "One Call Law." Modeled after successful programs in other states, the [focus of the committee](#) is a reduction in the number of "hits" on underground utilities. The DPC will meet regularly to review alleged violations of the Act and make determinations as to the appropriate response including, but not limited to, the issuance of warning letters or administrative penalties.

Each month, the committee will hold a public meeting in Hearing Room 1 of the Commonwealth Keystone Building, Harrisburg. Each meeting will be livestreamed. To view the livestream, visit the PUC's [website](#).

The Pennsylvania Public Utility Commission balances the needs of consumers and utilities; ensures safe and reliable utility service at reasonable rates; protects the public interest; educates consumers to make independent and informed utility choices; furthers economic development; and fosters new technologies and competitive markets in an environmentally sound manner.

Visit the PUC's [website](#) for recent news releases and video of select proceedings. You can also follow us on Twitter, Facebook, LinkedIn, Instagram and YouTube. Search for the "Pennsylvania Public Utility Commission" or "PA PUC" on your favorite social media channel for updates on utility issues and other helpful consumer information.

**Source:** PUC Press Release, 11/16/2018

#####

***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.***