
WUC

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
Water Works Operators' Association of Pennsylvania*

Chairman Saylor Lays out Vision for 2019-20 Budget

House Appropriations Chairman Stan Saylor (R-York) issued the following statement on the 2019-20 General Fund Budget:

"As we head into the new legislative session, the focus of the House Republican Caucus will be on creating a budget that does not rely on new taxes or fees and that supports job creation. Revenue collections are strong, and the Commonwealth has collected \$333 million more than expected through the end of November.

"The budget secretary stated during his mid-year briefing that the administration expects to end the current fiscal year with a surplus. There has been a lot of chatter about the recent Independent Fiscal Office's report. A deficit is only created when you spend more than you take in. We fully intend to enact a budget in the upcoming fiscal year that lives within current revenue projections. While I respect the IFO, they have historically overestimated the General Fund spend number. In November 2016, the IFO predicted the 2017-18 budget would be \$33.4 billion and the enacted 2017-18 budget was \$31.996 billion. That's \$1.4 billion lower than the IFO originally predicted. In November 2017, the

IFO predicted the 2018-19 budget would be \$33.5 billion and the enacted 2018-19 budget was \$32.7 billion. That's \$800 million lower than the IFO originally predicted. The IFO's predicted deficit is based on the assumption that we enact a \$35.6 billion budget in 2019-20. There simply are no votes in the House Republican Caucus for a budget that large, and I doubt there are 93 votes for it in the House Democrat Caucus.

"House Republicans will continue to hold the line on new taxes. The people of Pennsylvania want a government that lives within its means and we intend to provide that. The governor's budget secretary stated during the mid-year briefing that the governor's focus for the next term will be to reduce and restrain spending to balance budgets. If the governor is serious about this, then House Republicans are ready to join him in that effort. Our focus will be creating a budget centered on economic growth for better job and career opportunities and setting Pennsylvania up for success in the long-term"

Source: Rep. Saylor Press Release, 12/17/2018

House Democrats Say More DEP Funding a Priority for 2019-20 Budget

On December 17, House Republican Appropriations Chair Stan Saylor (R-York) and House Democratic Appropriations Chair Matthew Bradford (D-Montgomery) outlined their priorities for the 2019-20 in separate statements.

Rep. Saylor's keep with the "no new taxes" and "live within our means" positions echoed Senate and House Republican leadership comments last week before the mid-year budget review by the Governor's Budget Secretary.

Rep. Bradford and House Democratic Leader Frank Dermody (D-Allegheny) said, in a Capitolwire.com interview, providing more state funding for education, especially in early education, providing access to health care and steering state funding to the Department of Environmental Protection so it can turn around environmental permits quicker.

Both Dermody and Bradford acknowledge that years of underfunding and staff attrition has hurt DEP's ability to handle permits sought by businesses.

"I believe that's the case (with DEP)," said Dermody. "We want everyone to follow the law."

"DEP unfortunately has gotten more than its fair share of those cuts," said Rep. Bradford. "I would challenge the business community which understandably complains about delays in permits. This isn't just a pro-environmental issue. This is about being pro-business and making sure DEP can function and turn around permits in a timely manner."

Rep. Saylor's entire statement said, "As we head into the new legislative session, the focus of the House Republican Caucus will be on creating a budget that does not rely on new taxes or fees and that supports job creation.

"Revenue collections are strong, and the Commonwealth has collected \$333 million more than expected through the end of November. "The budget secretary stated during his mid-year briefing that the administration expects to end the current fiscal year with a surplus.

"There has been a lot of chatter about the recent Independent Fiscal Office's report. A deficit is only created when you spend more than you take in.

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"If the governor is serious about this, then House Republicans are ready to join him in that effort. Our focus will be creating a budget centered on economic growth for better job and career opportunities and setting Pennsylvania up for success in the long-term."

Source: PA Environmental Digest, 12/24/2018

Trump Administration Unveils Federal Action Plan

to Reduce Childhood Lead Exposure

Highlights Ongoing Lead Work in Lancaster and Philadelphia

On December 19, 2018, U.S. Environmental Protection Agency (EPA) Acting Administrator Andrew Wheeler, U.S. Housing and Urban Development (HUD) Secretary Ben Carson, and U.S. Health and Human Services (HHS) Deputy Secretary Eric Hargan unveiled the Trump Administration's Federal Lead Action Plan to Reduce Childhood Lead Exposures and Associated Health Impacts (Lead Action Plan).

"The Federal Lead Action Plan will enhance the Trump Administration's efforts to identify and reduce lead contamination while ensuring children impacted by lead exposure are getting the support and care they need," said EPA Acting Administrator Andrew Wheeler. "EPA will develop an implementation plan by March 2019 that will enable us to track our progress and update the public as we work to carry out the action plan and mitigate childhood lead exposure."

"The Trump administration's new Lead Action Plan reflects our strong commitment to preventing future generations from being affected by lead exposure," said HHS Secretary Alex Azar. "We know that lead exposure at a young age can result in serious effects on IQ, attention span, and academic achievement. We need to continue taking action to prevent these harmful effects. Identifying lead-exposed children, connecting them with appropriate services, and preventing other children from being exposed to lead are important public health priorities for this administration."

"HUD is delighted to join the other members of the Task Force in issuing this cohesive Federal Lead Action Plan," said HUD Secretary Ben Carson. "Implementing this plan will help federal agencies, along with our state and local partners, advance efforts to remediate home health hazards and keep children safe from lead poisoning."

Administrator Wheeler, Secretary Carson, and Deputy Secretary Hargan released the *Lead Action*

Plan in front of a crowd of more than 30 dedicated career employees from EPA, HHS, and HUD who helped develop the plan.

"By educating the public about the dangers of lead paint, we hope to increase awareness about the dangers of lead poisoning in children," said EPA's Mid-Atlantic Regional Administrator Cosmo Servidio. "One component of this initiative is raising awareness among parents and guardians about the actionable steps they can take to reduce exposure to lead and the importance of getting their children tested."

EPA's Mid-Atlantic Region has designed and implemented a creative place-based approach to reduce exposure to lead, focusing on increasing awareness of and compliance with EPA's Lead Renovation, Repair, and Painting Rule. The Region conducted outreach, compliance assistance, and inspection and enforcement resources for at-risk geographic areas, starting with Lancaster and Philadelphia, Pennsylvania.

In Lancaster, EPA sought to reduce exposure to lead by working with State and especially local officials and organizations. This pilot led to the development of a collaborative Federal regional initiative with Housing & Urban Development and Health & Human Services.

EPA is also working with local partners to raise awareness of EPA's lead-based paint rules in Philadelphia neighborhoods. Outreach efforts include in-person meetings, distributing technical assistance information, visits to paint/hardware stores, awareness training for city inspectors and providing information to contractors and property management firms, as well as providing information to daycare centers, childcare and healthcare focused organizations.

About the Lead Action Plan

Developed through cross-governmental collaboration of the *President's Task Force on Environmental Health Risks and Safety Risks to Children (Task Force)*, which includes 17 federal departments and offices, the *Lead Action Plan* is a blueprint for reducing lead exposure and associated harms by working with a range of stakeholders,

including states, tribes and local communities, along with businesses, property owners and parents.

The four goals of the *Lead Action Plan* are:

- **Goal 1:** Reduce Children's Exposure to Lead Sources
- **Goal 2:** Identify Lead-Exposed Children and Improve their Health Outcomes
- **Goal 3:** Communicate More Effectively with Stakeholders
- **Goal 4:** Support and Conduct Critical Research to Inform Efforts to Reduce Lead Exposures and Related Health Risks.

EPA is committed to developing an implementation plan – by March 2019 – that includes performance metrics for monitoring progress and demonstrating accountability for EPA actions identified in the *Lead Action Plan*. The agency also commits to providing periodic updates on the progress of these actions.

The *Lead Action Plan* will help federal agencies work strategically and collaboratively to reduce exposure to lead and improve children's health. EPA and members of the Task Force will continue to engage with and reach out to community stakeholders such as non-governmental organizations.

Click here <https://www.epa.gov/lead/federal-action-plan-reduce-childhood-lead-exposure> to read the full report.

Background

The *President's Task Force on Environmental Health Risks and Safety Risks to Children*, which was established in 1997 by Executive Order 13045, is the focal point for federal collaboration to promote and protect children's environmental health. The Task Force is currently co-chaired by Acting EPA Administrator Andrew Wheeler and HHS Secretary Alex Azar.

Since the 1970s, the United States has made tremendous progress in lowering children's blood

lead levels. Lead exposure, particularly at higher doses, continues to pose a significant health and safety threat to children, preventing them from reaching the fullest potential of their health, their intellect, and their future. No safe blood lead level in children has been identified.

Now, however, tackling the problem at this stage requires a coordinated federal-wide effort that evaluates the predominant sources of lead and also includes improving identification and treatment of children identified as lead exposed. It requires a more robust and coordinated communication with parents and others regarding the risks and methods to reduce exposure and a collaborative multi-agency research plan – as outlined by the *Lead Action Plan*.

Source: EPA Press Release, 12/19/2018

PUC Selects Commissioner Sweet as Vice Chairman; Chairman Brown Thanks Commissioner Place for Service as Vice Chairman

Pennsylvania Public Utility Commission (PUC) Chairman Gladys M. Brown has announced the Commissioners' selection of David W. Sweet as Vice Chairman effective Jan. 1. He will replace Andrew G. Place, who has served as Vice Chairman since 2015 and will remain as a Commissioner with a term expiring April 1, 2020.

Chairman Brown said at Thursday's Public Meeting that the Commissioners selected a Vice Chairman for the coming year as they are required to do under the Public Utility Code.

"I would like to take this opportunity to thank Vice Chairman Place for his three years of service in the role of Vice Chairman. He has brought passion and intelligence to this role, and I know he will continue his ongoing efforts to share his knowledge base with not only us at the PUC, but also OPSI (Organization of PJM States Inc.) and NARUC (the National Association of Regulatory Utility Commissioners)," said Chairman Brown. "We have voted to select as our Vice Chairman

Commissioner David Sweet. Let me add my congratulations to Commissioner Sweet, who is fully equipped to now take on the new challenge of being the Vice Chairman beginning in 2019."

Sweet joined the Commission following a nomination by Gov. Tom Wolf on May 4, 2016, and a Pennsylvania Senate confirmation on June 15, 2016. His five-year term expires in 2021.

In addition to his work on the Commission, Sweet is a member of the NARUC Presidential Task Force on Veterans' Workforce, and also is leading the PUC's efforts to encourage enhanced veterans outreach and hiring by utilities across Pennsylvania.

Prior to serving at the Commission, Sweet served as the Senior Advisor to Gov. Wolf, focusing on energy and economic development issues. Among his many assignments was serving as liaison to the Philadelphia Regional Port Authority and in this role helped shape and implement the Governor's economic growth strategy for the Philadelphia region. Sweet also served as the Governor's designee on the Banking and Securities Commission.

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.

For recent news releases and video of select Commission proceedings or more information about the PUC, visit our website at www.puc.pa.gov. Follow the PUC on Twitter - @PA_PUC for all things utility. "Like" PAPowerSwitch on Facebook for easy access to information on electric shopping.

Source: PUC Press Release, 12/21/2018

PUC Highlights 2018 Accomplishments and Programs

As part of its final public meeting for 2018, the Pennsylvania Public Utility Commission (PUC) fulfilled a longstanding custom of the Commission in highlighting some of the agency's major accomplishments over the past year.

"We enjoyed another successful year at this Commission because of the dedication and commitment of our PUC staff," said PUC Chairman Gladys M. Brown. "It's only because of the staff we have here that the PUC has such a great reputation and can tackle anything given to us by the General Assembly."

Among the Commission's 2018 accomplishments were the following:

PA One Call/Damage Prevention Committee - The Commission now has jurisdiction over Pennsylvania One Call, and several of its bureaus worked to successfully create a Damage Prevention Committee (DPC). To date the PUC has taken nearly 300 actions against facility owners, excavators and project owners across the state during meetings which are livestreamed to the public.

Pittsburgh Water and Sewer Authority - The Commission also received oversight of the Pittsburgh Water and Sewer Authority (PWSA). To ensure a smooth transition, a PUC working group worked directly with PWSA and local officials to increase educational efforts toward customers, address consumer inquiries to the PUC call center and evaluate PWSA's rate increase request.

Cybersecurity / New Cyber Office - The PUC hired a Director to oversee the newly created Office of Cybersecurity Compliance and Oversight. Working with utilities, state agencies, emergency responders and other organizations, the Commission is focused on better preparing for cyber and physical attacks and to better coordinate state-level response to large-scale hazardous events.

Rural Broadband / Area Codes - The PUC continued its efforts to help preserve Pennsylvania's access to funding for rural broadband projects and joined with the Center for Rural Pennsylvania to encourage consumers, businesses and community organizations to take part in a broadband speed test, helping to "crowdsource" an effort to map the state's "digital divide."

Additionally, as part of its telecommunications efforts, the PUC assisted with the implementation of the new "445" area code in portions of Philadelphia, Bucks, Montgomery, Lehigh and Berks counties.

Tax Reform Impacts on Utilities - Triggered by changes in federal tax rates, the PUC ordered 17 major electric, natural gas, and water and wastewater utilities to begin adding credits to monthly customer bills beginning July 2018 bills. Utilities are expected to return \$400 million in annual savings.

#UtilityCareers & Veterans Workforce Development - The PUC took its ongoing, award-winning #UtilityCareers campaign across the state, joining with utilities and other state agencies at job fairs and public events. The outreach extended to the Commission's own "microsite" where job seekers learn more about the campaign and available opportunities.

"Year of the Rate Case" / Increase in Filings - 2018 was the "Year of the Rate Case," as the PUC received 18 applications from utilities for rate increase requests. Overall, the Commission received approximately 26,000 filings and served approximately 12,000 documents and there are now approximately four million pages of PUC historical files online for public review.

Electric Vehicles - The PUC adopted a final policy statement on third-party electric vehicle (EV) charging stations, a big step toward designing a regulatory landscape which supports innovating and dynamic pricing for EV charging.

Pipeline Safety / Mutual Aid to Massachusetts - Pipeline safety continued to be a priority for the Commission this year. In addition to its in-state efforts, the PUC's Gas Safety Division provided mutual aid and sent personnel to Massachusetts to

aid in the aftermath of the September 13 natural gas line explosions in the Merrimack Valley.

Office of Competitive Market Oversight - Led by its Office of Competitive Market Oversight, the PUC continued moving forward on several fronts to further remove barriers to competition in the state's natural gas and electric markets, including:

- Advanced efforts on regulations about the release, assignment and transfer of capacity among natural gas distribution companies and natural gas suppliers, with a technical conference held in March;
- Launched a rulemaking to review and update the Commission's Chapter 54 electric supplier disclosure regulations; and
- Clarified the ability of customers on FirstEnergy's CAP program to choose a competitive electric supplier through CAP-specific rules and standards.

NARUC / International Participation - Commissioners and staff participated on a nationwide level with the National Association of Regulatory Utility Commissioners throughout the year, including an opportunity to continue sharing best practices internationally with Commissioner and staff visits to Kosovo.

Energy Burden / Low-Income Issues - The Commission is in the midst of a deep exploration of energy affordability - examining the "energy burden" for households in Pennsylvania, or how much of a family's income is spent on things like heat and light. As a complement to that study, we are evaluating Commission policies regarding "universal service programs." Together, these two initiatives will provide important insights to improve the way we serve our most vulnerable households, and we look forward to productive discussions about energy affordability in 2019.

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competitive markets in an environmentally sound manner.

Visit the PUC's website at <http://www.puc.pa.gov/> 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, 12/21/2018

EQB Approves Nearly \$22 Million In Proposed, Final Permit Fee Increases to Offset Cuts In General Fund Appropriations

On December 18, the Environmental Quality Board approved nearly \$22 million in proposed increases to Air Quality permit and NPDES and Water Quality permit fee increases and a change to the final noncoal permit fee increase language.

The fee increases are necessary to pay for the administrative costs of these programs as the result of the failure of the General Assembly to provide adequate General Fund appropriations to DEP.

The proposed increases will be published for public comment and the change to the final noncoal mining fee increase will be returned to the Independent Regulatory Review Commission for its review.

Proposed Air Quality Fees

DEP is proposing a total increase of \$12.6 million in Air Quality fees http://files.dep.state.pa.us/PublicParticipation/Public%20Participation%20Center/PubPartCenterPortalFiles/Environmental%20Quality%20Board/2018/December%202018/03_7-536_AQFees_Proposed/04_7-536_AQFees_Proposed_RAF.pdf for the federal

Title V -- \$5.9 million -- and state non-Title V -- \$6.7 million -- permit fees.

The proposal includes a new annual maintenance fee for kinds of permits, a new fee for asbestos notifications and an increase in the existing operating permit fees.

There is no proposed increase of the Title V per ton emission fee, beyond the annual increase based on the Consumer Price Index.

These are the first general Air Quality fee increases since 2013. DEP budget cuts have resulted in eliminating more than 30 percent of its staff or about 100 positions.

DEP is projecting a \$4.359 million deficit in the non-Title V permit account in FY 2019-20 and a zero returning balance in the federal Title V account by FY 2022-23 with the current fee structure.

Without the proposed fee increases, DEP would have to cut its Air Quality staff by 30 percent or 80 positions.

Failure to adopt proposed fee increases for the federal Title V program will result in action by the U.S. Environmental Protection Agency to penalize Pennsylvania for failure to maintain adequate funding for this federal program.

The Board approved the proposal which will be published for public review and comment and review by the House and Senate and the Independent Regulatory Review Commission.

Proposed Water Quality/NPDES Fees

DEP is proposing a total increase of \$8 million in Chapter 92a NPDES -- \$7 million -- and Chapter 91 Water Quality -- \$1 million -- permit fees.

The NPDES permit fee increases would cover approximately 4,000 facilities and the Water Quality permit fees from 500 to 600 applicants annually.

Chapter 91 wastewater facility fees have not been increased since 1971 and NPDES permit fees were last increased in 2010.

Since 2007, DEP's Clean Water Program staff has been reduced by 25 percent due to cuts in state General Fund appropriations.

DEP believes 25 additional staff are necessary in the Bureau of Clean Water to adequately carry out its responsibilities.

The U.S. Environmental Protection Agency has told DEP several times http://files.dep.state.pa.us/PublicParticipation/Public%20Participation%20Center/PubPartCenterPortalFiles/Environmental%20Quality%20Board/2018/December%202018/05_7-533_WQMandNPDESfees_Proposed/04_7-533_WQMandNPDESfees_Proposed_RAF.pdf since 2010 the agency does not have adequate resources to carry out its federally mandated responsibilities for the NPDES Program, including the MS4 Stormwater Pollution Prevention Program.

The Board approved the proposal which will be published for public review and comment and review by the House and Senate and the Independent Regulatory Review Commission.

DEP said it would increase the public comment period to 45 days with the addition of a public hearing on this proposal.

Final Noncoal Mining Fees

In response to a concern expressed <http://www.paenvironmentdigest.com/newsletter/default.asp?NewsletterArticleID=44935&SubjectID=55> by the Independent Regulatory Review Commission, DEP withdrew the final regulation adopting an increase in noncoal mining permit fees to return it to the Environmental Quality Board to add clarifying language.

The IRRC asked DEP to add language to the regulation making it clear the fees adopted in the package do not exceed the cost of administering the program as required by the Noncoal Surface Mining Conservation and Reclamation Act.

The language would not change the timing or amount of the phased-in fee increases adopted in the package.

Returning the regulation to the EQB to add the clarifying language will delay finalization of the regulation, however, the fee increase was not set to go into effect until January 1, 2020 anyway.

With the change approved by the EQB, the regulation will be returned to the Independent Regulatory Review Commission for their review.

Other Agenda Items

Also approved by the EQB were:

- Proposed changes required by EPA to requirements for the control of fine particulate matter under the New Source Review Program for nonattainment areas.
- Proposed changes to Class A Stream designations for multiple streams in Berks, Cambria, Cameron, Carbon, Centre, Clearfield, Clinton, Columbia, Crawford, Elk, Erie, Indiana, Lackawanna, Lycoming, McKean, Potter, Schuylkill, Somerset, Susquehanna, Tioga and Wayne counties.

These proposed regulations will be published for public review and comment and review by the House and Senate and the Independent Regulatory Review Commission.

The next scheduled meeting of the EQB meeting is February 19 and will be held in Room 105 of the Rachel Carson Building starting at 9:00.

Click here <https://www.dep.pa.gov/PublicParticipation/EnvironmentalQuality/2018%20Meetings/Pages/default.aspx> for available handouts on each of the actions at the December 18 meeting.

For more information on 2019 meetings, visit the Environmental Quality Board webpage <https://www.dep.pa.gov/PublicParticipation/EnvironmentalQuality/Pages/2019-Meetings.aspx>.

Questions should be directed to Laura Edinger by calling 717-772-3277 or send email to: ledinger@pa.gov.

Source: PA Environmental Digest, 12/24/2018

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