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GOVERNMENT RELATIONS UPDATE

From Milliron & Goodman Government Relations, LLC.

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

Governor Wolf's Budget Goal: Create 'Strongest Workforce in the Nation'

*Bold and sensible plan will rebuild Pennsylvania's
economy and prioritize skills training from birth to
retirement*

With the commonwealth on a comeback, Governor Tom Wolf outlined in his 2019-20 budget address a bold plan to move the commonwealth forward by building the strongest workforce in the nation that drives the strongest economy. With a comprehensive package of programs and an overhaul of policies, the Statewide Workforce, Education, and Accountability Program will provide opportunities for Pennsylvanians from birth to retirement.

“Today, I present a comprehensive plan to help grow our economy by continuing to invest in our workforce,” said Governor Wolf. “This plan calls on contributions from the business community, labor unions, educators, research institutions, students, parents, and adult workers. And it increases opportunity for every Pennsylvanian at every stage of life – from birth to retirement.

“The people of our commonwealth have proven that, despite the challenges we face, Pennsylvania remains a place worthy of its history – a place where people can find good work, strong communities, and opportunity for their kids. And, here in Harrisburg, we’ve proven that despite our differences, we remain capable of doing what Washington just cannot seem able to do: tackle big challenges, put aside petty partisanship, and serve the public interest.”

A core component of the governor’s plan is the *Keystone Economic Development and Workforce Command Center*, which brings together agency heads and public and private sector experts in a unique approach to finding solutions that connect skilled workers with good jobs that employers need today and in the future.

The governor’s budget expands access to early childhood education, increases investments in schools, and partners with the private sector to build on the PAsmart initiative, launched last year as a groundbreaking approach to workforce development.

[Keystone Economic Development and Workforce Command Center](#)

Tackling the skills gap and creating a well-trained workforce requires government, schools and

industry to work together. PAsmart was the first step, but Governor Wolf wants bolder action. Soon the governor will sign an executive order creating the Keystone Economic Development and Workforce Command Center. The departments of Community and Economic Development, Labor & Industry, State and others will partner with external leaders to find solutions that will strengthen our workforce.

“Across the commonwealth, we have workers aging out of our workforce, and too often the next generation of worker is not there or doesn’t have the skills to replace them,” said Governor Wolf. “If we can’t strengthen our workforce, we will fall behind. And we cannot let our government’s response to this problem be handcuffed by stale habit. The time is now for this comprehensive plan for preparing Pennsylvanians to compete and win in our rapidly changing economy.”

Early Childhood Development and Parent Support

Parents cannot work if they lack food, housing or childcare. To break the cycle of poverty, the governor’s budget invests in early childhood education and removes barriers for low-income parents. The proposal provides \$5 million to expand home-visiting programs for pregnant women and at-risk infants and toddlers, \$15 million in federal funds to reduce waiting lists for high-quality childcare, and \$5 million for wrap-around services so parents can attend college or other training to get skills for family-sustaining jobs.

Continuing Investments in Education and Career Training

The governor’s budget ensures that every student is ready for a career by continuing investments to improve public schools along with more funding for early childhood programs, k-through-12, and higher education. The budget provides increases of \$200 million for basic education, \$50 million for pre-k and Head Start, \$50 million for special education, \$7 million for the Pennsylvania State System of Higher Education, and \$8 million in one-time grants for community college students or graduates who are working in Pennsylvania.

PAsmart is an innovative and pioneering approach to connecting Pennsylvanians with education and training opportunities, apprenticeships, and STEM careers and the governor’s budget expands this initiative with an additional \$4 million to help Pennsylvania manufacturers train workers and \$6 million to expand career and technical education for adults.

Governor Wolf is also proposing to save nearly \$120 million over the next two years by raising Pennsylvania’s minimum wage to \$12 an hour on July 1, 2019. The boost in pay for one million workers would enable tens of thousands of people to work their way off of public assistance, reducing the burden on taxpayers who are subsidizing low wages.

To prevent students from falling behind, the governor’s plan lowers the age when students must start attending school from 8 to 6 and increases the dropout age from 17 to 18. The administration will also study the benefits of providing free full day kindergarten to all children starting at age 5.

The transcript of the budget address as prepared is available here <https://www.governor.pa.gov/remarks-by-governor-wolf-at-budget-address/>.

Pennsylvanians can find out more about Governor Wolf’s budget at <https://www.budget.pa.gov/Pages/default.aspx>.

Source: Governor Wolf’s Press Office, 2/5/2019

House Democratic leadership statement on Wolf budget plan

House Democratic leaders responded to Gov. Tom Wolf’s 2019-20 budget proposal presented on February 5, 2019.

“We support the governor’s plan to make Pennsylvania a national leader in education and workforce development without raising taxes on working people. He is beginning this year’s budget

talks with a responsible framework for the budget hearings and bipartisan discussions yet to come.

"House Democrats have a *Plan for Pennsylvania* <http://planforpa.com/> that closely tracks many of Governor Wolf's priorities. It's about having quality schools, good jobs for workers, affordable health care and fairer treatment of all Pennsylvanians in their daily lives. We are fighting for families all across the state.

"We are especially pleased that the governor continues to address the need to fix our criminal justice system. His vocal support for fairer justice means a lot.

"House Democrats share many of the governor's ideas and look forward to working with him and with our Republican colleagues to deliver a balanced budget that will continue the substantial progress Pennsylvania has made in recent years."

Source: House Democratic Caucus, 2/5/2019

House Republican Leaders React to Governor's Budget Proposal

House Republican leaders reacted to the governor's call to increase state spending by nearly \$1 billion for fiscal year 2019-20. The governor presented his \$34 billion spending proposal on February 5, 2019 in front of a joint session of the General Assembly.

Speaker of the House, Rep. Mike Turzai (R-Allegheny), Majority Leader, Rep. Bryan Cutler (R-Lancaster), Majority Whip, Rep. Kerry Benninghoff (R-Centre/Mifflin), Appropriations Committee Chairman, Rep. Stan Saylor (R-York); Policy Committee Chairman Rep. Donna Oberlander (R-Clarion/Armstrong/Forest); Caucus Chairman, Rep. Marcy Toepel (R-Montgomery); Caucus Administrator, Rep. Kurt Masser (R-Columbia/Montour/Northumberland); and Caucus Secretary Rep. Mike Reese (R-Westmoreland/Somerset) issued the following statement:

"The budget proposal that we have been presented with is simply the starting point for our budget negotiations. During the next three weeks, the House Appropriations Committee will hold hearings to thoroughly examine the governor's budget proposal. Our focus will be on creating a budget that keeps spending growth low, fosters an environment for job creation, and creates value for our hard-working taxpayers throughout Pennsylvania.

"We welcome the governor's support for improving Pennsylvania's workforce development platform and share in the desire to attract and grow businesses that provide high-paying, family-sustaining jobs. However, we also remain committed to regulatory and tax reforms that will allow our economy to grow and provide better opportunities for all Pennsylvanians.

"Over the last decade, our Republican majority has consistently showed support for increases to basic education funding. However, it is imperative that the increased funding reaches the classroom and directly relates to student success, and not just paying for ballooning costs at the institutional level.

"We applaud the governor for abandoning the idea of any broad-based tax increases, but his administration showed just in the past few days plans to borrow billions of dollars from our taxpayers. We will oppose this and any measure that attempts to grow our state through borrowing, taxing and uncontrolled spending."

Source: House Republican Caucus, 2/5/2019

Senate Republican Leaders Respond to Governor's Budget Plan

Urge Lower Spending, Limited Borrowing, Help for Job-Creators

Following Governor Wolf's budget address, Senate Republican leaders said they will continue their push for a fiscally responsible budget that controls spending, holds the line on new taxes and continues to invest in education and job-

creation. Senate leaders said they believe that commitment in years past has contributed to job growth and a healthier economy.

Senate President Pro Tempore Joe Scarnati (R-25): “Given that the economy in Pennsylvania has never been stronger, the reality of our fiscal situation is that we must reduce the proposed spending for 2019-2020. Senate Republicans remain committed to a budget that respects taxpayers while helping continue to foster job growth and economic development across our Commonwealth. It is imperative that we continue to look for reforms and ways to make government more efficient, instead of looking for ways to spend more tax dollars.”

Senate Majority Leader Jake Corman (R-34): “Senate Republicans and the General Assembly have a clear legacy of fiscal responsibility. As we begin to work through the 2019-20 budget with the Governor, we see no need to stray from these core values that have led to historic levels of education funding, a strong environment for job creation and a path of economic growth for our Commonwealth. We look forward to working with the Administration to chart a continued path of fiscal restraint that ensures a more firm financial footing for our future.”

Senate Appropriations Chair Pat Browne (R-16): “Thanks in part to strong fiscal discipline by the General Assembly during tough financial years which has contributed to improvements in the state’s economy, revenue projections show the Commonwealth finishing the current fiscal year ahead of projected estimates for the first time in a decade. While this is certainly good news, with mandated costs continuing to rise year-over-year, it is important that we remain cautious when setting spending levels for this year’s budget and continue to prioritize our limited discretionary revenue on programs and services which are vital to the people of the Commonwealth and have shown proven results. We look forward to delving further into the Governor’s budget proposal as we look for a budget solution that works for all Pennsylvanians.”

Source: Senate Republican Communications, 2/5/2019

Gov. Wolf Proposes To Shift \$75.7 Million from Environmental Funds to Pay Agency Operating Expenses Instead of Funding Community-Based Projects

On February 5, Gov. Tom Wolf outlined his 2019-20 budget proposal that included major workforce development and education initiatives he said would build the strongest workforce in the nation.

He proposed no increase in general taxes to support the General Fund budget. But he did propose a new natural gas severance tax last week to support his separate \$4.5 billion *Restore Pennsylvania proposal* <http://www.paenvironmentdigest.com/newsletter/default.asp?NewsletterArticleID=45667&SubjectID=>

Gov. Wolf budget proposes to take funds for the first time in significant amounts from the **Environmental Stewardship (Growing Greener) Fund, the Keystone Recreation, Park and Conservation Fund and the Recycling Fund** to support the general administrative costs of the departments of Environmental Protection and Conservation and Natural Resources and county conservation districts.

The proposal would also transfer more money than in the current fiscal year from the **Oil and Gas Lease Fund** to support DCNR.

At the same time, the proposal would reduce transfers from the **Marcellus Legacy Fund** supported by the Act 13 impact fee to the Environmental Stewardship Fund.

A total of \$95.7 million would be transferred to be used for administrative costs or not deposited in these special funds for their originally intended purpose.

On the positive side of the ledger, the budget proposal would shift about \$20 million in debt

service payments from the Environmental Stewardship Fund to the General Fund (Personal Income Tax) to pay for Gov. Rendell's Growing Greener 2 bond issue.

The net loss to special funds at DEP and DCNR would be \$75.7 million and will be recurring. The Administration's goal, however, is to keep about the same level of project support grants as they have in the past.

The General Fund proposal announced February 5, 2019 does not contain new initiatives to address key statewide environmental issues, except for a \$3 million proposal in the Department of Agriculture to support farm conservation technical assistance.

The net result of this proposal is to make the passage of Gov. Wolf's \$4.5 billion **Restore Pennsylvania** much more important to maintain the state's support for community-based projects to restore watersheds, reduce the impacts of flooding and water quality impacts from stormwater, support conservation efforts by farmers, increase efforts to preserve open space, increase recreational opportunities and deal with the increasing backlog of maintenance and infrastructure replacement projects in State Parks and forests.

DEP

For the first time, the **Environmental Stewardship (Growing Greener) Fund** would fund agency administrative and program costs totaling \$15.4 million out of the ESF for the first time and reduce the income to the ESF Fund from the Marcellus Legacy Fund by \$19.3 million. (Page H25)

The proposal would also shift about \$20 million in expected debt service payments for the Growing Greener 2 bond issue from the Environmental Stewardship Fund to the General Fund freeing up those dollars for ESF Fund purposes. (Page H31)

The agency administrative costs proposed to be funded from the **ESF** under the proposal include:

- \$7.4 million to support DEP operations (was General Fund before)

- \$2.6 million Chesapeake Bay Agricultural Source Abatement (was General Fund before)
- \$2.5 million to support conservation districts (was General Fund before)
- Support for the Delaware and Susquehanna River Basin Commission, Interstate Commission on the Potomac River, Interstate Chesapeake Bay Commission, Ohio River Valley Water Sanitation Commission, Delaware River Master (was General Fund before)

The proposed transfer from the **Marcellus Legacy Fund** supported by Act 13 impact fees to the Environmental Stewardship Fund would be reduced by \$19.3 million from \$29.6 million in the current year to \$10.3 million. (Page H44)

It would transfer \$20.1 million from the Marcellus Fund to the **Hazardous Sites Cleanup Program** to keep that program operating as it has been.

\$10 million is proposed to be transferred from the **Recycling Fund** to support DEP administrative costs, while maintaining the same level of grant support for local recycling programs. (Page H 68)

Other budget initiatives include:

- **\$132,000 for PFAS testing**

As a result of these transfers, General Fund support for DEP would decrease from \$156 million to \$135.1 million. In the 1994-95 budget, General Fund support for DEP was \$147.7 million.

Overall, DEP's budget from all sources would increase from \$725.996 million to \$786.407 million.

The staff complement at DEP would remain the same at 2,497 with about 2,300 filled positions. The total staff complement in 2002-03 was 3,200.

DCNR

The budget proposal would support DCNR administrative operations with a transfer of \$30 million from the **Keystone Recreation, Park and Conservation Fund** and a \$21 million increase in

the monies transferred from the **Oil and Gas Lease Fund** from \$48.6 million to \$69.6 million.

Other changes include \$2.2 million for the **Heritage Parks Program** taken from Environmental Stewardship Fund.

As a result, General Fund support for DCNR would decrease from \$122.6 million to a proposed \$85.2 million.

Overall, DCNR's budget from all sources would increase from \$382.8 million to \$391.1 million.

The staff complement at DCNR would increase to 1,276 from 1,264 this year under the proposal.

Agriculture

Overall the Department of Agriculture would see an increase in General Fund support to \$163.2 million from \$151.8 million.

Several initiatives include:

- \$3 million increase in **Nutrient Management Fund** for technical assistance, planning to farmers
- \$5 million increase in **Agricultural Preparedness and Response**, in part for **Spotted Lanternfly**
- \$2.9 million support for conservation district maintained.

The staff complement at Agriculture would increase slightly to 588 from 586 this year.

Links to more information

Click here for the **2019-20 budget in brief**
https://www.budget.pa.gov/PublicationsAndReports/CommonwealthBudget/Documents/2019-20%20Proposed%20Budget/2019-20_Budget_in_Brief_Web.pdf

Click here for the **transcript of Governor Wolf's budget address**
<https://www.governor.pa.gov/remarks-by-governor-wolf-at-budget-address/>

Click here for the **budget spreadsheet**
<https://www.budget.pa.gov/PublicationsAndReports/CommonwealthBudget/Documents/2019-20%20Proposed%20Budget/2019-20%20WEB%20TRACK.pdf>

Click here for the **Big Budget Book**
https://www.budget.pa.gov/PublicationsAndReports/CommonwealthBudget/Documents/2019-20%20Proposed%20Budget/2019-20_Budget_Document_Web.pdf

Click here for the **Budget Slide Presentation**
https://www.budget.pa.gov/PublicationsAndReports/CommonwealthBudget/Documents/2019-20%20Proposed%20Budget/2019-20_Budget_Slide_Presentation.pdf

Click here for **proposed Budget Legislation**
<https://www.budget.pa.gov/PublicationsAndReports/CommonwealthBudget/Pages/2019-20-Proposed-Budget-Legislation.aspx>

Source: PA Environmental Digest, 2/11/2019

Upcoming House & Senate Budget Hearings of Interest

House

The House Appropriations Committee is scheduled to hold budget hearings on February 14, 2019 for the departments of **Environmental Protection** and **Conservation and Natural Resources**.

DEP Secretary Patrick McDonnell will appear before the Committee at 10:00 and DCNR Secretary Cindy Adams Dunn at 1:00.

The hearing is scheduled for Room 140 of the Main Capitol, but hearings are typically webcast through the **House Republican Caucus website**
<http://www.pahousegop.com/livestreams> .

Click here for the full schedule of House hearings
<https://www.legis.state.pa.us/cfdocs/legis/cms/index.cfm?chamber=H> .

Copies of written testimony and videos from the House budget hearings will be posted on the **House Republican Appropriations Committee website** http://www.pabudget.com/19_20_Hearings.aspx .

Senate

The Senate Appropriations Committee will hold its budget hear for **DEP** on February 28, 2019 starting at 3:00 and for **DCNR** on March 4, 2019 starting at 3:00. Hearings are typical webcast through the **Senate Appropriations Committee webpage** <https://appropriations.pasenategop.com/> .

Click here for the full schedule of Senate hearings <https://www.legis.state.pa.us/cfdocs/legis/cms/index.cfm?chamber=S> .

Summaries of budget hearings along with videos and written testimony will be posted on the **Sen. Pat Browne's Appropriations Committee webpage** <http://appropriations.pasenategop.com/> .

Source: PA Environmental Digest, 2/11/2019

PA PFAS Action Team Meets Feb. 12 in Montgomery County to Provide Updates, Hear Public Comments

The PFAS Action Team will hold a public meeting on February 12, 2019 from 6:15-9:00 p.m. at the Upper Dublin High School in Fort Washington, Montgomery County.

PFAS Action Team website https://www.dep.pa.gov/Citizens/My-Water/drinking_water/Perfluorinated%20Chemicals%20%E2%80%93PFOA%20and%20PFOS%20%E2%80%93in%20Pennsylvania/Pages/default.aspx

“At this meeting we will hear updates from DEP on a sampling plan to identify potentially contaminated drinking water sources and from the

Department of Health on the pilot study for blood levels,” said DEP Secretary Patrick McDonnell.

Representatives from local governments and utilities will also present on the challenges of managing PFAS chemicals, as well as working with the commonwealth and the federal government to address cleanup.

The meeting will include an opportunity for members of the public to provide comment in person. Commenters are asked to present no more than three minutes of remarks. Residents unable to attend or who would like to submit remarks in writing can use DEP's **eComment system** <https://www.ahs.dep.pa.gov/eComment/> .

DEP has extended the deadline for comments to April 1. (*Formal notice*) <https://www.pabulletin.com/secure/data/vol49/49-4/120.html>

The meeting will be held in the Auditorium of the **Upper Dublin High School** <http://files.dep.state.pa.us/Water/DrinkingWater/Perfluorinated%20Chemicals/PARKING%20-%20LOTS%20%26%20BUILDING%20ENTRANCES.PDF> , 800 Loch Alsh Avenue, Fort Washington.

Click here for the **agenda** <http://files.dep.state.pa.us/Water/DrinkingWater/Perfluorinated%20Chemicals/AgendaPFASActionTeamFeb12.pdf> .

Gov. Wolf formed the Action Team in September 2018 to address perfluoroalkyl and polyfluoroalkyl substances (PFAS) contaminants across the Commonwealth and protect Pennsylvania residents.

For more information, visit DEP's **PFAS: What They Are webpage** https://www.dep.pa.gov/Citizens/My-Water/drinking_water/Perfluorinated%20Chemicals%20%E2%80%93PFOA%20and%20PFOS%20%E2%80%93in%20Pennsylvania/Pages/default.aspx .

Source: PA Environmental Digest, 2/11/2019

PUC to Livestream Feb. 12 Damage Prevention Committee Meeting

The Pennsylvania Public Utility Commission (PUC) will livestream a meeting of the Damage Prevention Committee (DPC) on Tuesday, Feb. 12, 2019, at 9 a.m. in Hearing Room 1 of the Commonwealth Keystone Building, Harrisburg.

To view the livestream, visit the **PUC's website** http://www.puc.pa.gov/about_puc/live_streaming_video.aspx .

The **agenda** also is available on the PUC's website at http://www.puc.pa.gov/transport/gassafe/pdf/DPC_Agendas/2019/DPC021219.pdf.

The creation of the committee was authorized by **Act 50 of 2017** http://www.puc.pa.gov/about_puc/press_releases.aspx?ShowPR=3918 , 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** http://www.puc.pa.gov/utility_industry/transportation/pipeline_safety/pa_one_call_enforcement.aspx is a reduction in the number of "hits" on underground utilities. The DPC meets regularly to review alleged violations of the Act and makes determinations as to the appropriate response including, but not limited to, the issuance of warning letters or administrative penalties.

Pennsylvania law requires contractors and residents to contact PA One Call at least three business days prior to excavation. The PA One Call service is provided at no cost to customers. For more information, visit <http://www.pa1call.org/> .

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 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, 2/8/2019

EQB Meeting Cancellation

The Environmental Quality Board (EQB) indicated their meeting scheduled for **February 19, 2019** is **cancelled**.

The next meeting of the board is scheduled for 9 a.m. on Tuesday, March 19, 2019, at the Rachel Carson State Office Building, Harrisburg.

Questions regarding the board's next scheduled meeting should be directed to Laura Edinger: ledinger@pa.gov or (717) 783-8727.

Agenda and meeting materials are available here <https://www.dep.pa.gov/Pages/default.aspx> .

Source: Pennsylvania Bulletin, 2/9/2019 <https://www.pabulletin.com/secure/data/vol49/49-6/194.html>

EPA Advances President Trump's Infrastructure Agenda in the Mid-Atlantic through Accelerated Investments in America's Water Infrastructure

As highlighted in President Trump's *State of the Union* address and in support of the President's Infrastructure Initiative, the

U.S. Environmental Protection Agency (EPA) has accelerated investment in the nation's aging water infrastructure.

NOTE: The President's Infrastructure Initiative can be found at

<https://www.whitehouse.gov/briefings-statements/building-stronger-america-president-donald-j-trumps-american-infrastructure-initiative/>

"EPA is delivering on President Trump's promise to jump-start critical infrastructure projects that will not only enhance environmental protections but also grow the economy," said **EPA Acting Administrator Andrew Wheeler**. "Under President Trump, EPA has issued seven WIFIA loans to help finance over \$4 billion in water infrastructure projects that will improve water quality and create up to 6,000 jobs. By clearly defining where federal jurisdiction begins and ends, our new proposed Waters of the U.S. definition will provide states and the private sector the regulatory certainty they need to develop and streamline projects that will modernize our nation's aging infrastructure."

Over the past year, EPA has moved President Trump's infrastructure agenda forward by working to get the financing, tools and resources EPA's state, local, tribal and other partners need to modernize outdated water infrastructure while improving local water quality, creating jobs and better protecting public health.

"All Americans deserve clean and safe water," said EPA Mid-Atlantic Regional Administrator Cosmo Servidio. "President Trump's commitment to infrastructure improvements allows EPA to assist a wide variety of communities throughout the mid-Atlantic states, especially small and disadvantaged communities that otherwise might not have the resources to resolve their water issues."

One major accomplishment of local significance is the use of Clean Water and Drinking Water State Revolving Funds (SRFs), which play an integral role in EPA's efforts to help communities replace or upgrade aging or inadequate drinking water and wastewater infrastructure through low-interest loans. **Together, in 2018, the SRFs committed \$9.6 billion in drinking water and clean water**

infrastructure loans and refinancing and disbursed \$8.8 billion for drinking water and clean water infrastructure. This level of funding was facilitated through EPA's contribution of \$2.2 billion to the state revolving funds in 2018.

In the mid-Atlantic Region, EPA's largest SRF project undertaken to date is a complete upgrade of the sludge handling facility for the **City of Reading's wastewater treatment plant in Reading, Pa.** Pennsylvania Infrastructure Investment Authority (PENNVEST) financed this CWSRF project for \$149 million at 1 percent interest for 20 years, which produced a calculated subsidy value of more than \$21 million.

Reading's existing trickling filter plant is being upgraded to an extended aeration activated sludge plant that will use energy efficient variable speed motors and linear Motion Mixers in the digesters that use 70 percent less power than conventional mixers. This project will replace the previously overloaded system and will improve the water quality for the Schuylkill River and the Delaware Estuary, which are both important culturally, economically and recreationally for the distressed area.

Together with the agency's state, local, tribal and other partners, EPA also achieved success in 2018 with the financing of large-scale water infrastructure projects.

Established by the Water Infrastructure Finance and Innovation Act (WIFIA) of 2014, EPA's WIFIA program is the agency's newest water financing program which provides long-term, low-cost supplemental loans for regionally and nationally significant projects. **In 2018, EPA issued seven WIFIA loans totaling nearly \$2 billion to help finance over \$4 billion for water infrastructure projects and create up to 6,000 jobs.** In November 2018, EPA invited 39 additional projects in 16 states and Washington, D.C. to apply for a WIFIA loan. Together, these selected borrowers will receive WIFIA loans totaling approximately \$5 billion to help finance over \$10 billion in water infrastructure investments and create up to 155,000 jobs.

EPA has also taken a leading role in the administration's initiative to promote greater efficiencies in the infrastructure permitting process. These actions include working to provide a clear and predictable approach to identifying waters that are subject to federal authority through the Department of the Army's and EPA's **proposed "Waters of the United States"** rulemaking <https://www.epa.gov/wotus-rule>, implementation of the **administration's One Federal Decision initiative** <https://www.whitehouse.gov/presidential-actions/presidential-executive-order-establishing-discipline-accountability-environmental-review-permitting-process-infrastructure/> and through other improvements to the Clean Water Act permitting process. EPA will take these actions by cooperatively working with its state and tribal co-regulators with a goal of streamlining environmental permitting and increasing investments in critical water and other infrastructure projects.

For more information on the **President's Infrastructure Initiative**, visit <https://www.whitehouse.gov/briefings-statements/building-stronger-america-president-donald-j-trumps-american-infrastructure-initiative/>.

For more information about **EPA's WIFIA program**, visit <https://www.epa.gov/wifia>

For more information on the **Clean Water State Revolving Fund**, visit <https://www.epa.gov/cwsrf>

For more information on the **Drinking Water State Revolving Fund**, visit <https://www.epa.gov/drinkingwatersrf>

Source: EPA Press Release, 2/7/2019

EPA seeking applications for work on the Conowingo Watershed Implementation Plan

The Chesapeake Bay Program Partnership has unanimously agreed to develop a collaborative Watershed Implementation

Plan (WIP) to address pollutants associated with the loss of trapping capacity in the reservoir behind the Conowingo Dam. The Conowingo Dam sits across the Susquehanna River, a major tributary to the Chesapeake Bay. Studies conducted over the last several years have demonstrated that the Conowingo Dam reservoir has reached equilibrium and is no longer trapping nutrients. Therefore, an additional reduction of six million pounds of nitrogen and 260,000 pounds of phosphorus is needed to mitigate the water quality impacts of the lost trapping capacity.

The U.S. Environmental Protection Agency (EPA) is seeking the support of organizations that can develop, finance and implement a WIP. In a Request for Applications (RFA) issued this week, EPA announced that it plans to award one to three cooperative agreements for work that will support the collective efforts of seven Chesapeake Bay watershed jurisdictions, along with other non-federal partners, to help restore the Chesapeake Bay. EPA supports a flexible approach to restoring the Bay through the implementation of a collaborative WIP, which was agreed to by all of the Bay jurisdictions: Delaware, the District of Columbia, Maryland, New York, Pennsylvania, Virginia, and West Virginia.

The major work activities proposed by the RFA include:

- Facilitate development and implementation of the Conowingo watershed implementation plan (WIP);
- Develop and propose a comprehensive Conowingo WIP financing strategy and associated implementation plan;
- Develop a system for tracking, verifying, and reporting implementation of the Conowingo WIP and 2-year milestones.

Applications are due by March 20 and EPA plans to award the cooperative agreement(s) by this summer. See Conowingo WIP Request for Applications (RFA) <https://www.epa.gov/grants/grants-your-region-information-specific-epa-region-3>

Source: EPA Press Release, 2/7/2019

Chairman Metcalfe Preempts Wolf's Budget Address with Energy Policies that Work for PA Taxpayers and Job Creators

Pennsylvania House Environmental Resources and Energy Committee Chairman Daryl Metcalfe (R-Butler) convened an informational meeting on February 5, 2019, before the governor's annual budget address, focusing on the "State of the State."

"Wherever free enterprise and limited government are given the opportunity to thrive, rising standards of living, cleaner air and water, lower energy costs, and greater personal freedom naturally follow," said Chairman Metcalfe. "In terms of Pennsylvania's future business climate and regulatory environment, implementing any of the governor's radically progressive energy strategies, which are based largely on fake science, would place us on a 'Road to Serfdom' very similar to what is occurring in Venezuela."

Associated Petroleum Industries of PA Executive Director Stephanie Catarino Wissman and **Marcellus Shale Coalition** President David J. Spigelmyer were invited to present further insight into the tremendous environmental and economic progress reports summarized below proving that Pennsylvania's power sector has already hit the Paris agreement targets for reduced emissions, while job creation and revenue from Commonwealth energy producers continues to rise exponentially:

- The United States is the world's largest oil and natural gas producer and the global leader in reducing carbon emissions, according to the Environmental Protection Agency.
- Since 2005, U.S. natural gas production has increased 68 percent, while carbon emissions tied to the power sector have fallen 28 percent, according to federal government data.

- As the nation's second largest natural gas producing state, Pennsylvania is at the forefront of leveraging this clean fuel source to enhance air quality and stimulate enormous economic growth.
- In 2016 alone, the American Petroleum Institute estimates that \$17.1 billion was spent on the environment and \$15.3 billion was spent implementing new technologies, creating "cleaner" fuels and funding ongoing environmental initiatives.
- Researchers from Carnegie Mellon have also concluded that with expanded natural gas use, the United States power sector has already achieved Clean Power Plan 2025 emission goals and Pennsylvania's power sector has hit the Paris agreement targets as well.
- Natural gas has not helped America become the world leader in reducing carbon emissions through rules and regulation; that has happened because the industry was free to innovate, and the market was free to work.
- There are few industries more regulated than the natural gas and oil industry. The key to energy regulations is to keep them grounded in common sense and hard science, while letting this industry deliver on the next wave of innovation and a cleaner, stronger Pennsylvania.
- Hard-working families throughout Pennsylvania are realizing average household natural gas and utility savings of \$1,100 to \$2,200 annually.

Proceeds from the impact fee are distributed to local governments and state agencies to provide financial assistance for infrastructure, emergency services, environmental initiatives and various other programs. Local governments receive funds based on the number of wells located within their boundaries or their proximity to jurisdictions where natural gas extraction took place.

"No matter what the governor has claimed previously or in the future, his massive natural gas extraction tax increase would require future impact fee proceeds to be diverted into the black hole of the

general fund,” confirmed Metcalfe. “Keep in mind, with an extraction tax there is absolutely no assurance that this revenue would ever be returned to the local level where the impact fee was originally generated.”

The House Environmental Resources and Energy Committee is responsible for legislative oversight of environmental laws and regulations administered by both the Department of Environmental Protection (DEP) and the Department of Conservation and Natural Resources (DCNR). Both **DCNR Secretary Cindy Adams Dunn** and **DEP Secretary Patrick McDonnell** agreed to offer comments on their respective executive agencies.

The DEP has previously stated that due to the expansion of clean natural gas in power generation, emissions of six key pollutants, harmful to the environment and public health, have dropped 73 percent from 1990 to 2017. Methane emissions also continued their downward trend in 2017, while natural gas production increased to meet rising energy demand.

“My purpose for convening this informational hearing was to preempt the governor’s annual budget address with the facts regarding what energy policies are truly needed to protect the health, wealth and safety of Pennsylvania taxpayers and job creators,” said Metcalfe. “This does not include Wolf’s proposals, which we will no doubt hear about again later today, to impose the largest natural gas extraction tax in the nation or overregulating Pennsylvania back to the Stone Age through more restrictive emissions standards that have already been exceeded by the private sector.”

For the latest legislative updates, visit <http://www.repmetcalfe.com/>.

Source: Rep. Metcalfe Press Release, 2/5/2019

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