AMENDMENTS TO SENATE BILL NO. 799

Sponsor: SENATOR KILLION

Printer's No. 1258

- Amend Bill, page 1, lines 1 through 3, by striking out all of 1
- 2 said lines and inserting
- Amending Title 27 (Environmental Resources) of the Pennsylvania 3
- 4 Consolidated Statutes, in environmental stewardship and
- 5 watershed protection, further providing for legislative
- 6 findings, for the Environmental Stewardship Fund and for
- 7 agencies; establishing the Pennsylvania Clean Water
- Procurement Program and the Watershed Innovation and 8
- 9 Improvement Fund.

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- 10 Amend Bill, page 1, lines 6 through 18; pages 2 through 6,
- 11 lines 1 through 30; page 7, lines 1 through 6; by striking out
- all of said lines on said pages and inserting 12
- 13 Section 1. Section 6102 of Title 27 of the Pennsylvania Consolidated Statutes is amended to read: 14
- § 6102. Legislative findings. 15
- 16 The General Assembly hereby determines, declares and finds as 17 follows:
 - [(1) Ninety-six percent of the water-quality-impaired watersheds in this Commonwealth are polluted because of nonpoint sources of pollution such as past mining activities, urban and agricultural runoff, atmospheric deposition, on-lot sewage systems and earthmoving.
 - (2) The Commonwealth continues to have unmet needs in the area of water and sewer infrastructure. New and improved water sources, treatment and distribution systems are necessary for public drinking water supplies.
 - (3) The Commonwealth owns approximately 2.4 million acres of State park and State forest lands and many of these lands suffer from past environmental problems, including unreclaimed mines, acid mine drainage and abandoned oil and gas wells.
 - (4) Open space, greenways, recreational trails, river corridors, fish and wildlife habitats, parks and recreation areas and scenic environments protect the environment, conserve natural resources and add value to communities.

(5) State programs and State funding should provide maximum flexibility for elected county and municipal governmental officials to identify, prioritize and address local environmental concerns, including odor abatement problems at sewage treatment plants.]

(1) As stated in section 27 of Article I of the

The people have a right to clean air, pure water and to the preservation of the natural, scenic, historic and esthetic values of the environment. Pennsylvania's public natural resources are the common property of all the people, including generations yet to come. As trustee of these resources, the Commonwealth shall conserve and maintain them for the benefit of all the people.

- (2) The Commonwealth has an obligation to provide greater investments to conserve land and water resources, restore damaged waterways and land and to create prosperous
 - (i) to the continued economic growth of this
 - (ii) to support tourism, agriculture, industry, power generation and recreation;
 - (iii) for drinking water supplies; and
 - (iv) to protect public health and aquatic life.
- (4) This Commonwealth has over 19,000 miles of streams and rivers that do not meet Federal and State water quality standards to protect aquatic life and provide swimmable rivers and drinkable water supplies.
- (5) Nonpoint sources of pollution continue to have a negative impact on this Commonwealth's environment.
- (6) This Commonwealth continues to have water and sewer infrastructure needs. New and improved water sources, treatment and distribution systems are necessary for public
- (7) As noted in the Commonwealth's award-winning 2014-2019 Pennsylvania Statewide Comprehensive Outdoor Recreation Plan, our 5,600 local parks and recreation areas are the most frequently visited recreational assets in this Commonwealth, and most need additional funding to address aging infrastructure, deferred maintenance and capacity to carry
- (8) The Commonwealth owns approximately 2.5 million acres of State park and State forest lands. Our State park system has estimated many of these parks have environmental projects and infrastructure and deferred maintenance needs, such as dams, roads, bridges, water and wastewater treatment facilities, buildings and boat launches.
- (9) Conservation of public and private forest lands is a cost-effective method for protecting water quality. Forest lands function as a reserve of clean water for this

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       Commonwealth, including municipalities that rely on public
      water supplies drawn from water resources on public and
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      private forested properties. Forest lands act as groundwater
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       recharge areas, protect surface water quality, reduce soil
       erosion, enhance fish and wildlife habitats and provide
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       opportunities for fishing, boating, hunting and trapping.
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          (10) Abandoned mines remain across 189,000 acres in 43
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       counties and are the cause of more than 5,500 miles of
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      biologically compromised streams.
           (11) More than 2,000 working farms remain on county
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      waiting lists to be preserved for continued agricultural use.
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           (12) Open space, greenways, recreational trails, river
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      corridors, fish and wildlife habitats, parks and recreation
      areas and scenic areas protect the environment, conserve
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      natural resources and add quality of life value that attracts
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       jobs, are essential to Pennsylvania's outdoor recreation and
      tourism industries and improve public health.
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           (13) Investments in urban parks, trails, greenways,
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       riverfronts, green infrastructure and other natural assets
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       are increasingly understood to be advantageous to local
       economies, attracting and retaining residents and providing
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      opportunities to creatively address significant challenges
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       such as storm water and flooding.
           (14) State programs and State funding should provide
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       opportunity and flexibility for elected county and municipal
       government officials and authorized organizations to
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       identify, prioritize and address local environmental
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       concerns.
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       Section 2. Section 6104(d)(6) of Title 27 is amended and the
   subsection is amended by adding a paragraph to read:
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   § 6104. Fund.
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       (d) Allocation. -- The money appropriated in subsection (c)
   shall be allocated annually as follows:
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           (6) For fiscal year 2007-2008 [and each year thereafter]
      through 2016-2017, moneys in the fund shall be allocated in
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       accordance with paragraph (2).
           (7) For fiscal year 2017-2018 and each fiscal year
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      thereafter, moneys in the fund shall be allocated as follows:
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              (i) Twenty-eight and nine-tenths percent to the
           Department of Conservation and Natural Resources, which
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           shall use the allocation as follows:
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                   (A) At least 50% for grants for projects of
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               which the recipient is a county or other
              municipality, council of governments, conservation
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               district or authorized organization.
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                   (B) At least 10% for land trust projects.
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                   (C) At least 4.5% for the Heritage Areas
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Program.

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(D) For fiscal year 2017-2018 through 2022-2023,

at least 30% for projects and programs located within 1 the watershed of the Susquehanna River and its 2 3 tributaries. 4 (ii) Thirty-eight and two-tenths percent to the 5 Department of Environmental Protection which for fiscal year 2017-2018 through 2022-2023, shall use at least 40% 6 7 of the allocation for projects and programs within the 8 watershed of the Susquehanna River and its tributaries. 9 (iii) Nineteen and seven-tenths percent to the Department of Agriculture, which shall use the allocation 10 11 as follows: 12 (A) At least 12% for grants to authorized 13 organizations to preserve farmland. (B) For fiscal year 2017-2018 through 2022-2023, 14 15 at least 40% for projects and programs located within the watershed of the Susquehanna River and its 16 17 tributaries. 18 (iv) Four and six-tenths percent to the authority which for fiscal years 2017-2018 through 2022-2023, shall 19 20 use at least 40% of the allocation for projects and programs located within the watershed of the Susquehanna 21 22 River and its tributaries. 23 (v) Three and six-tenths percent to the Department 24 of Community and Economic Development. 25 (vi) Two and six-tenths percent to the Pennsylvania 26 Fish and Boat Commission. 27 (vii) One and three-tenths percent to the 28 Pennsylvania Game Commission. 29 (viii) One and one-tenth percent to the Pennsylvania <u>Historical and Museum Commission.</u> 30 31 32 Section 3. Section 6105 of Title 27 is amended to read: 33 § 6105. Agencies. The Department of Conservation and Natural Resources. --34 35 (1) The Department of Conservation and Natural Resources 36 shall utilize money it receives from the fund for the 37 following purposes: 38 (i) To rehabilitate, repair and develop State park 39 and State forest lands and facilities and the acquisition of [interior] lands [within] for State parks and State 40 41 forests. 42 To provide grants to a county or other 43 municipality, council of governments, conservation 44 districts and authorized organizations for the purpose of planning, education, acquisition, development, 45 46 rehabilitation and repair of greenways, recreational 47 trails, including connections between trails, open space, natural areas, river corridors and access to riverfronts, 48 49 watersheds, community [and heritage] parks and recreation 50 facilities; community conservation and beautification

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projects; forest conservation[;], including conservation

of forested riparian buffers; heritage areas; and other conservation and recreation purposes. Grants under this paragraph may not be used by an authorized organization for land acquisition unless the authorized organization obtains the approval of all counties in which the land is situated. Grant moneys may also be used for the acquisition of farmland for the purposes set forth in this paragraph.

- (iii) To provide grants to a county or other municipality and authorized organizations for the purpose of research, planning, inventories and technical assistance intended to protect and conserve the biological diversity of this Commonwealth.
- (iv) To support forest conservation easements, including funding for a working forest conservation easement initiative to preserve the availability of privately owned forest land for sustainable, commercial timbering and other forest-dependent economic uses.
- (v) To provide funding to the Wild Resource
 Conservation Fund for the conservation of nongame
 wildlife and native wild flora and their habitats, to
 conduct and support research to preserve this
 Commonwealth's biodiversity and to educate the public on
 the value of conserving these species and their habitats.
- (vi) To provide funding for the Heritage Areas

 Program established under Article XVI-J of the act of

 April 9, 1929 (P.L.343, No.176), known as The Fiscal

 Code.
- (2) The Department of Conservation and Natural Resources may require matching funds as a condition of the award of a grant under this subsection.
- (b) The Department of Environmental Protection. --
- (1) The Department of Environmental Protection shall utilize money it receives from the fund for the following purposes:
 - (i) To implement acid mine drainage abatement and cleanup efforts <u>and abandoned mine land cleanup efforts</u> and plug abandoned and orphan oil and gas wells.
 - (ii) To provide funding for technical assistance and financial incentives to facilitate remining.
 - (iii) To provide grants to a county or other municipality, council of governments, county conservation districts, watershed organizations and other authorized organizations for acid mine drainage abatement <u>and cleanup</u>, mine <u>and mine land</u> cleanup efforts and well plugging.
 - (iv) To provide grants and technical assistance to a county or other municipality, council of governments, county conservation districts, watershed organizations and other authorized organizations to plan and implement local watershed-based conservation efforts.

(v) To improve water-quality-impaired watersheds, including those polluted by past mining activities, agricultural and urban runoff, atmospheric deposition, on-lot sewage systems and earthmoving activities.

(vii) For watershed protection.

(viii) For the reduction of nonpoint source pollution and protection of local drinking water supplies through grants to watershed organizations and other authorized organizations, the creation of forested and other vegetative stream buffers and watershed restoration efforts, including, but not limited to, reducing runoff from agriculture, construction, waste disposal and abandoned mine and mine land sites.

(ix) For grants to characterize, remediate or eliminate environmental hazards at abandoned industrial properties or brownfields and to promote economic development by facilitating the return of these properties to productive use.

(x) For nonstructural floodplain management and mitigation measures to minimize flood damage, reclaim and restore the quality of floodplains, remove obstacles and improve the natural functions of stream channels.

(xi) For grants to municipalities and municipal authorities to design and build projects and implement best management practices, with an emphasis on green infrastructure, in order to implement municipal separate storm sewer system plans or which count toward the reductions identified in the Pennsylvania integrated water quality monitoring and assessment report, implement total maximum daily load plans or the Chesapeake Bay total maximum daily load requirements.

(xii) For the Pennsylvania Energy Harvest Program for the purpose of providing grants to owner of farms and small businesses for renewable energy systems, including, but not limited to, solar, wind and methane digester technologies.

(xiii) For funding to participating county conservation districts to assist the owners of farms and other properties in protecting local water quality and improving the soil, water and air through the installation and maintenance of best maintenance practices.

- (2) County conservation districts may further distribute grants received under this section to watershed organizations and other authorized organizations to assist in the implementation of this chapter.
- (3) The Department of Environmental Protection may require matching funds as a condition of the award of a grant under this subsection.
- (4) For the period commencing with the effective date of this chapter and ending June 30, 2004, the Department of

Environmental Protection may utilize up to 10% of the money allocated annually to it under section 6104(d) (relating to fund) to provide grants for safe drinking water projects and wastewater treatment projects. Grants under this paragraph shall be made for the same purposes and shall be subject to the same limitations as grants authorized in section 6110.

- (c) Department of Agriculture. -- Funds allocated to the Department of Agriculture under this chapter shall be [deposited in the] used for the following purposes:
 - (1) For counties to preserve farmland through the Agricultural Conservation Easement Purchase Fund [and are] subject to the provisions of the act of June 30, 1981 (P.L.128, No.43), known as the Agricultural Area Security Law.
 - (2) For grants to authorized organizations to preserve farmland through the acquisition of conservation easements conforming with section 170(h) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 170(h)).
 - (3) For disbursement to the State Conservation
 Commission for the cost of tax credits for eligible
 agricultural operations that implement the best management
 practices and meet the requirements of the Resource
 Enhancement and Protection Tax Credit under Article XVII-E of
 the act of March 4, 1971 (P.L.6, No.2), known as the Tax
 Reform Code of 1971.
 - (4) To provide funding and technical assistance, in cooperation with the State Conservation Commission, to assist the owners of farms and other properties in protecting local water quality and in improving the quality of the soil, water and air through the installation and maintenance of best management practices. Fifty percent of the funding distributed under this paragraph shall be provided to participating county conservation districts.
 - (5) To encourage new farmers and assure the viability of preserved farms by creating financial incentives and enhancing access to farmland and capital through a low-interest loan program administered by the Department of Agriculture.
- (d) The authority.—The authority shall utilize money it receives from the fund to provide financial assistance in the form of grants and matching grants for storm water, water and sewer infrastructure projects, including construction or rehabilitation of collection and conveyance systems. The authority shall develop criteria to be used to award grants under this subsection. The criteria and proposed changes thereto shall be submitted to the Environmental Resources and Energy Committee of the Senate and the Environmental Resources and Energy Committee of the House of Representatives for review and comment. The committees shall have 60 days to submit comments to the authority. Criteria shall be reviewed by the authority and the committees at least once every three years.

- (5) For projects to improve fish and aquatic habitat, including, but not limited to, instream fish habitat, riparian buffers, fish passages and the removal of small dams.
- (d.3) Pennsylvania Game Commission.--Funds allocated to the Pennsylvania Game Commission under this chapter shall be used for the following purposes:
 - (1) To rehabilitate water control structures on State

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game lands in order to improve wetland habitat for water fowl and other wildlife and to improve water quality.

- (2) For improvements to facilities on State game lands, including, but not limited to, improved road access, enhanced access for persons with disabilities and older persons and the construction of two wildlife conservation education centers.
- (d.4) Pennsylvania Historical and Museum Commission.—Funds allocated to the Pennsylvania Historical and Museum Commission under this chapter shall be used for a historic preservation project grant program for the planning and development of publicly accessible historic resources listed in or eligible for listing in the National Register of Historic Places. The grants shall support projects that identify, preserve, promote and protect historic and archaeological resources of this Commonwealth for both the benefit of the public and the revitalization of communities.
- (e) Administrative expense limitation.—The departments, the commissions and the authority may not expend more than [2.5%] 5% of the moneys received from the fund on administrative expenses. The Department of Environmental Protection may not expend more than an aggregate of 2.5% of the moneys received from the fund and the moneys directed to the Hazardous Sites Cleanup Fund pursuant to section 6104(d)(4) and (5) on administrative expenses. Grant recipients that receive moneys from the fund for the purposes set forth in this section may not expend more than [5%] 7.5% of the moneys received from the fund on administrative expenses.
 - (f) Expenditure limitation. --
 - (1) No moneys made available through the fund shall be used for any purpose which, directly or indirectly, precludes access to or use of any forested land for the practice of sustainable forestry and commercial production of timber or other forest products.
 - (2) This subsection shall not apply to funds used [by the Department of Conservation and Natural Resources, counties or municipalities] for the purchase or improvement of park land to be used for public recreation.
- (g) Regulations.—The departments, commissions and the authority may promulgate regulations necessary to carry out the purposes of this chapter.

PENNSYLVANIA CLEAN WATER PROCUREMENT PROGRAM

45 <u>Sec.</u>

- 46 6701. Scope of chapter.
- 47 <u>6702</u>. <u>Definitions</u>.
- 48 <u>6703. Pennsylvania Clean Water Procurement Program.</u>
- 49 <u>6704</u>. <u>Watershed Innovation and Improvement Fund</u>.
- 50 <u>6705</u>. Regulations.
- 51 § 6701. Scope of chapter.

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      This chapter relates to the Pennsylvania Clean Water
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   Procurement Program.
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   § 6702. Definitions.
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      The following words and phrases when used in this chapter
   shall have the meanings given to them in this section unless the
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   context clearly indicates otherwise:
      "Authority." The Pennsylvania Infrastructure Investment
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   Authority.
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       "BMP." Best Management Practices Manual.
       "Chesapeake Bay TMDL." The Chesapeake Bay Total Daily
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   Maximum Load for Nitrogen, Phosphorus and Sediment, established
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   by the United States Environmental Protection Agency on December
   29, 2010.
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       "Commission." The State Conservation Commission.
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       "Department." The Department of Environmental Protection of
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   the Commonwealth.
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       "Entity." An entity that generates and sells certified
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       nutrient credits.
       "Fund." The Watershed Innovation and Improvement Fund
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   established under this chapter.
       "Modeled Best Management Practice Reductions." Reduction in
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   best management practices approved by the Chesapeake Bay Program
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   Watershed Model and that incorporates an uncertainty factor of
24
   the Environmental Protection Agency.
       "Nonpoint source pollution reduction benefits." Pollution
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   reductions that can be directly measured and quantified, or
   modeled incorporating EPA uncertainty factors, including, but
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28
   not limited to, nonpoint source phosphorous, nitrogen and
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   sediment loads to surface water and groundwater resources and
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   pathogens.
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       "Nutrient pollutant." Nitrogen or phosphorous.
       "Program." The Pennsylvania Clean Water Procurement Program
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   established under this chapter.
       "Request for proposal" or "RFP." A request for proposal that
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   defines contract terms, future delivery dates and technical
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   specifications and is issued by the authority, in conjunction
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   with the department, to procure verified TMDL nutrient credits
   from a load reduction activity that meets the requirements of
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   any applicable offset program in force regarding the Chesapeake
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   Bay.
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       "Sediment." Soils or other erodible materials transported by
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   storm water as a product of erosion.
       "TMDL." Total maximum daily load.
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       "Verified TMDL nutrient credit." A unit of nutrient
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   pollutant load reduction.
      "Water year." The 12-month period beginning October 1 of
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   each calendar year.
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   § 6703. Pennsylvania Clean Water Procurement Program.
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      (a) Establishment. -- The Pennsylvania Clean Water Procurement
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   Program is established and shall provide for the purchase of
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verified TMDL nutrient credits from nutrient credit generators

through a competitive bidding process consistent with 62 Pa.C.S.

Pt. I (relating to Commonwealth Procurement Code) and any other

competitive process determined to be appropriate by the

commission, in consultation with the department.

- (b) Powers and duties.--The department shall administer the program and take any action necessary to effectuate the purposes of this chapter.
 - (c) Contracts with verified TMDL nutrient credit sellers.--
 - (1) The department shall, beginning with the water year in which this section takes effect and the following water years, publish a notice of the aggregate unmet Chesapeake Bay TMDL nutrient pollutant reduction requirements in the Pennsylvania Bulletin.
 - (2) Subject to the availability of funding to purchase credits, no later than 60 days following publication of the notice under paragraph (1), the authority shall issue, in consultation with the department, a request for proposals from verified nutrient credit entities under 62 Pa.C.S. Pt. I for the supply of long-term verified TMDL nutrient credits for future delivery in order to fulfill the unmet Chesapeake Bay TMDL nutrient pollutant reduction requirement for those water years included in the notice.
 - (3) The RFP under paragraph (2) shall be for a minimum term of 10 years and shall allow sufficient time for the delivery of verified reductions of TMDL parameters consistent with the time frame necessary for the permitting and development of public or private credit generator facilities.
 - (4) Factors to be considered as part of the criteria for evaluation of responses received to the RFP and the weighted percentage to be applied to each factor shall be included by the commission in temporary regulations published under section 6705 (relating to regulations) and in final regulations and shall include:
 - (i) Environmental and recreational benefits to this Commonwealth and local communities resulting from the TMDL nutrient pollutant reduction activities, including verified and modeled green infrastructure benefits and other TMDL parameter reductions to the surface water and groundwater resources of this Commonwealth.
 - (ii) Additional criteria determined relevant by the commission and the department.
 - (5) The award granted for the RFP shall determine the adjusted cost of verified TMDL nutrient credits less the value of the local environmental benefit or green infrastructure reductions.
 - (6) Consistent with 62 Pa.C.S. Pt. I (relating to Commonwealth Procurement Code), Federal policy recommendations regarding the procurement of results in lieu of funding solutions and any applicable State statute, payments to entities may occur only after the department has verified the nutrient pollutant reductions. The verifications

- shall be performed monthly based upon required data submissions from nutrient credit generators certified by the 2 3 department.
 - § 6704. Watershed Innovation and Improvement Fund.
- (a) Establishment. -- The Watershed Innovation and Improvement 5 Fund is established in the State Treasury.
 - (b) Source of funding. -- The fund shall consist of appropriations made to the fund and interest earned on money of the fund.
- (c) Use. -- Money in the fund shall be used by the authority 10 for the purchase of verified TMDL nutrient credits under section 11 6703 (relating to Pennsylvania Clean Water Procurement Program), 12 provided that winning bids must offer 20% of total nutrient 13 reduction allotment to be available for participation for 30 14 15 days by modeled BMP's to sell their credits into this pool and receive the winning bid price absent the need to participate in 16
- the bidding process. 17

- 18 § 6705. Regulations.
- 19 The department may promulgate regulations to carry out the 20 provisions of this chapter.
- Section 5. This act shall take effect in 60 days. 21