

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES
APPROPRIATIONS COMMITTEE

MAIN CAPITOL
ROOM 140
HARRISBURG, PENNSYLVANIA

BUDGET HEARING
DEPARTMENT OF ENVIRONMENTAL PROTECTION

MONDAY, FEBRUARY 26, 2018
10:08 A.M.

BEFORE :

- HONORABLE STANLEY SAYLOR, MAJORITY CHAIRMAN
- HONORABLE JOSEPH MARKOSEK, MINORITY CHAIRMAN
- HONORABLE KAREN BOBACK
- HONORABLE SHERYL DELOZIER
- HONORABLE GEORGE DUNBAR
- HONORABLE GARTH EVERETT
- HONORABLE KEITH GREINER
- HONORABLE MARCIA HAHN
- HONORABLE DOYLE HEFFLEY
- HONORABLE SUE HELM
- HONORABLE LEE JAMES
- HONORABLE WARREN KAMPF
- HONORABLE FRED KELLER
- HONORABLE DUANE MILNE
- HONORABLE JASON ORTITAY
- HONORABLE MIKE PEIFER
- HONORABLE MARGUERITE QUINN
- HONORABLE BRAD ROAE
- HONORABLE JAMIE SANTORA
- HONORABLE CURT SONNEY
- HONORABLE KEVIN BOYLE
- HONORABLE TIM BRIGGS

1 BEFORE (continued):

2 HONORABLE DONNA BULLOCK
3 HONORABLE MADELEINE DEAN
4 HONORABLE MARIA DONATUCCI
5 HONORABLE MARTY FLYNN
6 HONORABLE PATTY KIM
7 HONORABLE STEPHEN KINSEY
8 HONORABLE LEANNE KRUEGER-BRANEKY
9 HONORABLE MIKE O'BRIEN
10 HONORABLE MARK ROZZI
11 HONORABLE PETER SCHWEYER

12 NON-COMMITTEE MEMBERS:

13 HONORABLE MARTY CAUSER
14 HONORABLE RUSS DIAMOND
15 HONORABLE KATE HARPER
16 HONORABLE MARK KELLER
17 HONORABLE DAVE MILLARD
18 HONORABLE TOMMY SANKEY
19 HONORABLE WILL TALLMAN
20 HONORABLE MIKE TOBASH
21 HONORABLE DAVE ZIMMERMAN
22 HONORABLE MIKE CARROLL
23 HONORABLE CAROLYN COMITTA
24 HONORABLE MARK LONGIETTI
25 HONORABLE STEVE MCCARTER
HONORABLE ED NEILSON
HONORABLE EDDIE PASHINSKI
HONORABLE GREG VITALI
HONORABLE PERRY WARREN

COMMITTEE STAFF PRESENT:

DAVID DONLEY, MAJORITY EXECUTIVE DIRECTOR
RITCHIE LaFAVER, MAJORITY DEPUTY EXECUTIVE DIRECTOR
MIRIAM FOX, MINORITY EXECUTIVE DIRECTOR
TARA TREES, MINORITY CHIEF COUNSEL

20

21 BRENDA J. PARDUN, RPR
22 P. O. BOX 278
23 MAYTOWN, PA 17550
24 717-940-6528
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

INDEX

NAME	PAGE
PATRICK MCDONNELL SECRETARY DEPARTMENT OF ENVIRONMENTAL PROTECTION	4

P R O C E E D I N G S

REPRESENTATIVE DUNBAR: Good

morning. As you've noticed, I am not Chairman Saylor. He is at a meeting right now, so we have the B team here with me and Ritchie. So, if we screw up the clock or anything else, just holler out.

Want to welcome everybody. This is a hearing, Appropriations hearing, for the Department of Environmental Protection, and Secretary McDonnell, thank you for being here.

If you can please stand and rise and we'll get you sworn in.

PATRICK MCDONNELL,

having been duly sworn or affirmed, testified on his oath as follows, to wit:

REPRESENTATIVE DUNBAR: Thank you.

Before we get started, I wanted to recognize a few of our other members that are not on the committee that are with us today.

There is Representative Vitali, Representative McCarter, Chairman Harper, and Representative Sankey. Thank you for joining us.

Chairman Markosek, did you have any

1 comments?

2 MINORITY CHAIRMAN MARKOSEK: Just
3 briefly.

4 Welcome, Secretary.

5 When George mentioned we have the B
6 team here today, I corrected him. I said, No,
7 you have the G team, the good team. Not to say
8 anything bad about anybody else, but George is a
9 good friend and I look forward to the hearing.

10 Thank you.

11 REPRESENTATIVE DUNBAR: Thank you,
12 Chairman.

13 And we will start our questions with
14 Representative Keller.

15 REPRESENTATIVE KELLER: Thank you,
16 Mr. Chairman.

17 And thank you, Mr. Secretary. Want
18 to just try and focus on a couple things here.
19 And I appreciate you sending the information
20 over that I asked for in the special funds. But
21 getting into the same theme of what we're doing
22 and how we're measuring here. The line item
23 appropriation in the governor's budget -- or
24 your whole Department's budget is increasing
25 about 5 and a half percent. And then I go to

1 your testimony, on page three, and you mention
2 e-permitting has given us some efficiencies and
3 so forth and down time -- or GO-TIME. You've
4 taken some of the things from the Department of
5 Transportation.

6 Do you know how much that's going to
7 save us later this year?

8 SECRETARY MCDONNELL: I don't have a
9 number off the top later this year. I know in
10 the budget, we had estimated about a hundred
11 thousand dollars, so --

12 REPRESENTATIVE KELLER: That's going
13 to save you about a hundred thousand dollars.

14 And then if I go farther down in the
15 GO-TIME, it says that e-inspections will save
16 almost 12 million by 2020. Do we have that
17 broken down by year?

18 SECRETARY MCDONNELL: I don't, in
19 front of me. But I can look into --

20 REPRESENTATIVE KELLER: We don't
21 know how much we're going to get this year?

22 SECRETARY MCDONNELL: No, not off
23 the top of my head.

24 REPRESENTATIVE KELLER: I would
25 assume we wouldn't get it all in 2020, but there

1 might be 3 million this year and 4 million and
2 so on.

3 SECRETARY MCDONNELL: It's
4 actually -- on e-inspections, we started in our
5 oil and gas area, and specifically with the
6 surface inspections. We have now, this year,
7 rolled that out to the subsurface. So, as we
8 move program by program, the productivity
9 savings we'll see will increase over time.

10 REPRESENTATIVE KELLER: But we don't
11 know how much it is for this year.

12 SECRETARY MCDONNELL: I don't have
13 that number off the top of my head.

14 REPRESENTATIVE KELLER: And then, I
15 guess the other thing, it talks about e-permits,
16 online applications will reduce errors, speed up
17 processing review. And that's expected savings
18 over the next fiscal year, I'm assuming you mean
19 2018-2019, 630,000 annually; is that right?

20 SECRETARY MCDONNELL: Correct.

21 REPRESENTATIVE KELLER: In the
22 upcoming year.

23 I mean, if I add all these savings
24 together, and I add it on to the request --
25 because savings is savings -- I'm wondering what

1 the increase would be. You get my point? I
2 mean --

3 ACTING SECRETARY MCDONNELL: Sure.
4 So, the increase is a couple things. I think,
5 first, it's important to note a lot of what
6 we're -- as I say, what we're looking at in
7 terms of savings is productivity savings.

8 So, one of the other issues which I
9 imagine will come up today is, for example,
10 permit backlogs and issues related to inspection
11 coverage. So, some of what you're seeing in
12 savings will be us being able to get more
13 permits out based on that productivity --

14 REPRESENTATIVE KELLER: So, we
15 measure how long it takes to get a permit out in
16 each area?

17 SECRETARY MCDONNELL: Yes.

18 REPRESENTATIVE KELLER: Could I get
19 that information?

20 SECRETARY MCDONNELL: Sure. Sure.

21 REPRESENTATIVE KELLER: Appreciate
22 that. Because it's about customer service.

23 SECRETARY MCDONNELL: Absolutely.

24 REPRESENTATIVE KELLER: It's about
25 protecting our environment but also making sure

1 we're doing things, because the taxpayers are
2 customers.

3 SECRETARY MCDONNELL: And
4 specifically on the increase, some of it is
5 related to, you know, a theme you hear every
6 year, which is increases in salary, increases in
7 health benefits.

8 This particular year we have 2 and a
9 half million dollars for thirty-three positions
10 within the Department, some of it focused on
11 permitting work but some of it also focused on
12 making sure we're getting air quality
13 submissions to EPA in a timely way, oversight of
14 high hazard dams in the state and some other
15 environmental --

16 REPRESENTATIVE KELLER: Okay. Can
17 we also get the information -- or maybe you have
18 the information on how much our fines --

19 SECRETARY MCDONNELL: Sure.

20 REPRESENTATIVE KELLER: -- and our
21 permits have -- do we know how much we've gotten
22 year over year and has that increased,
23 decreased, broken out differently, fines versus
24 permits and permit increases?

25 SECRETARY MCDONNELL: Sure. I don't

1 have that with me, but we can certainly get you
2 that. And it's -- it's information that I will
3 say, from experience, peaks and valleys, fund by
4 fund, program by program.

5 REPRESENTATIVE KELLER: But as a
6 whole, you know, are we getting more -- more
7 dollars or fewer dollars?

8 SECRETARY MCDONNELL: Again, some
9 years it's higher, some years it's lower. It
10 depends --

11 REPRESENTATIVE KELLER: Okay.

12 SECRETARY MCDONNELL: When we have
13 a -- in a lot of cases, I know from my admin
14 deputy days, what you'll see is one large fine,
15 you know, a particularly egregious violation one
16 year that may not happen regularly can give you
17 a significant increase in the amount.

18 REPRESENTATIVE KELLER: And I'm
19 wondering what we do with that money.

20 SECRETARY MCDONNELL: It depends
21 on which -- it goes into the fund, and then is
22 used for purposes of that fund.

23 REPRESENTATIVE KELLER: Okay. I
24 just want to -- you know, I'm just trying to
25 look at everything that we have.

1 And I guess I want to get to,
2 there's a proposed increase in the permitting
3 fee for CAFOs. Are you familiar with that? I
4 think it's a 500-dollar increase; is that
5 correct?

6 SECRETARY MCDONNELL: I believe
7 that's accurate, yes.

8 REPRESENTATIVE KELLER: What's the
9 current fee for that?

10 SECRETARY MCDONNELL: A hundred
11 dollars? I'd have to get you the specific
12 number.

13 REPRESENTATIVE KELLER: Okay. So,
14 we're looking at increasing one permit five
15 times.

16 SECRETARY MCDONNELL: Correct.

17 REPRESENTATIVE KELLER: And that
18 money goes to the Department. It doesn't show
19 up on your appropriation line; correct?

20 SECRETARY MCDONNELL: It would go
21 into the clean water fund.

22 REPRESENTATIVE KELLER: Yeah. But
23 it doesn't show up as an increase in your budget
24 line items that we appropriate.

25 SECRETARY MCDONNELL: No. No.

1 REPRESENTATIVE KELLER: See --

2 SECRETARY MCDONNELL: It's an
3 authorization.

4 REPRESENTATIVE KELLER: I mean, the
5 point I'm trying to get to is if we wouldn't see
6 all these savings from the GO-TIME that you
7 articulate in your testimony and all the
8 increased revenue that we get in the
9 increased -- you know, increasing permit fees,
10 in this case one five times as much, I'm just
11 wondering how much of an increase you're getting
12 year over year. It's not 5 percent. I'd really
13 like us to calculate that and see what the
14 increase is when you're -- because we're talking
15 about servicing the people of this commonwealth.
16 And I get the importance of taking care of the
17 environment, but really, I want to get down to
18 how much did you increase and how much do you
19 need.

20 Thank you.

21 REPRESENTATIVE DUNBAR: Thank you.

22 Next will be Chairman Markosek.

23 MINORITY CHAIRMAN MARKOSEK: Thank
24 you, Chairman -- acting Chairman, budget
25 Chairman.

1 Good morning, Secretary.

2 SECRETARY MCDONNELL: Good morning.

3 MINORITY CHAIRMAN MARKOSEK: Real
4 quick, on your -- the employees, the statistics
5 that we have indicate that over the last, I
6 think it's, ten years -- and this really goes
7 back, it's the third governor now, I think, over
8 this period of time -- you have lost about six
9 hundred and eight employees in your Department,
10 which -- and this is for a Department that, in
11 that period of time, we've seen shale drilling
12 become more prevalent and the need for -- and
13 we've heard about permits, trying to streamline
14 permits. And, at the same time, you've lost six
15 hundred and eight employees.

16 Out of those six hundred and eight,
17 do you have a rough idea of the percentage of
18 those that would actually be inspectors,
19 hands-on folks out in the field that you would
20 have to send out? Because that is a -- the --
21 they're all important, all six hundred eight of
22 those employees I'm sure are very important.
23 But the ones that actually got out of the office
24 and were out in the field and actually visited
25 sites, what percentage would those be?

1 And those would be, more than
2 likely, from what I know -- and I'm not an
3 expert in that field -- but would be highly
4 labor-intensive kinds of positions.

5 So, what percentage of that six
6 hundred and eight were those people that did a
7 lot of that work? And can you give us any kind
8 of plans that you may have to replace those
9 people and/or try to stay up with the workload,
10 given the fact that you've lost all those folks?

11 SECRETARY MCDONNELL: Certainly.
12 So, one of the things -- and this was a question
13 that came up before. And one of the things,
14 unfortunately, we don't have a precise
15 accounting of prior year who does inspections,
16 who doesn't. As you can imagine, in a lot of
17 cases, we have employees that do perform
18 multiple roles. So, it's not that everyone
19 slots into an inspector versus permit reviewer
20 versus some other slot. So, I do not have that.

21 In terms of what we're doing going
22 forward, one, as I mentioned, bringing on the
23 additional positions as part of the budget.
24 Some of that relates to inspection, particularly
25 within our high hazard dam area.

1 In addition, later this year, we
2 have a proposal to increase the drinking water
3 fees to deal with what has been a -- a
4 deficiency identified by the U.S. EPA in our
5 program for not having an adequate staff to
6 conduct inspections. And we've seen compliance
7 rates within our drinking water systems come
8 down over time.

9 So, we're looking at bringing on
10 thirty-three additional, seventeen of those
11 would be sanitarians who'd be out doing
12 inspections, as one example.

13 MINORITY CHAIRMAN MARKOSEK: Okay.
14 Thank you.

15 I didn't really have any more
16 questions, but I think the point needed to be
17 made that at a time when you're being asked to
18 speed up permitting, to have a whole lot more
19 permitting work, particularly with the shale,
20 pipelines now, things that perhaps weren't as
21 prevalent a few years ago, not to mention all
22 the stuff that's just always an issue for you, I
23 think the fact that you're down six hundred and
24 eight people over that period of time explains
25 some of the issues that some of our members and

1 constituents have brought to us of, you know,
2 why we can't get permits out quicker and all
3 those kinds of things.

4 So, I think -- you know, I wanted to
5 bring that up, and I appreciate your answer.
6 And I think that people -- members and public
7 and anybody else has to understand that a lot of
8 what you do is labor intensive, and just simply
9 cutting folks there is not an answer to a lot of
10 the questions of keeping our environment safe.

11 Thank you.

12 SECRETARY MCDONNELL: Appreciate it.
13 Thank you.

14 REPRESENTATIVE DUNBAR: Thank you,
15 Mr. Chairman.

16 Want to let it be known that we've
17 been joined by Representative Zimmerman.

18 And our next questions will come
19 from Representative Boback.

20 REPRESENTATIVE BOBACK: Thank you,
21 Mr. Chairman.

22 Good morning, Secretary.

23 Based on your submitted testimony,
24 I'm glad that you're addressing these issues
25 around the DEP permitting, and not only did we

1 start off with those questions, I'm sure that's
2 going to be continuing. Very, very important to
3 all of us.

4 So, even though we discussed the
5 thirty-three positions, which I personally don't
6 feel there are enough, I'm asking you, can you
7 possibly explain some of the problems and
8 apparent inconsistencies between regional
9 offices? So -- because I know the thirty-three
10 additional permitting officers will go
11 throughout the state. But there have been some
12 inconsistencies with regional offices.

13 For example, you stated in testimony
14 DEP southwest district office reduced its permit
15 review by two hundred twenty days and cut the
16 permit backlog in half. So, why this particular
17 region? I'm from the northeast, and I'd
18 certainly love to see it happen there.

19 So, are there similar results for
20 other regions other than southwest? And what
21 about us in the northeast? We're looking for
22 the same results.

23 SECRETARY MCDONNELL: Sure. The
24 specific permit reference there is within the
25 oil and -- within our oil and gas program. And

1 part of the reason is, frankly, the reduction in
2 southwest, where we had some significant
3 backlogs and permits were taking a long time,
4 has been cut to a point where it is roughly
5 equal to the other areas.

6 In terms of other permit efficiency
7 and permit work we're doing, we're working
8 program by program to improve processes, some of
9 it through electronic permits, some of it
10 through additional resources, and some of it
11 just through -- we have a permit decision
12 guarantee program that, once you have two
13 deficiency letters, you're kind of in -- on this
14 off ramp where there's no time frame attached to
15 it. We're going to train employees and make
16 sure we're getting to decisions within those
17 first two deficiencies so things aren't taking
18 four, five, six deficiencies and working through
19 a process to speed that up.

20 The other thing, just today I'd
21 offer, is we just issued a -- a new 105 General
22 Permit that not only simplifies our permit
23 process but also was coordinated with the Army
24 Corps of Engineers. So, we'll satisfy a lot of
25 the requirements that they have and there won't

1 be this issue of two reviews anymore between us
2 and another federal agency.

3 So, we're looking for opportunities
4 where we can and making sure we manage this as
5 effectively as we can.

6 REPRESENTATIVE BOBACK: And I've
7 told you this before, any way I can help you,
8 because I do believe that contingent needs to be
9 increased even further. What cost to the
10 environment? I mean, this is our water, our
11 air. So, we do need boots on the ground.

12 And I thank you for starting to at
13 least do the increases. And please continue to
14 do so. And if my office can help you, we're
15 here for you.

16 SECRETARY MCDONNELL: Absolutely.
17 And I would look forward to sitting down,
18 discussing further with you all that we have
19 going on at DEP.

20 REPRESENTATIVE BOBACK: Thank you,
21 Mr. Secretary.

22 SECRETARY MCDONNELL: Thank you.

23 REPRESENTATIVE BOBACK: Thank you,
24 Mr. Chair.

25 REPRESENTATIVE DUNBAR: Thank you.

1 Next will be Representative Dean.

2 REPRESENTATIVE DEAN: Thank you,
3 Mr. Chairman.

4 Good morning, Secretary.

5 SECRETARY MCDONNELL: Good morning.

6 REPRESENTATIVE DEAN: It's a
7 pleasure to have you here to talk about these
8 important topics.

9 Appropriations hearing after
10 Appropriations hearing I like to ground what
11 we're going to talk about today in the
12 constitutional obligation that we have. And I
13 know you live it and recite it by heart. I know
14 Representative Vitali does, too. But Article I,
15 Section 27 of the constitution is our
16 constitutional obligation to protect clean air,
17 clean water, our natural esthetic, not just for
18 this time but for generations to come. So, it's
19 not just wishful thinking. It's not, Well,
20 should we fund the Department? Should we really
21 protect our environment? Maybe it's up the
22 whims of the times.

23 It's not. It's embedded in our
24 constitution beautifully, and I love that
25 obligation.

1 So, what I wanted to do also was to
2 provide -- ask you to provide sort of a
3 historical perspective of the challenges of your
4 Department's work, your Department's important
5 work, and I'm thinking the challenges of --
6 environmental challenges, particularly in light
7 of the robust shale industry that is here, that
8 we've chosen not to take a tax from, that we
9 actually allow to take our beautiful resources.
10 So, it's environmental challenges, and not just
11 in the shale industry but elsewhere that you
12 face, but also the historic trend of decreased
13 funding.

14 Those two avenues I'd love you to
15 talk about, because I have been arguing that we
16 can responsibly take resources from the ground,
17 but we have an obligation to do it safely and to
18 protect our environment. So I'd ask you to give
19 us a perspective.

20 SECRETARY MCDONNELL: Sure. Thank
21 you for that.

22 And I always -- a couple of my staff
23 are aware, one of my favorite quotes is --
24 actually predates even our constitution with
25 Thomas Jefferson. He says, The earth is held in

1 usufruct by the living.

2 We hold this in trust and have a
3 responsibility going forward.

4 The -- the overall historic I'll
5 talk about first, and that really, I always say,
6 hits us in kind of two ways. And it's the thing
7 done that happens to us through budget and then
8 the thing we do to ourselves.

9 The thing, obviously, over the last
10 ten years, we've seen significant resource
11 reduction within the Department. And that, as
12 Chairman Markosek mentioned, definitely has an
13 impact. In addition to that, though, you can
14 imagine, you know, you receive a budget cut for
15 a year or two years, and some of the first
16 things you start doing are cutting back on IT
17 and training and travel and some of these other
18 things, trying to keep the people, which is the
19 most important resource we have in the agency.

20 Well, all of those things we start
21 cutting are investments in those people,
22 ultimately. And it's not something you can do
23 for the longer term.

24 So, we've made a conscious effort in
25 the Department to reinvest in our people and

1 reinvest in the regulated community and reinvest
2 in the public through IT, through training, and
3 through all of these other things. And that's
4 some of what you have seen in our IT spending
5 and other things.

6 In terms of shale, you know,
7 we've -- it's been, again, one of those peak/
8 valley situations. It's an area the Department
9 entirely funded by the permit application fee.
10 So, when we get that fee, it's not just funding
11 our permit review, it's also funding inspection,
12 administration, all of the other things that go
13 into the oversight of the industry.

14 So, as those permit applications are
15 down, based on the gas price, it has an enormous
16 financial impact on the Department. We're down,
17 I believe, over twenty staff within that area
18 now. I've had to move some people around and
19 reorganize a bit to deal with that. But it's --
20 it's a funding source that doesn't necessarily
21 always match up with what the resource demand
22 within the agency is.

23 REPRESENTATIVE DEAN: And that's one
24 of the things I was thinking about. If that is
25 subject to being resourced by the changing

1 permit fees, that makes for, I think -- must be
2 so challenging to you and difficult, because you
3 can't rely upon stable funding to do the
4 important work you need to do. We --

5 SECRETARY MCDONNELL: Even with
6 being down a number of positions in that area,
7 we're still losing half a million a month within
8 that fund currently.

9 REPRESENTATIVE DEAN: So, the
10 2.5-million-dollar increase for new hires, could
11 you talk about the critical nature of that?
12 What would -- in a perfect world, what you
13 actually need, other than stable funding, and
14 how much?

15 SECRETARY MCDONNELL: I think we're
16 looking at that program by program. This is
17 really to look at a couple of areas where we
18 felt like we were not achieving the mission of
19 the agency, dam safety being a critical one, and
20 making sure we have oversight over high hazard
21 dams. That's dams that impact people and
22 property should they fail.

23 Our air monitoring section and our
24 air modeling section has been backlogged on
25 producing models and doing analysis. So -- and

1 that, frankly, endangers our ability to get
2 things in front of EPA, which carries with it
3 its own sanctions. We've come close a couple
4 times in getting just under the wire, and we
5 want to make sure we're avoiding that, as a
6 couple of examples of areas where we're looking
7 to fund under the proposal.

8 And then, in addition, there's some
9 places where we're looking again to fund
10 additional inspectors in water and additional
11 permittees in water.

12 REPRESENTATIVE DEAN: Thanks for the
13 important work you do. And I hope that we do
14 everything in this budget to fully fund your
15 needs, our needs, constitutional needs.

16 Thanks.

17 SECRETARY MCDONNELL: Thank you.

18 REPRESENTATIVE DUNBAR: Thank you,
19 Representative.

20 We've been joined by Representative
21 Warren.

22 And our next questions will come
23 from Representative Ortitay.

24 REPRESENTATIVE ORTITAY: Thank you.

25 Thank you, Secretary.

1 I want to follow up on
2 Representative Boback's question about the
3 southwest office and permitting. You had talked
4 a lot about staffing. What else are you doing
5 to improve the operation down there?

6 SECRETARY MCDONNELL: Sure. No.
7 Thank you for asking. And it's a few things.

8 One, as we looked at our backlog
9 issues there, we looked at where we had capacity
10 in some of the other regions and actually moved
11 permits around to make sure we were meeting some
12 of those obligations.

13 We instituted something we call the
14 Pittsburgh 100, which is a new process for
15 looking at erosion, sedimentation permits,
16 giving the regulated industry a similar
17 checklist to what we would be looking at, so
18 that it's very clear where -- what information
19 is needed and where that information can be
20 found.

21 REPRESENTATIVE ORTITAY: Is that the
22 shortened permit? I think you were -- you were
23 talking to me about it in my office maybe a few
24 months ago.

25 SECRETARY MCDONNELL: Right.

1 Correct.

2 And then, the other thing, frankly,
3 was a resource thing, where we moved -- when
4 things were going well in the region, we had
5 more permittees and more clerical staff,
6 frankly, to process the administrative side of
7 it. And we've had that capacity erode pretty
8 significantly. So, we've added a couple of
9 positions on the technical side and a couple of
10 positions on the clerical side in order to
11 improve the process.

12 REPRESENTATIVE ORTITAY: Do you feel
13 that's adequate enough to further drive down the
14 backlog and keep this from happening again in
15 the future?

16 SECRETARY MCDONNELL: Yeah. I think
17 it's a combination of process issues as well as
18 the number of people. When it comes to well
19 permits, frankly, there's an element to that
20 that is just a number of people to look at the
21 information, so making sure we maintain some
22 adequacy there.

23 The other thing is, later this year,
24 all of our oil and gas permits will go into an
25 electronic format, which we expect will help,

1 particularly on that completeness administrative
2 upfront side of things.

3 REPRESENTATIVE ORTITAY: And I'm
4 sure that will help, because I hear about the
5 large stacks of papers on everyone's desk, and
6 then have -- I know when my staff calls, then
7 they have to go from one desk to another desk
8 and sort through all the paperwork. And I can
9 imagine that will be a lot easier at that point.

10 SECRETARY MCDONNELL: Absolutely.

11 REPRESENTATIVE ORTITAY: Shifting
12 gears, I want to talk a little bit about some of
13 the matching federal funds. Do you know how
14 much, in federal funds, the DEP receives?

15 SECRETARY MCDONNELL: I know we're
16 seeking an authorization of about 219 million
17 dollars for this year.

18 REPRESENTATIVE ORTITAY: Do you know
19 if there's anything that we can do to further
20 leverage additional federal dollars? Do you
21 feel like we're maximizing that?

22 SECRETARY MCDONNELL: I know one of
23 the areas that, because of, again, some of that
24 lack of general fund funding we had been --
25 which we haven't been recently, but at one point

1 we were returning back, for example, some
2 federal mining dollars. I think we're
3 leveraging well.

4 One of the areas in particular,
5 we've been doing so well on the abandoned mine
6 land reclamation side of things, that a lot of
7 the planned projects are getting done. So, as
8 we get more funding, we need to figure out how
9 we get the planning dollars kind of in place so
10 that those -- so that we're ready to deal with
11 those funds. We've been doing a lot of work
12 with some of your third-party partners.

13 I think we're always looking for
14 opportunities of where we can better leverage
15 dollars. And I think, for example, the U.S.
16 Department of Ag and our partnership with the
17 Department of Ag in the bay, looking to leverage
18 some USDA dollars is one critical example of
19 that.

20 REPRESENTATIVE ORTITAY: Have you
21 guys done any reports or research -- I mean,
22 anything that you can provide to us to help with
23 that, when we're looking at, okay, if we provide
24 an extra dollar, we can get an extra three or
25 four from the feds, or whatever the ratio is.

1 Is there anything you can provide to us?

2 SECRETARY MCDONNELL: I can see what
3 kind of information we have. I'm not sure if
4 there's something on the shelf, but we can
5 certainly see and provide.

6 And I'll say, I mean, the other side
7 of it is, we currently receive state and travel
8 assistance grants, which funds our federal
9 obligation, so us overseeing Clean Air Act,
10 Clean Water Act, et cetera.

11 The percentage we're supposed to
12 match that against we're way overmatching just
13 because the amount of money in real dollars has
14 shrunk over time from the federal government but
15 the responsibilities haven't. So, we're
16 spending a lot in some of those areas where we
17 aren't necessarily getting the federal dollars.

18 In some cases, it's the opposite
19 kind of scenario, where we're seeing some
20 erosion of those dollars over time but the
21 obligation remains.

22 REPRESENTATIVE ORTITAY: Okay. One
23 other question I just wanted to follow up on,
24 it's in regards to the Finding Pennsylvania's
25 Solar Future project.

1 SECRETARY MCDONNELL: Sure.

2 REPRESENTATIVE ORTITAY: Is there a
3 reason why DEP is taking lead on this and not
4 someone like DCED? It just kind of seems like
5 it's -- I know it has to deal with solar energy,
6 but the purview seems to be in the world of
7 DCED.

8 SECRETARY MCDONNELL: So, we at DEP,
9 we have the state energy office located in our
10 Office of Pollution Prevention and Energy
11 Assistance. That's a DOE designation that
12 basically is responsible for renewable energy,
13 energy efficiency projects and policy within the
14 Commonwealth. So, that's the reason it comes
15 out of that shop.

16 REPRESENTATIVE ORTITAY: All right.
17 Thank you.

18 REPRESENTATIVE DUNBAR: Thank you.

19 Next will be Representative Bullock.

20 REPRESENTATIVE BULLOCK: Thank you,
21 Chairman.

22 SECRETARY MCDONNELL: You moved.

23 REPRESENTATIVE BULLOCK: Yes, I
24 moved up.

25 Good morning, Secretary.

1 Last year, the NAACP released a
2 report that discusses front-line communities.
3 These are communities that are within miles of
4 particularly drilling and other activity. And
5 what we know is that communities of color and
6 poor communities tend to disproportionately bear
7 the impact of climate change.

8 Last year, you also visited my
9 district and held an Environmental Justice
10 listening session. Would you share with me how
11 many of those sessions you held last year, where
12 were they, what was the outcome of those
13 listening sessions, whether you published the
14 transcripts?

15 And I also understand that, since
16 then, the director of the Department -- the unit
17 for Environmental Justice has left. Has that
18 position been filled?

19 SECRETARY MCDONNELL: Sure.

20 So, on the last piece, it hasn't
21 been filled yet. It was posted, and we're going
22 through resumes now. So, expect that to happen
23 relatively shortly.

24 We held a total of nine listening
25 sessions across the state for Environmental

1 Justice. I don't -- I can get you the precise
2 locations, but it was a little bit of everything
3 everywhere. And the observation I've made
4 multiple times is, it was something where every
5 community we went in was dealing with or up
6 against different issues, and in some cases not
7 even directly environmental issues. But, you
8 know, we've made the commitment to make sure
9 we're working with other agencies that we need
10 to to deal with issues like food deserts and
11 transit issues, as examples.

12 We did publish the transcripts and
13 information. And right now we're finalizing an
14 update draft of the Environmental Justice
15 policy. This is the first time this has really
16 been looked at in a decade.

17 The -- the other thing we're
18 producing is updated maps and a little better
19 interactive tools, so -- so that people can see
20 where these communities are.

21 And in addition, again, I'd be
22 remiss if I didn't recognize some work we're
23 doing with a number of agencies under an
24 interagency health and environment task force
25 that has -- that Department of Ag is the lead

1 on.

2 So, there's a lot going on for us
3 within the space at the moment.

4 REPRESENTATIVE BULLOCK: Thank you.

5 And I'm sure you know that food can
6 also be impacted by climate change and other --

7 SECRETARY MCDONNELL: Absolutely.

8 REPRESENTATIVE BULLOCK: -- issues,
9 and as food insecurity and food scarcity becomes
10 an issue.

11 SECRETARY MCDONNELL: Absolutely.

12 REPRESENTATIVE BULLOCK: A follow-up
13 question to the finding solar in Pennsylvania.
14 Could you share, by any chance, if you know,
15 whether or not the -- the economic impact of
16 moving towards a sustainable energy economy and
17 whether or not you could share the number of
18 jobs that we may see now or may see in the
19 future, with the potential growth of this
20 industry?

21 SECRETARY MCDONNELL: Sure.

22 So, in terms of finding
23 Pennsylvania's energy solar future, we will be
24 releasing a draft of that here within the next
25 couple months. So, some of that information

1 will be contained in there.

2 In terms of where we are today, we
3 saw a 26 percent increase over the last year in
4 number of jobs within the solar sector,
5 according to National Solar Foundation, I
6 believe, was the name of the organization. And
7 that's with us having a half a percent
8 requirement for solar currently.

9 So, it's a growth industry for
10 certain within the state. And I'm anxious to
11 see what the outcome is of the stakeholder
12 process that we have going on, looking at how do
13 we get to 10 percent by 2030.

14 REPRESENTATIVE BULLOCK: Are you
15 aware of any training programs for solar energy
16 there may be across the commonwealth?

17 SECRETARY MCDONNELL: I'm not aware
18 off the top of my head. But I can verify with
19 staff and get back to you.

20 REPRESENTATIVE BULLOCK: I know we
21 have one in Philadelphia. I was just wondering
22 if there were any others.

23 Thank you, Secretary.

24 Thank you, Chairman. I have no
25 further questions.

1 REPRESENTATIVE DUNBAR: Thank you,
2 Representative.

3 Next will be Representative Greiner.

4 REPRESENTATIVE GREINER: Thank you,
5 Mr. Chairman.

6 And good morning, Mr. Secretary.

7 I want to switch back to the budget,
8 and the -- kind of the amount of increases in
9 the budget this coming year. I was wondering
10 whether you could -- we've kind of danced around
11 it here with some of the colleagues -- but the
12 operating cost increase as proposed by the
13 governor for your three main appropriations is
14 an increase of over a million dollars, or
15 actually 8 percent over the prior year, '17 and
16 '18.

17 And I mean -- I'll just continue --
18 for example, I know much of the increase seems
19 to be in the oversight and improved customer
20 service initiative you've mentioned and the
21 proposed thirty-three positions. But I guess
22 what I'm wondering is, I mean, how and where
23 will these positions be utilized? And what is
24 the funding source going to be used for these
25 positions? And will these be supported by just

1 the general fund, or are these -- you know, we
2 talked about fines and fees. One of my
3 colleagues to start talked about that. Or is it
4 going to be a combination of both?

5 And I just want to -- like I said,
6 we want to be able to get our hands around, you
7 know, when people see the budget and see
8 increases that are greater than -- significantly
9 greater than inflation, you know, there needs to
10 be a reason for that. And maybe you could
11 provide some -- you know, an answer on that,
12 please.

13 SECRETARY MCDONNELL: Certainly.
14 These position were specifically for general --
15 you know, funded out of the general fund, so
16 that the thirty-three positions, and it's
17 roughly half would be in Harrisburg versus out
18 in the regional offices doing -- doing a variety
19 of work, as I say, in some cases some of the
20 permitting and inspection work within water, in
21 some cases oversight of high hazard dams, in
22 others cases doing the modeling and monitoring
23 required in our air quality program.

24 REPRESENTATIVE GREINER: Is the 8
25 percent in the budget, though, mainly due to

1 those -- are the increases mainly due to these
2 additional hires?

3 SECRETARY MCDONNELL: It's a 2 and a
4 half percent increase across the three line
5 items for those hires. And then the additional
6 is increases in benefits, salary, all of the --
7 the types of costs that carry increases that you
8 would typically see in the budget.

9 REPRESENTATIVE GREINER: Let me just
10 follow up. Kind of a tough questions here. I
11 know we received a letter from the EPA back at
12 the end of December of 2016 that documented, you
13 know, our lack of performance on the Safe
14 Drinking Water program. And I guess what I'm
15 interested in is, you know, why -- why this
16 hasn't been addressed maybe more aggressively
17 here, you know, in the last year and a half or
18 two years.

19 And also, too, it's always an issue
20 with a lot of our members here, it's just the
21 permitting process in general. I don't know
22 whether DEP -- now, you've only been here a
23 while, I've only been here a while -- but why
24 aren't we coming up with a program to help -- to
25 help out, you know, farmers, agriculture,

1 business with more aggressive so that we can get
2 this permitting process moving forward more
3 quickly?

4 So, I have two -- I guess there's
5 two questions there.

6 SECRETARY MCDONNELL: Sure. On the
7 drinking water piece, in particular, we have
8 moved about as aggressively as we can.
9 Typically, you know, as they say, later this
10 year we're going to have a fee increase to
11 support thirty-three additional positions within
12 our Safe Drinking Water program to deal with
13 some of the concerns EPA raised.

14 What we've done in the interim is
15 we're managing kind of cash flow of the agency
16 and making sure to bring those positions on now.
17 So, we're anticipating those fees, bringing on
18 positions now. And as I say, over the next
19 couple months, we'll see seventeen new
20 inspectors out there, which brings us within
21 that one-inspector-per-hundred to a
22 hundred-twenty-five-facilities ratio that is,
23 frankly, the benchmark that we look for.

24 So, we're -- we're very close to
25 being at a point of satisfying that requirement

1 with U.S. EPA.

2 REPRESENTATIVE GREINER: Do you
3 think we're going to need a whole lot more
4 additional hires after this year in order to
5 meet our demand or meet what we need to get
6 accomplished?

7 SECRETARY MCDONNELL: I think as
8 long as we can maintain that ratio, we should be
9 in good shape and, hopefully, as I said earlier,
10 start to see that compliance rate come back
11 above the -- you know, it's down around 93
12 percent now. Our benchmark is 95 percent. So,
13 we want to see over 95 percent of our drinking
14 water systems in compliance.

15 REPRESENTATIVE GREINER: Okay. I
16 still see I have some time left. I want to
17 switch -- being from Lancaster County, I want to
18 switch to agriculture.

19 SECRETARY MCDONNELL: Sure.

20 REPRESENTATIVE GREINER: And I was
21 wondering, is it possible that DEP can implement
22 a more agricultural focus permitting process? I
23 know people in the shale industry probably feel
24 the -- or shale area probably feel the same way.
25 Possibly in conjunction with or directed by the

1 Department of Agriculture -- he's going to be in
2 this afternoon -- to reduce time, costs, and
3 redundancy? Because I do think it can, if we're
4 able to accomplish that.

5 SECRETARY MCDONNELL: Sure. And
6 we've been working pretty aggressively. And
7 it's not just ag, but working on, for example,
8 PAG-02, which is those sites with a smaller
9 footprint, to get a general permit in front of.

10 There's some EPA issues we need to
11 work out, and then, hopefully, we can leverage
12 that into PAG-01, which would be even smaller
13 sites. That would benefit a lot of the
14 agricultural community.

15 In addition to that, we've been
16 working very closely with the Department of
17 Agriculture. One of the things -- couple of
18 things we've done, one is actually putting out
19 some funding to help pay for their nutrient
20 management plans on a reimbursement basis, and
21 would like to see more of that.

22 And then a certification program,
23 that they are meeting their regulatory
24 requirements plus one and trying to get them
25 some additional benefits for doing that.

1 REPRESENTATIVE GREINER: Thank you
2 for being here.

3 Thanks, Mr. Chairman.

4 SECRETARY MCDONNELL: Thank you.

5 REPRESENTATIVE DUNBAR: Next will be
6 Representative Kinsey.

7 REPRESENTATIVE KINSEY: Good
8 morning, Mr. Secretary.

9 Actually, you know, with the
10 previous -- with my colleague who just asked the
11 question about the safe water -- Safe Drinking
12 Water program, you actually addressed the
13 question that I was going to ask.

14 And just so I can have some clarity,
15 you said that your Department is aggressively
16 addressing that particular program.

17 Thirty-three additional positions are being
18 added to -- to address that issue. And I think,
19 out of the thirty-three, seventeen will be new
20 inspectors? Or is that additional?

21 SECRETARY MCDONNELL: No. That's
22 out of the thirty-three.

23 REPRESENTATIVE KINSEY: Out of the
24 thirty-three. Okay.

25 Well, it really takes away my

1 question. Because, you know, I come from the
2 city of Philadelphia. And not long ago there
3 was some questions and concerns that came up as
4 it related to the drinking water in the public
5 school system. But does that follow under the
6 program that we're talking about, the safe
7 drinking -- the safe water drinking program?

8 SECRETARY MCDONNELL: So, the lead
9 and copper rule --

10 REPRESENTATIVE KINSEY: Yes.

11 SECRETARY MCDONNELL: It would.
12 It's not specifically targeted to schools. It's
13 targeted toward a review in a system of taps
14 that may be suspected of having lead. And
15 there's a testing requirement. And once you hit
16 90th percentile over 15 parts per billion,
17 there's a number of actions you have to take.

18 I know the city took an additional
19 step in terms of passing it's own ordinance,
20 requiring bulk testing of all of the faucets
21 within the school, taking those out of service,
22 and ensuring that there's at least one operating
23 faucet per hundred children. But that was not a
24 state requirement.

25 REPRESENTATIVE KINSEY: Okay. Well,

1 as it relates to state requirements, what are
2 our requirements as it relates to testing, you
3 know, the drinking water? Is it every so often?
4 Can you --

5 SECRETARY MCDONNELL: Sure. It's
6 every three years. And then if you do have the
7 exceedance, it becomes every six months is one
8 of the things that you must do. You have to
9 start replacing 7 percent of your lead service
10 lines.

11 Now, the reality of that is, most of
12 them are customer owned, so unless the customer
13 is willing to pay for it, that doesn't always
14 get done.

15 And then there's an educational
16 provision as well, that they -- utility has to
17 inform its users what it can do to reduce lead
18 exposure, including things like flushing, which
19 is very effective.

20 REPRESENTATIVE KINSEY: I appreciate
21 you sharing that, Mr. Secretary. And the reason
22 I'm saying that is because, I think, more
23 recently, many of us read in the newspaper --
24 and I'm not exactly sure which town or which
25 county it was, I do not believe it was

1 Pennsylvania -- but it was almost like a whole
2 county had to sort of shut down their water
3 systems and redo the whole piping because -- it
4 might have been Delaware, I'm not sure, I don't
5 want to publicly state. But it was something
6 that was pretty prominent not too long ago.
7 And, you know, we were getting phone calls
8 saying, Hey, is this happening here in
9 Pennsylvania? And I said, Not that I'm aware
10 of. But, you know, if it does happen, we'd know
11 about it.

12 But we've not had any situations
13 like that that you can recall.

14 SECRETARY MCDONNELL: The closest
15 we've had is on the other side of the state,
16 with the Pittsburgh water and sewer authority.
17 They've had some lead service line issues, but
18 we've been working with them through that.

19 The Lead Copper Rule is just one of
20 those. It's very tough to implement. Your
21 traditional way you think of water treatment is
22 centralized station and storage, deal with it
23 there, and then it goes out to the residents and
24 businesses. In this case, what -- where you're
25 usually picking up the lead is actually in

1 those -- at that last point, right, when it's
2 going through the lead service line or something
3 right at the end there. So, corrosion control
4 is incredibly important to help deal with some
5 of it, but it doesn't solve every issue.

6 REPRESENTATIVE KINSEY: Sure. Sure.

7 Well, Mr. Secretary, I just want to
8 thank you for your attention to these matters.

9 SECRETARY MCDONNELL: Sure.

10 REPRESENTATIVE KINSEY: And really
11 for aggressively responding to situations here
12 in the state of Pennsylvania.

13 So, thank you very much,
14 Mr. Secretary.

15 Thank you, Mr. Chairman, as well.

16 SECRETARY MCDONNELL: Thank you.

17 REPRESENTATIVE DUNBAR: Thank you,
18 Representative.

19 Next will be Representative Helm.

20 REPRESENTATIVE HELM: Thank you,
21 Mr. Chairman.

22 Secretary McDonnell, your testimony
23 highlights your interest to work with the
24 general assembly to update, modernize, and
25 reauthorize some programs and special funds.

1 And, first of all, I do thank you for expressing
2 that interest.

3 Have you considered a strategy to
4 review such programs to determine if they are
5 still working, and what, if any, could be
6 eliminated? For example, is it possible the
7 recycling fund program, established under Act
8 101 of 1988, is no longer up to date and meeting
9 the needs of the communities? Or should it have
10 reduced program funding levels?

11 This seems relevant when 9 million
12 dollars was transferred from the recycling fund
13 to the general fund in the previous budget.

14 SECRETARY MCDONNELL: Thank you very
15 much for the question.

16 I think the one you highlighted, in
17 particular, is one we're very actively engaged
18 with right now through our solid waste advisory
19 committee and recycling fund advisory committee.
20 There's a work group looking at issues around
21 Act 101 to figure out exactly, kind of your
22 question, what's working, what's not, best use
23 of those dollars, best use of the program.

24 I will say, I think, at the outset,
25 you know, back in the '80s, when Act 101

1 originally passed, the assumption was that the
2 market value of recyclables would pay for the
3 program. That's not something we've seen
4 happen. Depending on the recyclable, in some
5 cases, it can be expensive to recycle.

6 So, it is one that we're definitely
7 very, very actively engaged in discussions right
8 now. Would love to have further input.

9 REPRESENTATIVE HELM: And what about
10 the hazardous site cleanup fund? Can you give
11 us a status of that program?

12 SECRETARY MCDONNELL: Sure.

13 So, that's one where we're hoping,
14 over the next year here, to work with you and
15 the governor's office to identify funding. That
16 has typically been a 45- to 55-million-dollar
17 program on an annual basis, and it funds a
18 variety of things.

19 Today, we're getting 20 million
20 dollars -- you know, between 20 and 22 million
21 dollars into that fund. And that's because the
22 capital stock and franchise tax has gone away,
23 which, you know, past time for the tax to go
24 away, but there's this thread, we need to pick
25 up on it.

1 To put all of that in some
2 perspective, we have a number of programs we
3 fund out of there, including our match for
4 hazardous -- for the federal hazardous waste
5 program, including our Superfund match. We
6 have -- and if you just take those two off the
7 top, that's already over 10 million dollars,
8 leaving us about 8 million dollars for the
9 state's version of Superfund, which has
10 typically been about 26 million dollars.

11 So, we're leaving some big holes.
12 And, again, to put in some perspective the way
13 some of these projects can work, we're moving
14 into phase 3 of what we called the Intercourse
15 TCE case, which is waterline replacements. Just
16 put that out to bid. And the estimate is 10
17 million dollars over three years to do those
18 replacements.

19 So, the projects that we engage in
20 in HSCA can carry with them some pretty big
21 dollar amounts over an extended period of time,
22 which makes this a critical funding source for
23 us.

24 REPRESENTATIVE HELM: Am I correct
25 that you are transferring money to special

1 funds? And I just wondered why you should be
2 transferring money to special funds when you're
3 own revenue's declining.

4 SECRETARY MCDONNELL: What's that?
5 I'm sorry.

6 REPRESENTATIVE HELM: Are you
7 transferring money from this fund to special
8 funds?

9 SECRETARY MCDONNELL: So, what we
10 have done is what we call augmentation,
11 specifically related to things like IT, lab. It
12 transfers the money out of the fund to fund
13 activities that are funded -- are needed within
14 that fund but rest in the general fund.

15 REPRESENTATIVE HELM: And then we
16 also have the West Nile virus and the Zika virus
17 control program. Could you talk a little bit
18 about that?

19 SECRETARY MCDONNELL: Um-hum. So,
20 on the -- they both operate slightly
21 differently. The West Nile virus program is
22 principally -- it's some work of DEP staff and
23 then some grants to counties to do surveillance
24 work. We do surveillance for mosquitoes that
25 may carry West Nile or Zika and use our lab to

1 do testing of those. And that's been a good
2 partnership with Department of Health,
3 particularly on the Zika side.

4 The black fly program is a seasonal
5 spraying program, just to keep the amount of
6 gnats down. That is one that hasn't been funded
7 at a level to really effectively do it over the
8 long term for a number of years now. So,
9 typically, what we've been able to do is start
10 in April, end sometime in May, pick it back up
11 in July and a little bit of August. Ideally, if
12 we had the funding, we would go from April
13 through September to -- for the control. But
14 between flat funding and increased costs for the
15 spraying, that's just not possible.

16 REPRESENTATIVE HELM: All right.
17 Thank you.

18 Thank you, Mr. Chairman.

19 SECRETARY MCDONNELL: Thank you.

20 REPRESENTATIVE DUNBAR: Thank you,
21 Representative.

22 Next will be Representative
23 Krueger-Braneky.

24 REPRESENTATIVE KRUEGER-BRANEKY:
25 Thank you, Mr. Chairman.

1 Hi, Mr. Secretary.

2 SECRETARY MCDONNELL: Hello.

3 REPRESENTATIVE KRUEGER-BRANEKY:

4 I've got a series of questions for you, so I'm
5 hoping you can give me brief answers so I'll be
6 able to get through all of them.

7 SECRETARY MCDONNELL: Okay.

8 REPRESENTATIVE KRUEGER-BRANEKY:

9 You'll not be surprised that know that my
10 questions are about the Mariner East II
11 pipeline, which is of grave concern to my
12 constituents in Delaware County and one of the
13 top issues that my legislative office hears from
14 residents about.

15 SECRETARY MCDONNELL: Certainly.

16 REPRESENTATIVE KRUEGER-BRANEKY:

17 After over one hundred spills and accidents, the
18 DEP ordered Sunoco Logistics to suspend
19 construction at the beginning of January on the
20 pipeline project. And then, a month later, you
21 issued a 12.6-million-dollar civil penalty for
22 permit violations for the project. And then you
23 entered into a consent order and agreement that
24 allowed the construction to resume.

25 So, my first question is this. How

1 many inspectors do you have on the project right
2 now? And how many new inspectors will be hired
3 from that 12.6-million-dollar penalty?

4 SECRETARY MCDONNELL: So, we've
5 had -- on the pipeline total, we've had
6 sixty-seven inspectors between DEP and the
7 conservation district. So, it's roughly
8 two-thirds of those are DEP staff, predominantly
9 in our waterways and wetlands program, although
10 we do also have some emergency response, Bureau
11 of Clean -- Bureau of Environmental Cleanup,
12 those kinds of positions as well.

13 In terms of additional staff, we,
14 frankly, typically don't use fine money to hire
15 additional staff. We'll look and -- I mean, we
16 feel that we have the inspectors we need to
17 oversee the project now as well as a good
18 operational plan with right training and other
19 things from the company, which is the only
20 reason they were allowed to -- you know, the
21 12.6 million is one side of it, but it's really
22 the work and the information that we received
23 from the company that allowed them to restart
24 operations.

25 REPRESENTATIVE KRUEGER-BRANEKY:

1 Okay. So, on that, I -- my office has your
2 southeastern regional office on speed dial. The
3 director has done a phenomenal job in being
4 responsive, but I've heard over and over again,
5 "I'm sorry, we don't have someone who can go out
6 to that person's home for a matter of days
7 because we're understaffed." So, I would urge
8 you to reconsider the use of those funds.

9 Sixty-seven inspectors for a
10 pipeline that traverses the entire commonwealth,
11 that has had already over one hundred spills and
12 accidents doesn't seem like enough to me.

13 My next question, so I'm in receipt
14 of a letter that was sent to a homeowner in the
15 path of the pipeline, actually very
16 interestingly, on February 8th, which is the
17 exact day of that -- that the fine was levied --
18 or announced, at least, and then the consent
19 order was announced as well. And it says that
20 the pipeline is going within four hundred and
21 fifty feet of their property, and, basically,
22 proactively offers to connect them to an
23 alternative water source during the course of
24 the drilling period, like a water buffalo.

25 Now, we know that over a dozen

1 private wells in Chester County were
2 contaminated as a result of this drilling
3 process. This letter makes it seem like Sunoco
4 Logistics is expecting more wells to be
5 contaminated. And now I'm hearing from
6 homeowners who are very, very concerned about
7 this.

8 In Delaware County alone, at one
9 horizontal drilling site, there's twenty-eight
10 water wells that are within four hundred and
11 fifty feet, and we actually think they're still
12 missing some. I'm aware of at least one more
13 close to that drilling site that hasn't been
14 counted by Sunoco and hasn't received this
15 letter.

16 So, what is the DEP doing to keep
17 these people's wells safe?

18 SECRETARY MCDONNELL: And I can't
19 speak to that letter in particular, but I can
20 tell you that part of the operations plan that
21 we were specifically looking for and finally
22 received from Energy Transfer Partners was
23 making sure they were avoiding impacts to
24 drinking water wells and not assuming that that
25 was something that was going to occur just in

1 the normal course of their activities.

2 REPRESENTATIVE KRUEGER-BRANEKY: So,
3 I'd love it if you could follow up with
4 information for those of us on this committee.
5 This letter seems to me like they're expecting
6 more contamination. And, again, over a dozen
7 families that have permanently lost their
8 drinking water. This is scaring residents.

9 And I know that your staff went
10 through a process that you felt comfortable
11 allowing the construction to continue. I really
12 want to know what's happening to keep people's
13 water safe.

14 SECRETARY MCDONNELL: Sure.

15 REPRESENTATIVE KRUEGER-BRANEKY: Is
16 there -- it seems to me that there is an
17 expectation that impact to private property or a
18 loss of a well is actually the cost of doing
19 business for this project. And as a legislator
20 who represents folks in Delaware County, I don't
21 actually believe that to be true.

22 SECRETARY MCDONNELL: No. And I
23 would -- as I said, we wanted an operations plan
24 that put them on hook for avoiding those kinds
25 of impacts.

1 REPRESENTATIVE KRUEGER-BRANEKY: So,
2 you'll be able to follow up, again, with the
3 members of the committee with details of the
4 operations plan that have led you to believe
5 that this is safe.

6 SECRETARY MCDONNELL: Certainly.

7 REPRESENTATIVE KRUEGER-BRANEKY:
8 Okay. Thank you.

9 SECRETARY MCDONNELL: Thank you.

10 REPRESENTATIVE DUNBAR: Next will be
11 Representative Hahn.

12 REPRESENTATIVE HAHN: Thank you,
13 Mr. Chairman.

14 Good morning, Mr. Secretary.

15 I want to follow up on
16 Representative Helm's questions about some of
17 the programs. So, I see on the list, and in
18 particular Northampton County, there is a
19 hazardous site cleanup that's under -- that's
20 under -- it says "further investigation." It's
21 been on the list for a while.

22 So, are there going to be funds
23 available until that investigation's finished
24 that they can go in and remediate that property?
25 Is that a concern with the declining revenue?

1 SECRETARY MCDONNELL: It's
2 definitely a concern. It, at a minimum,
3 lengthens the amount of time before we
4 potentially can get to it. But if it's under
5 investigation, we would need to know we have the
6 dollars, you know, once we have a remediation
7 plan.

8 And the other thing I'm not sure,
9 just to be blunt, is part of what we do in the
10 normal course of this, in some cases, is step
11 into a case where there is a potentially
12 responsible party, get the cleanup started, and
13 then seek cost recovery from them. So, if
14 there's a potentially responsible party, we may
15 do work up front and then go after that -- the
16 reimbursement later.

17 REPRESENTATIVE HAHN: Is there time
18 limit on how long you have to investigate and
19 then put the plan into place?

20 SECRETARY MCDONNELL: Not -- no,
21 there's no time limits associated with that. We
22 have some time frames under the brownfields
23 program in terms of how long we have to review a
24 plan that comes into us. But in terms of
25 hazardous sites cleanup, it's however long it

1 takes to do the site characterization and
2 remediation work that we have do. Some of it
3 can be relatively complex in terms of what's
4 going on with groundwater on a site, for
5 example.

6 REPRESENTATIVE HAHN: Okay. Thank
7 you.

8 The other question, I know we have
9 the West Nile virus and the Zika, but my office
10 gets more phone calls on lyme disease and ticks.
11 So, is that something that the Department looks
12 at? Or is that under another department, is
13 that under vector?

14 SECRETARY MCDONNELL: We've actually
15 partnered with Department of Health. As we have
16 people available to do surveillance, we've been
17 going out and doing some tick collection as
18 well, where we can. Department of Health is, in
19 particular, concerned about powassan virus.
20 It's a pretty acutely neurological disease that
21 there is not a lot of great treatment options
22 for.

23 REPRESENTATIVE HAHN: What was that?

24 SECRETARY MCDONNELL: Powassan, it's
25 p-o-w-a-s-s-a-n virus.

1 REPRESENTATIVE HAHN: Okay. Thank
2 you.

3 SECRETARY MCDONNELL: So, I know
4 Department of Health had some money in their
5 budget for this year to do some works with
6 ticks, and we would look forward to continuing
7 to work with them on that.

8 REPRESENTATIVE HAHN: Okay. Great.
9 I want to switch gears now. I want
10 to go to the Delaware River Basin Commission and
11 the Susquehanna River Basin Commission. So, how
12 is your working relationship with them? Can you
13 explain the roles that they play and then
14 justify the proposed appropriations for each,
15 especially since they generate their own
16 revenue? And what reserve funds do they have to
17 utilize their own operations and projects?

18 SECRETARY MCDONNELL: Sure.
19 So, their operations are funded, in
20 part, by the partners within each of the
21 commissions, including Pennsylvania, and then
22 through some of their regular fees. There are
23 also consumptive use fees, for example, and
24 things like that that permittees will pay in
25 lieu of developing their own water resource.

1 And then that goes into a fund that would be
2 available for, I will say, large capital kind of
3 projects in order to find additional water
4 resources, because those are so capital
5 intensive, a lot of individual permittees would
6 never have the wherewithal.

7 We have a good working relationship.
8 I will say, understanding the funding proposal
9 this year is twice as much as last year, our
10 fair share component in terms of what we're
11 expected to contribute to the commission, that
12 number in the budget represents about half of
13 that amount. So, last year's would have been
14 about a quarter before you take the auditor
15 general expenses off the top of that, which is
16 probably going to be another half of the dollars
17 from last year.

18 So, that's -- that's the rationale
19 behind the dollars within the commission line
20 items.

21 REPRESENTATIVE HAHN: Okay. Thank
22 you.

23 Thank you, Mr. Chair.

24 REPRESENTATIVE DUNBAR: Thank you,
25 Representative.

1 Next will be Representative Heffley.

2 REPRESENTATIVE HEFFLEY: Thank you,
3 Mr. Chair.

4 And thank you, Mr. Secretary.

5 Just to follow up a question. I
6 actually have two things I wanted to ask you
7 about. But with the DRBC that -- looking for an
8 increase now they review any plans -- I know,
9 municipalities that have sewer treatment plants,
10 they have to review those plans, and the
11 municipality has to pay the DRBC. And my
12 understanding, the DRBC is not audited by
13 anybody; correct?

14 SECRETARY MCDONNELL: They're
15 overseen through the -- the commission members,
16 but --

17 REPRESENTATIVE HEFFLEY: But --
18 yeah, just by their own commission. And the
19 federal government hasn't been putting the money
20 into the --

21 SECRETARY MCDONNELL: Correct.

22 REPRESENTATIVE HEFFLEY: They
23 haven't been paying their dues. But now we're
24 looking to pay more.

25 The other concern I have is talk of

1 the DRBC increasing extraction of water fees for
2 ski resorts. And I would find this appalling
3 because the water never leaves the basin. It
4 comes out, goes to the mountain, then it goes
5 back in the basin. So, I would hope that as --
6 and I believe you are the representative on the
7 DRBC -- that the DRBC would not look to increase
8 any cost on ski resorts when the water is not
9 leaving the basin. I find it kind of absurd
10 that they would even be considering that.

11 So, I would hope that we would, you
12 know, look to do that. I certainly couldn't see
13 giving them any of our state resources when
14 they're really trying to, you know, harm our ski
15 resorts and our industries.

16 SECRETARY MCDONNELL: Yeah. And I'd
17 have to look into. My assumption would be that
18 there is some element of consumptive use within
19 that, some loss, but I'd need to look into that
20 issue specifically.

21 REPRESENTATIVE HEFFLEY: All right.

22 And the second part, and I would say
23 that, a couple of folks had mentioned earlier
24 our constitutional commitment to clean air and
25 water, and I don't think it's a Republican or

1 Democratic issue. I think we all breathe the
2 air and drink the water. So, it's certainly --
3 we would want to make sure that things are done
4 properly by everybody.

5 And my next question would go to --
6 first off, I want to thank the DEP and the work
7 that they've done in Jeansville, the mine fire,
8 and they put out about a 9-million-dollar
9 charge. It was a fire, part in the vein and
10 mostly in the waste coal piles. Now, across the
11 state, we have a lot of plants that currently
12 burn -- reuse this waste coal and reclaim that
13 land. And for anybody that doesn't know, when
14 the water falls on this waste coal piles, it
15 causes acid mine drainage and pollutes the
16 water.

17 It's a health hazard in that there's
18 runoff. And it's also a safety hazard because
19 you have these mine fires, and that emits
20 unfiltered carbon and everything else into the
21 air.

22 And I'm just concerned. I
23 wouldn't -- I guess, I know people talk about
24 the alternative fuel and energy and why would we
25 be, you know, permitting windmills and solar

1 panels and subsidizing them when we have an
2 industry here that is cleaning up our state and
3 employing hundreds of -- or thousands of people
4 across the state. And I would definitely look
5 for DEP to partner with that type of industry.
6 And I don't know if there's anything that you
7 are doing right now to assist that industry
8 that's reclaiming this land and also providing
9 good paying jobs.

10 And the key is, it's a base load of
11 energy. You know, some of our alternative
12 energy, like solar, a day like today, we're not
13 getting of whole lot of solar or wind energy, so
14 you're going to be relying on these types of
15 base loads. And this is a base load that's
16 cleaning up our environment.

17 Is there anything that DEP's doing
18 to encourage that type of industry?

19 SECRETARY MCDONNELL: Sure. And
20 thank you for the question.

21 One thing, just to circle back, on
22 Jeansville, I absolutely agree with you, that
23 should be complete later this year, so we're
24 about 70 percent through it and excited to bring
25 that to a conclusion.

1 On the other, I'd say, one, I think
2 more broadly, I'm a big believer, and we need it
3 all in terms of energy policy and that, in
4 particular, includes the waste coal. They're
5 not just producing electricity but, as you say,
6 having water quality impacts, and in some cases,
7 some real community impacts. I always say,
8 like, you go through the Hazleton area, their
9 piles have been there so long the roads go
10 around them, right, like they're just part of
11 the landscape.

12 So, we have been, through -- through
13 our mining deputate in particular, we've always
14 worked very closely with the members of ARIPPA.

15 REPRESENTATIVE HEFFLEY: And I
16 guess, what I'd really like to see is I'd like
17 to see that put on par with any type of solar or
18 wind or if not actually elevated above it,
19 because I think, in my opinion, on what I see,
20 because we have one of these plants and we have
21 these piles in Carbon County, is just a benefit
22 to, you know, to -- a tremendous benefit to the
23 environment, because it's a three -- providing
24 energy and cleaning up the environment and
25 restoring the -- restoring that land again.

1 SECRETARY MCDONNELL: So, we have an
2 opportunity coming up with that, you know, with
3 the Alternative Energy Portfolio Standard. That
4 runs out in 2021.

5 In terms of giving people market
6 signals, that's a discussion we should start
7 having over the next year or two in terms of
8 what the waste coal industry's role within that
9 is, in addition to everything else.

10 So, no, we'd be absolutely
11 supportive of that.

12 REPRESENTATIVE DUNBAR: Next will be
13 Representative Kim.

14 REPRESENTATIVE KIM: Secretary, over
15 here to your left.

16 Your Department has a plan called
17 the 2018 Climate Change Action Plan. And I
18 wanted to know where you guys are in terms of
19 the statewide energy assessment, what will be
20 some of your priorities, what can we see in the
21 near future from this plan? And also, I know
22 that -- I think your goal is to increase solar
23 generation to 10 percent by 2030. So, what can
24 we see in the future to combat climate change,
25 Secretary?

1 SECRETARY MCDONNELL: Sure. So, as
2 you say, the action plan is due later this year.
3 We are doing the energy assessment, as you say.
4 That should be available here in the -- at least
5 as draft within the next couple of months.

6 The -- and it ties in to a variety
7 of things going on. Right? So, it's not just
8 one thing. We have, as you hinted, the Finding
9 Pennsylvania's Solar Future, which will have its
10 own report out within the next couple of months
11 as well.

12 We have the VW money that we'll have
13 access through the federal trustee on the
14 transportation sector.

15 And then, as part of the action
16 plan, really what we're looking at is, one,
17 continuing to leverage and understand where we
18 have opportunities for mitigation. But, two,
19 also starting for the first time within that
20 action plan to have a real discussion about
21 adaptation. We're seeing the impacts of the
22 changing climate now in terms of flooding and
23 other issues, talked about black fly and
24 mosquitoes earlier. Those seasons are only
25 going to continue to increase on either end over

1 time.

2 So, we've had a very good working
3 relationship with a number of our other state
4 partners, Department of Health, on understanding
5 heat impacts and vector impacts, Department of
6 Agriculture in terms of impacts of changing
7 climate on the agricultural community, working
8 with PennDOT on what does a resilient
9 infrastructure look like in a changing climate.

10 So, there is a lot going on within
11 that space for us right now that we're really
12 looking to use the climate action plan into knit
13 together.

14 REPRESENTATIVE KIM: And my last
15 question is, who is putting this plan together?
16 Who are the players?

17 SECRETARY MCDONNELL: So, there is,
18 again, a variety of people involved, starting
19 within the Department and our Office of Policy
20 and our Office of Pollution Prevention and
21 Energy Assistance.

22 We are contracting with ICF to do
23 the study that was referenced. We're working
24 with our climate change advisory committee to
25 help us review the inputs and outputs. And

1 then, having regular meetings with some of my
2 fellow secretaries, and we're having regular
3 discussions about this as well.

4 REPRESENTATIVE KIM: Thank you.

5 Thank you, Mr. Chairman.

6 REPRESENTATIVE DUNBAR: Thank you,
7 Representative.

8 Next will be Representative James.

9 REPRESENTATIVE JAMES: Thank you,
10 Mr. Chairman.

11 Secretary -- oh, you found me. I'm
12 over to the right, of course.

13 I come from Venango County, out
14 west, so I can tell you that my constituents
15 appreciate everything you do on the black fly
16 program. The little dickens only live thirty
17 days, so there's waves of them, as you know.
18 Please keep up the good work.

19 Thursday, I established that there
20 is a working relationship between your agency,
21 DCNR, and PENNVEST, and I'm just wondering, they
22 had a map with a bunch of green dots here and
23 there. And it looked like a fair amount of land
24 in Pennsylvania was owned by agencies of --
25 various government agencies, if you will, maybe

1 17 percent. I've heard as high as 25 percent.

2 I'm wondering if there is a land
3 ownership plan, and in this plan, is there a
4 goal? I mean, how much is enough?

5 SECRETARY MCDONNELL: I'll say, on
6 our end, we're not a huge landowner within the
7 state. We have some lands that we own,
8 particularly from an issue along the
9 Schuylkill -- excuse me -- the Schuylkill, and
10 from the old Scarlift program.

11 We've actually been looking at how
12 do we effectively get rid of some of that
13 property, frankly. So, on our end, we're
14 managing it kind of parcel by parcel as people
15 express an interest, trying to work with them to
16 get that resolved.

17 REPRESENTATIVE JAMES: I would
18 encourage you to continue to do that, because I
19 think it's beneficial for all of us if more of
20 that land is in private hands for development
21 and so forth.

22 I wonder if I could get a definition
23 from you on two items. First of all, clean
24 water infrastructure, what does that mean
25 exactly, please?

1 SECRETARY MCDONNELL: Clean water
2 infrastructure would be -- not sure the exact
3 context, but what it brings to my mind is all of
4 the infrastructure we need around stormwater,
5 drinking water, and wastewater in order to
6 ensure we're protecting human health and the
7 environment.

8 REPRESENTATIVE JAMES: Okay. To put
9 it in context, it's actually a quote from
10 Governor Wolf.

11 And that leads me to my next issue
12 here, which is kind of a private versus public
13 management issue. In the last four months,
14 approximately 50.8 million dollars has been
15 loaned to a private, I guess, for-profit,
16 organization -- public records are not easily
17 found on that -- called Lyme Timber, in which
18 67,000, a little over that, acreage was
19 transferred to this timber investment management
20 organization. I'm wondering what is -- and by
21 the way, it was at a preferential interest rate
22 at 1 percent.

23 I'm wondering why it is that our
24 government agencies are involved in direct
25 competition with banking in the private industry

1 on a situation like this.

2 SECRETARY MCDONNELL: My
3 understanding on that one in particular was,
4 it's an easement that allows them to timber
5 while maintaining the forest, and some of the
6 concern in that particular case was that we
7 would see that forest fragmented and simply
8 taken out. So, it was a way of protecting, for
9 our agency, a water resource in a way that was
10 beneficial to a private party.

11 In terms of the policy around that
12 versus some other banking, I'm not sure if
13 another banker would have stepped in to do that
14 project or not.

15 REPRESENTATIVE JAMES: Well, neither
16 am I. I wonder, was there a request for
17 proposal submitted? If you know.

18 SECRETARY MCDONNELL: That, I don't
19 know, off the top of my head. No.

20 REPRESENTATIVE JAMES: Well, I came
21 from private industry, and that seemed to be a
22 fairly attractive lending opportunity. That's
23 why I bring it up.

24 It looks like Lyme Timber's been
25 around since 1988, so they're probably well

1 qualified to do the job they're doing, but I
2 have a problem with the preferential treatment,
3 1 percent interest is very low. And it was my
4 understanding that PENNVEST's original
5 initiative had to do with sewer and water
6 projects for municipalities. I'm not sure how
7 this benefits the Commonwealth of Pennsylvania.

8 SECRETARY MCDONNELL: I think, in
9 particular, I believe this one fell in as an
10 investment line item for them that they expect
11 to see a payback on.

12 REPRESENTATIVE JAMES: Okay. Do we
13 have any idea what's going to happen in the land
14 ten years down the road, when they're done
15 timbering?

16 SECRETARY MCDONNELL: I don't know
17 that off the top of my head, no.

18 REPRESENTATIVE JAMES: Okay. That
19 would be interesting to find out.

20 Thank you, Mr. Secretary,
21 Mr. Chairman.

22 SECRETARY MCDONNELL: Thank you.

23 REPRESENTATIVE DUNBAR: Thank you,
24 Representative.

25 Next will be Representative

1 Schweyer.

2 REPRESENTATIVE SCHWEYER: Thank you,
3 Mr. Chairman.

4 Good morning. And thank you so much
5 for being here.

6 Mr. Secretary, I'd like to follow up
7 on what my colleague and friend from Carbon
8 County was mentioning about the cogeneration
9 plants and the land reclamation plan. Now, I
10 know that, I believe it was two budget cycles
11 ago, we passed a tax credit the legislature
12 negotiated with the governor, and we were able
13 to create a really nice tax incentive to help
14 remediate these lands in an effort to do two
15 things: Support the industry as a whole,
16 without, you know, conflating it with renewable
17 energy but also helping it while at the same
18 time reclaiming these lands.

19 So, I was wondering, do you have any
20 metrics? Do you have any -- any, on your end,
21 on your side of it, not the energy side of it,
22 but the land reclamation side, do we know how
23 impactful it has been on cleaning up any of
24 these sites?

25 SECRETARY MCDONNELL: I don't have

1 the numbers here, but we can get them for you.
2 It's incredibly impactful when you think, you
3 have this waste coal pile, take it to the cogen
4 plant, generating electric, in some cases heat,
5 and then you're actually bringing back that
6 byproduct to reclaim the land it was taken off
7 of.

8 REPRESENTATIVE SCHWEYER: Yeah.
9 They merge that -- the ash, if I'm not mistaken,
10 with limestone that's naturally generated. And,
11 if memory serves, Penn State, in some areas, is
12 the one that's actually doing the land testing
13 of it.

14 SECRETARY MCDONNELL: Um-hum.

15 REPRESENTATIVE SCHWEYER: Okay. So,
16 if there's any -- so, the tax credit has been
17 helpful from your mission side of the land
18 reclamation. Is that correct?

19 SECRETARY MCDONNELL: I'm not sure
20 what the status of the tax credit is right now.
21 It's probably a better question for Secretary
22 Davin.

23 REPRESENTATIVE SCHWEYER: Well,
24 absolutely and the Office of Budget. So, I do
25 appreciate that.

1 If there are any metrics or if
2 you've done any studies on the reduction of
3 those piles statewide, it would be helpful to us
4 to see it so that we can continue to justify
5 that.

6 Again, from my perspective, my
7 bigger concern was using that as a way to do a
8 land reclamation project. So, if there's any
9 opportunity for you or for your Department to
10 see where we were and where we are now and if
11 we're making any headway and see if we need to
12 continue to adjust that project -- or that
13 program, which, again, was legislatively
14 created, that would be helpful.

15 SECRETARY MCDONNELL: Certainly.

16 REPRESENTATIVE SCHWEYER: Thank you.

17 That's all I have, Mr. Chairman.

18 REPRESENTATIVE DUNBAR: Thank you.

19 Next will be Representative Everett.

20 REPRESENTATIVE EVERETT: Thank you,
21 Mr. Secretary.

22 SECRETARY MCDONNELL: I call you
23 chair still, right?

24 REPRESENTATIVE EVERETT: Not any
25 more, I don't think. Yeah. But we'll talk

1 about the Chesapeake Bay, despite the fact that
2 I'm not the chairman anymore.

3 One of the things that I'm concerned
4 about is the MS4 requirements that are on the
5 horizon. And up in rural Lycoming County, we
6 have some small municipalities that have gotten
7 attached to the city of Williamsport as an
8 urbanized area. And, for example, one of the
9 areas that got -- that got roped in had a small
10 subdivision -- residential subdivision that had
11 four catch basins in the whole subdivision that
12 emptied into an intermittent seasonal stream,
13 that entered into a small stream, that entered
14 into Loyalsock Creek, that entered into the
15 Susquehanna River. And they got roped into --
16 we have a waiver -- thank you -- from your
17 Department, finally, got that small little
18 subdivision out of that.

19 But we have other ones that are
20 similar that have been -- and then we have
21 larger municipalities that have stormwater
22 systems that, because they're not in the greater
23 Williamsport area, are not roped into the MS4
24 requirements, and, you know, where you and I
25 have been working to find ways with BMPs and

1 commonsense solutions to get more bang for our
2 buck.

3 And I was wondering if there's
4 something we can do, outside of the existing
5 waiver program, to try to put some commonsense
6 into the MS4.

7 SECRETARY MCDONNELL: Sure. Thank
8 you. And that's a massive question we're
9 currently handling right now.

10 The biggest thing for me is we're
11 trying to make sure we have an approach that
12 encourages people to cooperate, encourages
13 people to be innovative in terms of how they
14 think about this. One recent example that we're
15 still waiting to see how it works out is a
16 site -- a private developer in York County
17 needed to do some wetland mitigation banking, so
18 they started a wetland project, but now they've
19 gotten connected with the group in York that's
20 doing the MS4 process, to see if they can't
21 solve both issues at once, you know, and do it
22 on the relatively cheap.

23 So, there's, I think, a lot of
24 potential for people to work together, for us to
25 encourage that in different ways. But we do

1 have, you know, as you're well aware, you know,
2 the starting point for us is some federal
3 requirements in order to demonstrate that where
4 we have impaired waterways, particularly within
5 the bay, we are meeting MS4 reductions.

6 REPRESENTATIVE EVERETT: And I'd
7 like to continue to work towards that. We have
8 other instances where there probably are
9 municipalities that need to do MS4 work that
10 are, you know, pretty heavily populated, but
11 it's very difficult and expensive to do that
12 within the confines of the municipality,
13 whereas, if you went -- and you and I have
14 talked about this before -- where if you move
15 upstream to a waterway that's running into the
16 municipality, we could get a lot of bang for our
17 buck doing stream bank restorations, tree
18 plantings, and all those wonderful BMPs.

19 And just want to make sure that we
20 continue to work towards that, because the one
21 instance of a small municipality, if there's
22 2500 people in the municipality, and for the
23 small subdivision that's going to be required to
24 upgrade their MS4, it's going to cost almost
25 300,000 dollars to do that. And that just

1 doesn't seem to me to be a commonsense way to
2 get the bang for our buck down at the Chesapeake
3 Bay.

4 And let's continue to work for
5 commonsense solutions and get the bang for the
6 buck.

7 SECRETARY MCDONNELL: Sure.

8 REPRESENTATIVE EVERETT: Last
9 question is, with county conservation districts
10 and permitting, I know that you have -- that
11 you, the Department, cooperates with
12 conservation. And I'm just wondering if you can
13 address that and what we might be able to do to
14 put more of that permitting, if you feel we
15 could, on county conservation districts.

16 We discussed your manpower shortage,
17 and if we could, you know, give them things that
18 they can do and have your Department do the
19 things that you need to do and give more to the
20 county conservation districts, if that's
21 something that we can continue to do.

22 SECRETARY MCDONNELL: Sure. And
23 actually, I think some of the resource work that
24 we're doing, for example, on the electronic
25 side, we want to make sure we're not leaving the

1 conservation districts out of that. So, pulling
2 them into some of those discussions as well, and
3 we've already done a little bit of that with use
4 of PracticeKeeper for BMPs, and issues like
5 that. So, I think, you know, we're always
6 looking for ways we can leverage that
7 partnership as best as possible.

8 The other side of it is recognizing
9 additional work means additional people means
10 additional dollars, and then, we'd need to
11 figure that part out as well. So --

12 REPRESENTATIVE EVERETT: Thank you,
13 Mr. Secretary. Look forward to working forward
14 with you.

15 SECRETARY MCDONNELL: Thank you.
16 Thank you. And thanks for all your work on the
17 bay.

18 REPRESENTATIVE DUNBAR: Thank you,
19 Representative, for putting up with our
20 malfunctions on the time clock. Needless to
21 say, I told you you had the B team. You really
22 did.

23 REPRESENTATIVE EVERETT: I thought
24 that was just your odd sense of humor with the
25 light show that I was watching.

1 REPRESENTATIVE DUNBAR: That's just
2 us being us.

3 Next up will be Representative
4 Kampf.

5 REPRESENTATIVE KAMPF:
6 Mr. Secretary, on the same subject, the
7 conservation districts, what is the -- is there
8 a dollar figure or a -- sort of a magnitude of
9 the work that they're doing that is essentially
10 by agreement, or if it is in your jurisdiction?

11 SECRETARY MCDONNELL: Sure. And
12 it's -- with the conservation district work,
13 it's always some combination of us and
14 Department of Ag, particularly through state
15 conservation commission. The total amount is
16 upwards of 6 million dollars that we fund them
17 at. A little over half of that comes from the
18 Act 13 dollar transfer that happens each year.
19 And then there's a line item in our and a line
20 item in the Department of Ag's budget to fund
21 the balance.

22 REPRESENTATIVE KAMPF: And are there
23 any plans to reduce what they do that's in your
24 jurisdiction or increase it?

25 SECRETARY MCDONNELL: I think,

1 it's -- always looking at it as do we have the
2 right mix of activity. So, for example, I
3 mentioned in passing earlier, we're looking at
4 doing an agricultural recognition program. We
5 want the conservation districts to play a role
6 in that. The money staying the same, we need to
7 figure out what that means for what their
8 responsibilities would be in doing such a
9 program.

10 REPRESENTATIVE KAMPF: Okay. I
11 gather there are some delegation agreements,
12 maybe everyone has one with you with respect to,
13 in particular, NPDES work. Do you track what
14 each district is doing in terms of how long it
15 takes them to -- you know, to process an
16 application? And also, have you noticed any
17 maybe differences, depending on the district,
18 and in how those rules are enforced?

19 SECRETARY MCDONNELL: Sure. You
20 know, they have primary responsibility for our
21 Chapter 102, the erosion and sedimentation
22 permits and are usually the first stop on that.

23 I know we do look at time frames.
24 We provide the training, et cetera. I don't
25 know what those differences might look like, but

1 that's something I can follow back up with you
2 with some more information.

3 REPRESENTATIVE KAMPF: I -- you
4 know, with the chairman's permission, if you
5 could, I'd like to --

6 SECRETARY MCDONNELL: Absolutely.

7 REPRESENTATIVE KAMPF: -- know a
8 little bit about time for permitting on NPDES
9 and then whether you've noticed any variance in
10 how the rules are enforced. Thank you.

11 REPRESENTATIVE DUNBAR: Thank you.

12 Next will be Representative Roae.

13 REPRESENTATIVE ROAE: Thank you,
14 Mr. Chairman.

15 And thank you, Mr. Secretary.

16 I have a few questions about the
17 Environmental Justice advisory board. That's a
18 fifteen-member board. I was looking at some of
19 the old minutes. The August 2nd, 2016, meeting,
20 only seven members were present of the fifteen.
21 The December 14th, 2016, meeting, only six
22 members were present. Same thing in 2017, the
23 March, June, and November meetings, there were
24 seven, five, and eleven members present. So,
25 usually there's not a quorum of the fifteen

1 members of that board present for their
2 meetings. So, I'm not sure how important that
3 board is.

4 But a more focus of my question is,
5 the head person, the director of the
6 Environmental Justice, it's in the minutes from
7 the November 14th meeting, that person resigned.
8 So, we've gone three and a half months without
9 that position being filled. Most of the board
10 members don't show up when they have their board
11 meetings. I got that information right from the
12 DEP website.

13 So, I'm just wondering, what do they
14 do, and why do we have to fill that position,
15 and how come board members don't go to the
16 meetings?

17 SECRETARY MCDONNELL: Sure. The --
18 couple things there. One, while we don't have a
19 director, we do have two other members of the
20 office who, working with our office of policy,
21 have maintained the functions under the Office
22 of Environmental Justice.

23 I know we've had, frankly, some
24 turnover here very recently with some new
25 members coming on who -- in part because of some

1 of the issues you reference. So, it's an area
2 that I think remains important for the
3 Department and remains important for us to be
4 getting advice from those within Environmental
5 Justice communities about how best our policies
6 and practices influence decisions there.

7 REPRESENTATIVE ROAE: Now, you know,
8 with all the different things that DEP has to
9 do, might it make more sense to, you know,
10 devote -- that's probably a very high-paying
11 position, I don't know what it pays -- but would
12 it make more sense to use that money to maybe
13 get permits done on a more timely basis and
14 something like that, rather than filling a
15 position that's been vacant for three and a half
16 months?

17 SECRETARY MCDONNELL: Well, I'd
18 remind, the starting point for us even having an
19 Office of Environmental Justice back when
20 Secretary Seif was running the agency, was
21 related to civil rights, federal civil rights
22 court cases against the Department for its
23 treatment of low-income and minority
24 communities. So, I think, just -- it's an
25 important function for us to maintain in order

1 for us to make sure that we're meeting those
2 federal obligations.

3 REPRESENTATIVE ROAE: Okay. Well,
4 just, you know, money's tight all across
5 government, so I think taxpayers, you know,
6 appreciate it when organizations that are
7 government funded look at, you know, does every
8 single position, single agency need to be
9 filled.

10 My next question is about the
11 Finding Pennsylvania's Solar Future project.
12 According to your testimony here, it says that
13 less than one-half of 1 percent of the
14 electricity generated in Pennsylvania is from
15 solar right now. And by 2030, that's only
16 twelve years from now, you want it to be 10
17 percent.

18 And when I was a little kid, you
19 know, forty years ago, I first heard about, you
20 know, solar panels and solar electric, so, you
21 know, forty years that I can remember, we've
22 gotten to one-half of 1 percent. How can we
23 possibly get to 10 percent in the next twelve
24 years?

25 SECRETARY MCDONNELL: Well, the

1 purpose of the study is to figure out exactly
2 whether that is even possible, frankly. I'd
3 say, the biggest thing that's happened over that
4 time frame --

5 REPRESENTATIVE ROAE: But I thought
6 you already -- didn't DEP already make that a
7 goal, 10 percent?

8 SECRETARY MCDONNELL: That was the
9 goal we set within the study, to see what policy
10 changes would be necessary in order for us to
11 get to 10 percent by 2030.

12 Now, the idea behind that was, let's
13 make sure we're not leaving anything on the
14 table as an idea or an opportunity. That's not
15 to say the ultimate -- an ultimate legislative
16 proposal would be at 10 percent. That's to say,
17 we're looking at the policy proposals.

18 The other thing I'd point out is,
19 you're looking at an industry and a generation
20 source where the installed cost for solar has
21 dropped 10 to 15 percent year over year most
22 years in the last decade. So, the relative
23 costs of this are -- have come down pretty
24 dramatically over the near term.

25 REPRESENTATIVE ROAE: Well, if the

1 costs are reducing and it's becoming more and
2 more popular, is there really a role in
3 government to provide subsidies and to provide a
4 mechanism for encouraging people to do it, if
5 the market forces are already doing it? Is it
6 necessary to have a special program at DEP and
7 grant funding and things like that?

8 SECRETARY MCDONNELL: I think that's
9 the purpose of the study, is to figure out
10 exactly what the right policy roles are.

11 REPRESENTATIVE DUNBAR: Thank you,
12 Representative.

13 REPRESENTATIVE ROAE: All right.
14 Thank you.

15 REPRESENTATIVE DUNBAR: Next will be
16 Representative Quinn.

17 REPRESENTATIVE QUINN: Thank you,
18 Mr. Chairman.

19 And, Secretary, thanks for being
20 here today.

21 SECRETARY MCDONNELL: Thank you.

22 REPRESENTATIVE QUINN: Got a couple
23 of things that I wanted to ask about.

24 One, just as a follow-up on
25 Representative Roae's questioning, I received a

1 very lovely e-mail over the weekend from a
2 colleague asking me to cosponsor a bill that
3 he's introduced that would be -- have 100
4 percent renewable energy by the year 2050.
5 Sounds like a great concept. How realistic do
6 you think that is?

7 SECRETARY MCDONNELL: That's not one
8 I've looked at, so, I think, you know, as I said
9 earlier, I'm one who believes use it all. I
10 think, in the near term, in terms of market
11 forces, we're going to see more gas as well as
12 more renewables. So, I think that's -- just the
13 way -- the way the market's going right now.

14 I wouldn't pretend to prognosticate
15 as to what this looks like twenty years from
16 now.

17 REPRESENTATIVE QUINN: But that's
18 not part of the plan that was just discussed
19 that you --

20 SECRETARY MCDONNELL: No, no, no.

21 REPRESENTATIVE QUINN: Okay. When
22 you talk about gas, years back, when we were
23 first talking about the Marcellus shale
24 industry, we talked about it -- or it was
25 discussed that it's a transitional fuel.

1 Do you have an estimate on the life
2 span of that?

3 SECRETARY MCDONNELL: I do not.

4 REPRESENTATIVE QUINN: Okay.

5 SECRETARY MCDONNELL: And, again, as
6 I say, what we're seeing right now, you know,
7 just play out the way capital works, right?
8 Plants being built across, in particular, the
9 northern tier utilizing natural gas in order to
10 power big plants -- 1500-megawatt, 2000-megawatt
11 plants -- those are presumably being capitalized
12 over at least ten, more likely twenty or thirty,
13 years, so that's an expectation as to how long
14 at least some of those facilities are going to
15 run. Markets can change but --

16 REPRESENTATIVE QUINN: Thank you.

17 We've talked about our
18 constitutional obligations and you're role as
19 secretary of DEP with the intersect of this and
20 the extraction of the gas and our goal of clean
21 water, clean air, et cetera.

22 When it comes to transporting that
23 gas, we heard some talk about the pipeline
24 that's in Delaware County. The PennEast
25 pipeline, the very tail end of it as it leaves

1 Pennsylvania, goes into New Jersey, per their
2 plans, would go through my district, 1.7 miles
3 of it.

4 Could you please speak to the role
5 that DEP plays with regard to its approval?
6 Obviously, FERC has the ultimate say, but DEP
7 does have some -- a voice along the way;
8 correct?

9 SECRETARY MCDONNELL: Sure. And in
10 a couple places. One is what's called a 401
11 water quality certification. That's something
12 that's required for the feds to proceed. The
13 way we typically handle that is to give them
14 conditional 401 that then becomes dependent on
15 them getting their state permits. And their
16 state permits typically relate to the erosion
17 and sedimentation plan, wetland impacts, and
18 stream crossings. So, those are --

19 REPRESENTATIVE QUINN: You've issued
20 those already. Correct?

21 SECRETARY MCDONNELL: We've issued
22 the water quality certification. We don't have
23 a complete application yet for the state
24 permits. And our expectation is that we will be
25 getting those in June.

1 REPRESENTATIVE QUINN: So, will that
2 be another whole round of oversight on that?

3 SECRETARY MCDONNELL: Another round
4 of permit application review, yes.

5 REPRESENTATIVE QUINN: Okay. Thank
6 you.

7 Along the same lines, but your role
8 with the DRBC, the Delaware River Basin
9 Commission, very different entity than the
10 Susquehanna River Basin Commission. I see that,
11 you know, a couple years ago, we cut the funding
12 or the funding was cut in the budget. Was
13 that -- how did that impact the way they
14 operated? And before you go there, do all
15 entities belonging to the DRBC, are they
16 assessed the same amount of money, and do they
17 all pay what they're assessed?

18 SECRETARY MCDONNELL: To answer the
19 last part of that, the federal government, as
20 was mentioned earlier, does not pay their fair
21 share. The other states do pay their fair
22 share, and I believe it's, in the DRBC's case, I
23 think it is based on percentages of land within
24 the watershed. So, we pay more than the other
25 states would, for sure.

1 REPRESENTATIVE QUINN: When we took
2 a step back from some of that funding, was that
3 left out there as a bill that they want due, or
4 were they able to operate within that reduced
5 amount of funding?

6 SECRETARY MCDONNELL: They've been
7 operating at the reduced funding. I will say,
8 candidly, it's -- the fact that, you know, when
9 you're in multistate negotiation, the fact that
10 we have not been paying our fair share does not
11 go unnoticed by some of our other state
12 partners, as we --

13 REPRESENTATIVE QUINN: Has it
14 diminished your voice on the board?

15 SECRETARY MCDONNELL: It -- I
16 wouldn't say it diminished our voice as much as
17 it's led to some ill will toward us, as we
18 negotiate out various things.

19 REPRESENTATIVE QUINN: Would you
20 please speak to where the board is right now
21 with regard to their hearings on the permanent
22 fracking ban in the Delaware?

23 SECRETARY MCDONNELL: Sure. They
24 just had their fourth last week, and there's one
25 more, which is an online one, I believe next

1 week.

2 REPRESENTATIVE QUINN: When you said
3 "they just had" --

4 REPRESENTATIVE DUNBAR:
5 Representative.

6 REPRESENTATIVE QUINN: -- their
7 fourth, do you mean their hearing?

8 SECRETARY MCDONNELL: Yes.

9 REPRESENTATIVE QUINN: A hearing.
10 Can I continue with that after the hearing? I'd
11 like to follow up on that.

12 SECRETARY MCDONNELL: Sure.

13 REPRESENTATIVE QUINN: Thanks.

14 REPRESENTATIVE DUNBAR: Thank you.

15 Next will be Representative Santora.

16 SECRETARY MCDONNELL: Good morning.

17 REPRESENTATIVE SANTORA: If I ask
18 any questions that have already been asked, I
19 apologize. I was at a viewing this morning.

20 SECRETARY MCDONNELL: Oh, I'm sorry.

21 REPRESENTATIVE SANTORA: So, I'm not
22 sure what was asked, but going on the pipeline,
23 Mariner East, I understand that they were given
24 the approval to move forward. Is that
25 everywhere or just in certain areas?

1 SECRETARY MCDONNELL: That was
2 everywhere. There was one area that we needed
3 to wrap up through a separate consent order, but
4 I think everywhere else they were --

5 REPRESENTATIVE SANTORA: And hearing
6 that "we needed to wrap up," it sounds like
7 you're comfortable with them proceeding at this
8 point?

9 SECRETARY MCDONNELL: Yes. Under
10 their operations plan, and as long as they are
11 operating under their permit, the operation
12 plan, it was agreed to as part of the consent
13 order. Absolutely.

14 REPRESENTATIVE SANTORA: Now, I
15 understand they had some penalties, 12.6 million
16 dollars or so. I see that it's going to dams
17 and clean water, and I think that's great. But
18 is it focused around the pipeline? Or is this
19 just being -- are these dollars being used
20 totally separate?

21 SECRETARY MCDONNELL: We're actually
22 developing what the plans for that are now. So,
23 I don't have a specific answer on that.

24 As you say, a little bit of that
25 money goes into our dams and encroachments fund,

1 which deals with exactly what it sounds like.
2 And then the rest goes in the clean water fund,
3 which is broadly for implementation of the Clean
4 Streams Law.

5 REPRESENTATIVE SANTORA: And I think
6 that's worthy, however, I would think this money
7 should be focused on pipeline safety as much as
8 possible and any type of clean water around the
9 pipeline. I know that it's been a concern for
10 some. And it just -- and wells and others types
11 of potential effects that have been brought up
12 in the past, if we can start building a -- I'll
13 call it, a fund for that. And when we have 12.6
14 million dollars that I assume you weren't
15 budgeting --

16 SECRETARY MCDONNELL: Correct.

17 REPRESENTATIVE SANTORA: I hope
18 we're not budgeting for penalties. We're hoping
19 that people are going to do things safely. That
20 when that comes about, that that could be
21 available.

22 SECRETARY MCDONNELL: In particular,
23 I mean, one piece of this -- I don't want to get
24 lost in saying this -- is the permittee in this
25 case and in every other case is still

1 responsible for dealing with the water impacts
2 they are creating. This is a fine based on --
3 or a penalty based on the -- the violations that
4 occurred over the course of the 305 miles.

5 So, two separate issues. One, our
6 expectation and our responsibility is to make
7 sure Energy Transfer Partners is dealing with
8 the impacts they create. And, two, there is
9 this additional dollars --

10 REPRESENTATIVE SANTORA: And I
11 understand that. My concern is so -- when we
12 were here, we had a hearing recently, and I
13 believe you were in attendance, and we talked
14 about wells. And some of those wells are on
15 private property. And I'm not sure if a single
16 one of them was affected.

17 However, if there ever was something
18 like this, if it's on a private property and
19 these people can't afford to have their well
20 replaced, if there's funds like this available,
21 and we can put it into a -- into a fund so that
22 while you're fighting it out with the potential
23 person who is ultimately responsible, that these
24 people could at least get some money out of it,
25 and then the fund can get reimbursed, so that

1 they don't have to be without drinking water.
2 That's the type of thing I'm looking at. I want
3 to think outside the box.

4 SECRETARY MCDONNELL: That's great.

5 REPRESENTATIVE SANTORA: And the
6 other question -- and you probably know this is
7 coming -- riparian buffers, are we anywhere with
8 that? Because, again, I've spoken to the maker
9 of the bill from two sessions ago, and she, to
10 this day, was -- her legislative intent was not
11 to change that. And nowhere does anyone believe
12 on our side that that was changed. And now we
13 can't -- we have a lot of projects shutting
14 down, and it's hurting a lot of small businesses
15 across the commonwealth.

16 And we -- I think it's not impacting
17 trails, but there are certain trails that will
18 become impacted from this. So, there's some
19 good, public resources that are going to be
20 impacted as well.

21 SECRETARY MCDONNELL: No. And I
22 appreciate the disagreement. And I -- and I may
23 have shared in a previous hearing, you know, one
24 of the things when I came on board was ask our
25 counsel's office to kick the tires pretty hard

1 to see. So, I know they're in the process right
2 now of finalizing that final guidance. I think
3 it will be somewhat -- I think we're figuring
4 out some things around some of the linear
5 projects in particular.

6 But, I mean, understanding the
7 intent, there's just some things in the language
8 of the bill that we see as having gotten rid of
9 the waiver authority that we previously had.

10 REPRESENTATIVE SANTORA: All right.
11 Well, the maker of the bill's here. And I'm
12 sure she'd be happy to tell you the intent was
13 not to get rid of your waiver authorities.

14 SECRETARY MCDONNELL: I can
15 appreciate that.

16 REPRESENTATIVE SANTORA: Thank you.

17 REPRESENTATIVE DUNBAR: Thank you,
18 Representative.

19 Before I go to the chair of ER and
20 E, I just have a couple of real brief questions.

21 SECRETARY MCDONNELL: Sure.

22 REPRESENTATIVE DUNBAR: Well
23 plugging account, I've been trying to figure it
24 out. And I'm looking in the governor's book and
25 I'm looking in your proposal. And in the

1 governor's book, it shows a reduction in
2 spending of about 2.7 million dollars. You're
3 proposal doesn't -- it shows the ending number
4 but the beginning spend number from last year's
5 different. Any way it goes, there's a reduction
6 in spending in the well plugging account.

7 Can you tell me what's the reason
8 behind that, where we're going with that?
9 Because, long term, it also looks like that fund
10 is going to run out of money as well.

11 SECRETARY MCDONNELL: Correct. Long
12 term, it's going to run out of money, and
13 it's -- you know, the one thing I'd say is it's
14 the authorization to spend. So, I don't know
15 what the spending looked like last year versus
16 what we're asking for the authority, but I can
17 get you an answer to specifically what's going
18 on with that line item.

19 REPRESENTATIVE DUNBAR: And impact
20 fee revenues, you're projecting as flat going
21 out for that as well. So, it's going to have
22 consistent revenue. It's just we've been
23 spending more than we've been bringing in. Is
24 that correct?

25 SECRETARY MCDONNELL: Correct.

1 REPRESENTATIVE DUNBAR: Is that the
2 basis for any proposed fee increases that we're
3 seeing on the well permit fees, the proposal
4 from 5,000 to 12,500 per well, is that --

5 SECRETARY MCDONNELL: That is
6 precisely the reason for that. Yes.

7 REPRESENTATIVE DUNBAR: Okay.
8 That's to cover that shortfall.

9 SECRETARY MCDONNELL: Yes.

10 REPRESENTATIVE DUNBAR: Okay. Thank
11 you.

12 With that, I -- it's always been
13 precedent here to have the related subcommittee
14 chairs have an opportunity to ask questions. So
15 we will turn it over to chair of ER and E,
16 Representative Carroll.

17 REPRESENTATIVE CARROLL: Thank you,
18 Mr. Chairman.

19 Mr. Secretary, thank you so much.
20 And as I listened to the questions and answers
21 today, it seems to me that you have been -- it's
22 been highlighted again the broad range of
23 responsibilities that you have for 12 million
24 people in this state, and I do not envy the
25 responsibility that you have, because it is

1 significant. And so I applaud you and the DEP
2 folks, both here in Harrisburg and across the
3 state, that inherit this responsibility. As I
4 said, it's significant, but it's really
5 important.

6 SECRETARY MCDONNELL: It's important
7 to note I have an awesome team. So --

8 REPRESENTATIVE CARROLL: And when I
9 think about the granularity of some of the
10 questions relative to a particular line in the
11 budget, it dawns on me that when we look at the
12 totality of what DEP does and the totality of
13 DEP's budget, the increase in state funds are
14 really very modest, 1.3 million dollars in
15 additional state funds year over year, about
16 one-quarter of one percent.

17 It's safe to say that the
18 Commonwealth and our commitment financially is
19 not extravagant with respect to what the
20 responsibilities are.

21 And then when you conclude the
22 federal fundings that you'll enjoy in the coming
23 fiscal year, it raises our total number to an
24 additional 3 million dollars, again across the
25 spectrum of funds that the Department has.

1 So, I think when you consider the
2 totality of what the Department is doing and the
3 combination of state and federal funds, the
4 increases this year really are very modest. And
5 I think there would be plenty of folks in the
6 building, especially if they were consistent
7 with some of the questions today, that would
8 like to see a little bit more aggressive
9 approach to the way we fund DEP, so that we have
10 the staff to do many of the things that you were
11 asked to do today.

12 And then when you think about staff,
13 Mr. Secretary, as I listened to this hearing and
14 some of the others throughout the past week, I
15 see an attention and focus on state employees
16 generally. And it dawns on me, as I did a
17 little bit of research on this, that our
18 commonwealth, Pennsylvania, ranked forty-second
19 in the country, forty-second, with respect to
20 state employees per capita. There are only
21 seven states below us in terms of the state
22 complement to do all the things that state
23 government is expected to do on behalf of the 12
24 million people in this state.

25 And so, I think it's fair to say

1 that we ask a lot of our state employees, that
2 we are not wildly overstaffed by any measure,
3 and when you consider where we are in the
4 spectrum of the fifty states, forty-second,
5 again, quite modest.

6 And so, Mr. Secretary, when you
7 think about the amount of money that we have
8 appropriated for you in the coming fiscal year,
9 as the committee and the general assembly
10 consider the appropriation, the marker put down
11 by Governor Wolf I think is a fair and modest
12 starting point. And I'm hopeful that the
13 general assembly will give that due
14 consideration so that you have the ability to
15 carry out the many tasks that you were asked to
16 carry out today and a whole slew of others that
17 no one even mentioned today.

18 And, Mr. Secretary, I'd like to
19 personally thank you as well for your commitment
20 to work with me and others back home with
21 respect to the Lackawanna River. We have the
22 unfortunate occurrence of having an iron oxide
23 river that really does environmental damage to
24 both the Susquehanna River and the Chesapeake
25 Bay, not to mention the real sad impact of

1 having an iron oxide orange river in our
2 backyard. And so, I applaud you and your team
3 back home in the Wilkes Barre regional office
4 for your help with that project. It's very
5 important to me and the folks that I represent
6 to make sure that we remove at least that very
7 visible scar that we have remaining from
8 anthracite mining in northeastern Pennsylvania.

9 So, Mr. Secretary, no question in
10 that monolog, just a long-winded thank you and,
11 you know, recognition of the very fine work that
12 you and your team do.

13 Thank you.

14 SECRETARY MCDONNELL: Thank you.
15 And if I can, the two things I'd say are, one,
16 if you haven't had the opportunity to stand at
17 the bore hole there, emptying into the
18 Lackawanna, it is an astounding thing to see,
19 this world-class trout fishery on one side and
20 then orange where the bore hole is. You can see
21 it on satellite photos.

22 The other thing, too, is just on
23 your comments about complement and good start, I
24 think, the approach we've taken is not just good
25 stewardship of the environment but it's

1 stewardship of the resources that we have. So,
2 I want to continue to work through and make sure
3 that -- that we're meeting the mission of the
4 agency but doing so in a way that this body has
5 confidence in the way we're approaching it.

6 Thank you.

7 MAJORITY CHAIRMAN SAYLOR: Thank
8 you.

9 Mr. Secretary, I apologize for not
10 being here for almost all of your testimony. I
11 had another very important meeting that I had to
12 be at here at the capitol.

13 I got your letter of February 21st,
14 concerning the whole situation with the
15 pollution NOx reductions. Not convinced -- and
16 I think this is very critical, that the
17 members -- I understand what Chairman Carroll
18 had to say about employees and management, but I
19 think this committee as well as the general
20 assembly needs to be convinced that the
21 management of how the dollars at DEP are spent
22 and employees act on certain permits, this is a
23 perfect example where, again, using Pennsylvania
24 resources to benefit Pennsylvania and reduce the
25 NOx here in Pennsylvania, to invest in electric

1 cars versus our natural gas cars in
2 Pennsylvania, when many of the parts for natural
3 gas cars are manufactured here, and, more
4 importantly, our own resources to run those and
5 the fact of what the cost of electric cars are.
6 I am not opposed to electric cars, but I think
7 that this committee and our general assembly
8 will take very close look as to how those
9 dollars are appropriated, because, again, to
10 spend and to reimburse an electric car at 75
11 percent and a natural gas car at 25 percent is a
12 waste of dollars that we could encourage more
13 cars that are either natural gas and electric,
14 both, if they are were equally assigned the same
15 amount of reimbursement.

16 SECRETARY MCDONNELL: True.

17 MAJORITY CHAIRMAN SAYLOR: Again,
18 that would still mean the electric cars would
19 get more per vehicle, because they cost a lot
20 more, but to say one vehicle's going to be
21 reimbursed at 75 percent, one at 25 percent, I
22 don't think is a fair situation. Nor do I
23 believe you will encourage more people to drive
24 cars that are -- will help reduce NOx in
25 Pennsylvania.

1 Having chaired an MPO in York
2 County, knowing how the federal government looks
3 at highway dollars, that's very important to
4 reduce our NOx. And I know you know that. But
5 we have to get the best bang for our buck when
6 we spend it on the environment and make sure
7 that we have real results. And I don't think
8 electric cars, with the cost of them, is going
9 to give us that bang for bucks. We have to be
10 fair to both industries, and particularly an
11 industry where the car parts -- tanks and so on
12 and so forth, motors -- are being produced in
13 Pennsylvania, have the same fair opportunity.
14 Picking one over another is government picking
15 winners and losers.

16 So, I would encourage the Department
17 to look very closely at that, and we'll watch
18 very closely as the Department moves forward as
19 to how it operates the dollars that it has to
20 disburse. Because, again, if the general
21 assembly doesn't have a good sense that the
22 Department is managing dollars in the best
23 interest of Pennsylvania -- and this is not a
24 reflection on you, I think you've done a great
25 job in trying to solve some of the problems over

1 there. But, the decisions made in every agency
2 -- and as I've said, these hearings have
3 changed. We're really about accountability now.
4 It's great to hear all the secretaries come in
5 here and talk about their budgets and their
6 wants and their needs, but we need to know, for
7 the taxpayers of Pennsylvania, when we go back,
8 whether we're asking for a tax increase or
9 cutting a program, we need to know why we're
10 doing that.

11 And so, as I said, as we move
12 forward, the way I see this budget working out,
13 it's going to be about programs that are really
14 being effective and doing what they say they're
15 doing.

16 So, I, again, I would encourage you
17 to take a closer look at that particular issue.
18 And, again, the permitting process as we go
19 forward, I know the Department has asked for
20 thirty-five new employees, and I get it. But
21 understanding how that management takes place
22 over time and how the Department works with our
23 small business community, individual taxpayers.
24 I brought up to you about it the other day
25 privately. I will bring it up publicly, because

1 I think it's something that the public needs to
2 understand.

3 And that is, we had a case -- and I
4 told the secretary this, so I'm just bringing it
5 up for public information -- DEP had ordered a
6 local homeowner to replace their septic system.
7 That septic system plan was submitted in, I
8 believe, June or July of 2016 and didn't receive
9 approval, never -- Department did not change the
10 plan that the engineers had submitted at all,
11 did not change it, didn't recommend any changes,
12 accepted it but took eighteen months to accept
13 the proposal. And those are the kind of things,
14 taxpayers who I represent and everybody on both
15 sides of the aisle here represent, just can't
16 have eighteen months on something that was
17 submitted that was proper.

18 And those are the things that we get
19 beat up on as legislators and as politicians is,
20 why did it take eighteen months when the plan we
21 submitted was accepted but it took eighteen
22 months to accept it? So, I just want to bring
23 that out, too. That's what members of the
24 general assembly are looking at. In today's
25 world, we all know that the world's a lot

1 different than it was, and we just have to be
2 able to have the answers.

3 So, Mr. Secretary, I want to thank
4 you for your time. I've heard, since I wasn't
5 here, you have answered all the questions of the
6 committee.

7 And, Joe, any further comments?
8 Representative Markosek.

9 MINORITY CHAIRMAN MARKOSEK: Just
10 want to thank him, too.

11 And, Chairman, earlier in my
12 testimony, when I spoke earlier, we talked about
13 the Department had lost six hundred and eight
14 jobs over the last ten years. That's over three
15 governors, so as not -- the blame can be spread
16 around, I guess. But -- and many of those jobs
17 were inspectors and the types of jobs that
18 require a lot of hands-on, going out in the
19 field, labor-intensive type jobs. So, that --
20 the fact that we've lost all those does have
21 something to do with some of the delays and
22 whatnot that we see with permitting. And keep
23 in mind, over those ten years, we have a lot
24 more shale going on. We have a lot more
25 pipeline stuff going on.

1 So, notwithstanding what you've
2 said, and you've made some interesting points,
3 and I think they're -- some of them could
4 certainly be valid, but I think, overall, the
5 Department has been shorthanded over -- you
6 know, as far as employees go and complement.
7 And I think, to the extent that we can give them
8 the tools, the human tools, to get a lot of
9 these labor intensive-type jobs completed, I
10 think would be to all of our advantages. And it
11 would curtail some of that, as you mentioned --
12 and we get them, too -- complaints from
13 constituents over permitting. Thank you.

14 MAJORITY CHAIRMAN SAYLOR: Just in
15 closing, Mr. Secretary -- go ahead.

16 SECRETARY MCDONNELL: No. I was
17 just going to say, on our end, I think we, as a
18 Department, really have embraced the -- you use
19 the word "accountability." We want to be
20 accountable to you, to the public, to the
21 regulated community for decisions we make. So,
22 absolutely want to make sure we continue that
23 conversation.

24 MAJORITY CHAIRMAN SAYLOR: And I
25 think Representative Jamie Santora brought up

1 about the riparian rights. I mean, when the
2 general assembly sees the legislation we passed
3 that's not -- it's being interpreted different
4 than the legislative intent, that bothers
5 members. Not that they don't agree with a lot
6 of your missions, but their feeling is, you know
7 what, if you're not following the laws that
8 we've passed and the legislative intent, why
9 should we give them any money. The only way to
10 make them answer to what we pass is to withhold
11 money, which punishes you and punishes
12 everybody.

13 And that's why there needs to be an
14 understanding in the executive branch that when
15 the general assembly and governor signs a bill,
16 the legislative intent is what is meant, and
17 that needs to be followed. That's what we argue
18 in front of the Supreme Court, when we argue in
19 front of the Supreme Court how a law should be
20 enforced. And the Departments need to
21 understand that as well. They need to look at
22 legislative intent when they're interpreting
23 things.

24 So, with that, I thank you very much
25 and look forward to working with you.

1 The next hearing be at 1 o'clock.
2 That will be our career and technical education.

3 Thank you very much.

4 (Whereupon, the hearing concluded at
5 11:57 a.m.)

6

7

* * * * *

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

REPORTER'S CERTIFICATE

I HEREBY CERTIFY that the foregoing is
a true and accurate transcript, to the best of my
ability, produced from audio on the said
proceedings.

BRENDA J. PARDUN, RPR
Court Reporter
Notary Public