

# *For Immediate Release*

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**NEW BUDGET SUPPORTS WASTEWATER PLANTS, LEAVES FARMERS BEHIND**  
*Governor Rendell and General Assembly Make Significant Commitment To Upgrade Wastewater Plants, But Critical Farm Conservation Needs To Meet Clean Water Mandates Ignored*

**(HARRISBURG)** - - Pennsylvania's new budget agreement contains a major victory for clean water with the approval of water infrastructure funding legislation that helps communities and ratepayers meet looming mandates. At the same time, farmers throughout the Commonwealth got little help as they struggle to meet these same clean water mandates, according to the PA Fair Share for Clean Water Coalition. The Coalition has also recommended changes to the state's nutrient credit trading program, but these were not yet addressed.

Infrastructure funding – potentially reaching \$1.2 billion in statewide grants and loans for water-related projects – comes just in time for wastewater treatment ratepayers eyeing sewer rates that could double or triple to finance required upgrades.

The Department of Environmental Protection (DEP) has already directed the first 63 wastewater plants in Pennsylvania to take steps to meet new federal Clean Water Act nutrient reduction requirements in the Susquehanna River Watershed. The cost of meeting those requirements for a total of 184 plants in just this watershed is estimated to be over \$1 billion. Similar restrictions will be put in place in other areas of the state in the near future.

Coalition members thanked House and Senate legislative leaders and Gov. Rendell for their support of Senate Bill 2 and Senate Bill 1341, which authorize the additional water infrastructure funding..

“The new infrastructure funding approved in this budget is an excellent start as we begin to address Pennsylvania's \$20 billion need for water and sewer system upgrades,” according to John Brosious, Deputy Director of the PA Municipal Authorities Association. “These funds will help alleviate some of the burden communities face as they undertake costly upgrades to comply with federal and state requirements to reduce nitrogen and phosphorus loadings to local streams and the Chesapeake Bay,” Brosious said.



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Senate Bill 2, sponsored by Sen. Jane Earll (R-Erie), authorizes \$800 million to be spent from gaming revenues on wastewater and drinking water plant upgrades, flood protection projects and high hazard dam repairs. Senate Bill 1341, sponsored by Sen. Ray Musto (D-Luzerne), places a question on the fall election ballot asking voters to approve a \$400 million bond issue for wastewater, drinking water plant improvements and nonpoint sources pollution controls.

Meeting the new federal and state nutrient reduction mandates, however, requires both upgrades to wastewater plants and farmers to install conservation practices. The final budget left major gaps in the funding needed to help farmers meet these costs, which the Department of Environmental Protection has estimated will be over \$600 million alone for the Susquehanna River Watershed..

“The Fair Share for Clean Water Plan can be described as a three-legged stool,” said Matthew Ehrhart, PA Executive Director for the Chesapeake Bay Foundation. “Simultaneous and significant progress is needed on three fronts – point sources, agriculture and nutrient credit trading – if the state is to meet water quality mandates and still accommodate future growth,” Ehrhart said. “We’re thrilled with the new funding for point sources, but disappointed that we don’t have the tools in place to work on the other two legs of the stool.”

Coalition members urged state leaders to provide the support that is desperately needed by farmers who also face clean water mandates to install practices that reduce nutrient and sediment runoff from their operations. DEP has estimated the cost to farmers to install these practices is over \$600 million, just in the Chesapeake Bay Watershed.

Joel Rotz, Governmental Affairs Director for the Pennsylvania Farm Bureau, explained why higher state conservation funding is so critical. “Pennsylvania farmers take stewardship seriously and have already made significant progress in the areas of conservation tillage, cover crops, nutrient management, buffer plantings and beyond.” Rotz said. “They’re willing to do more, but can’t shoulder the burden by themselves. We’re disappointed that instead of seeing a significant boost in conservation funding, we’re barely holding the line.”

Conservation Districts saw no increase in their budget despite the fact that a 2005 Legislative Budget and Finance Committee report found many conservation districts struggling for funds to deliver key farm and environmental programs at the local level. Since then, funding for districts has increased by only 1%. As costs continue to escalate, many conservation districts will be faced with the difficult decision of which programs to reduce or discontinue in order to keep their doors open.

“Conservation Districts deliver not just state conservation programs, but federal programs as well,” said Susan F. Marquart, Executive Director of the PA Association of Conservation Districts. “The federal government has expanded the new Farm Bill to help farmers in the Chesapeake Bay watershed meet water quality mandates. It would be a shame if the higher conservation funding levels within the new Farm Bill are underutilized because there are too few technical people in the field to help farmers qualify for the very programs the federal government has expanded.”



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The Coalition, which includes the PA Builders Association, also hoped for more significant progress on a key, non-budgetary item: enhancements to the nutrient credit trading program. Nutrient credit trading allows credits to be generated, primarily through the installation of agricultural improvements, which can then be purchased by point sources and developers to offset nutrient discharges that exceed mandated limits. Without a functioning trading program, pollution limits may curb economic growth in the Commonwealth.

Robert J. Fisher, President of R. J. Fisher & Associates and Chairman of the Pennsylvania Builders Association’s Chesapeake Bay Tributary Strategy Task Force, expressed disappointment that proposals to enhance certain aspects of the state’s trading program did not move forward at budget time. “Nutrient trading holds significant promise for holding costs down and accommodating future economic growth,” Fisher said. “But due to a number of flaws with the current structure and implementation of the trading program, it has not been viewed as a viable option either by potential credit users or generators. We had hoped that our recommendations for the program could have moved forward before the summer recess, as opportunities are lost with each month that the trading program needs are left unresolved.”

Fisher did note the Senate will schedule a hearing on nutrient credit trading legislation introduced by Sen. Vance (R-Cumberland). He also reported that SB 1341 was amended last week to include the purchase or trading of nutrient credits as an allowable use of those funds.

The Fair Share Coalition will send letters this week to the chairs of the Senate and House agriculture and environmental committees asking them to hold hearings on additional agricultural funding needs for the Nutrient Management Program, the REAP State Tax Credit Program and other conservation programs that enable farmers throughout the state to comply with federal and state clean water mandates..

The Fair Share for Clean Water Coalition will be working actively in the Fall to promote voter approval of the \$400 million bond issue referendum contained in Senate Bill 1341.

For more information, visit [www.PaFairSharePlan.org](http://www.PaFairSharePlan.org) .

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**Fair Share supporting groups include:** Pennsylvania Association of Conservation Districts, Pennsylvania Builders Association, Pennsylvania Municipal Authorities Association, Chesapeake Bay Foundation, Pennsylvania Association of Realtors, Juniata Valley Audubon, PA Federation of Sportsmen Clubs, American Farmland Trust, Environmental Defense Fund, Middletown Twp. Land Conservancy, Lower Susquehanna Riverkeeper, Northumberland Co. Conservation District, Brubaker



Farms, PA State Assoc. of Boroughs, Lancaster Farmland Trust, County Commissioners Assoc of PA, PA State Association of Township Supervisors (PSATS), Tioga County Conservation District, PA Landscape and Nursery Association, Chester County Economic Development Council, Tioga County Concerned Citizens Committee, Inc., PA Project Grass, GreenTreks Network, Inc., Warwick Township Municipal Authority, PA Association for Sustainable Agriculture, PA No-Till Alliance, PA State Grange, Cedar Meadow Farm, Somerset County Conservation District, Dover Township, Chester County Conservation District, York County Conservation District, Coldwater Heritage Partnership, Westmoreland County Conservation District, Pennsylvania Environmental Council, Sullivan County Conservation District, Lancaster County Conservation District, Manheim Borough Authority, Union County Conservation District and McKean County Conservation District, Fulton County Conservation District, Adams County Conservation District, PA Manufactured Housing Association



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