

***Resolution Recommending Action on the Interim Final Rule to Implement the
Drinking Water State Revolving Fund Program***

WHEREAS, The United States Environmental Protection Agency (EPA) has issued its Draft Final Rule to Implement the Drinking Water State Revolving Fund (SRF) Program, consistent with the implementation of the 1996 Amendments to the Safe Drinking Water Act (SDWA), the National Association of Regulatory Utility Commissioners (NARUC) seeks to enable better access to loan funds by the investor owned water systems under public utility commission jurisdiction; *and*

WHEREAS, The SRF program is critical to the process of improving the capacity development of troubled, small water systems; *and*

WHEREAS, NARUC, in its role of fostering capacity development has looked to the significant potential offered by the SRF to provide substantial water quality and service improvements that would not otherwise be possible; *and*

WHEREAS, It is no less important for those citizens served by investor owned water utilities to have safe drinking water than for other citizens served by publicly owned systems, and full implementation of the federal funding mechanism will allow all citizens served by investor owned water companies the full benefits of the SDWA-to which they are entitled-and to which they are subjected to bear the funding costs as taxpayers; *and*

WHEREAS, In some States there is an ongoing prohibition of SRF access to all private, investor owned water systems; *and*

WHEREAS, This practice is clearly inconsistent with the Congressional intent; *now, therefore, be it*

RESOLVED, That NARUC, convened at its 1999 Summer Meeting in San Francisco, California, agrees that the EPA should actively encourage the States that have excluded privately owned water companies from access to the SRF to take corrective measures as soon as possible; *and be it further*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners (NARUC), convened in its 1999 Summer Meeting in San Francisco, California, commends the EPA for involving stakeholders in all aspects of the process to ensure that the Draft Final Rule to Implement the SRF Program carries out the letter and intent of the 1996 Amendments to the Safe Drinking Water Act; *and be it further*

RESOLVED, That the Draft Final Rule to Implement the SRF Program should point out that States may not discriminate among potential recipients of loan funds on the basis of ownership, require the EPA to identify States with inequitable distribution of funding, require the EPA to notify State primacy agencies and public utility commissions of these inequities and require the EPA to work with the States to remove barriers by amending

laws and constitutions to permit funding all water suppliers in need of assistance; *and be it further*

RESOLVED, That NARUC recommends that the EPA consider offering technical assistance to States to enable the appropriate legal and institutional framework to be developed and implemented in order to enable broad distribution of the SRF to all appropriate drinking water systems regardless of ownership; *and be it further*

RESOLVED, That the EPA make proportional reductions, to the extent applicable, in funding support for States that do not comply with the SDWA as it relates to providing equitable access to the SRF; and that the EPA withhold funds associated with private water companies which are identified in the infrastructure needs survey to States that do not allow access regardless of ownership status.

Sponsored by the Committee on Water

Adopted by the NARUC Board of Directors July 23, 1999