

Resolution on Exploring the Joint Role of Economic, Environmental, and Public Health Regulators in Promoting Water Infrastructure Sustainability

WHEREAS, Water utilities provide a product and service for which there is no substitute and which directly affects the health and safety of the public and the economic vitality of the communities they serve; *and*

WHEREAS, The United States Environmental Protection Agency estimates the capital investment necessary to achieve the public health protection objectives of the Safe Drinking Water Act for the period 2003-2023 to be \$277 billion (in 2003 dollars); *and*

WHEREAS, The rate at which water infrastructure is being replaced must significantly increase to keep up with the rate at which the infrastructure is reaching the end of its useful life; *and*

WHEREAS, Economic regulatory authority over jurisdictional water utilities is vested in State Public Utility Commission's and health-based drinking water quality regulatory authority for all water utilities is vested in State Departments of Health or Departments of the Environment, in partnership with the United States Environmental Protection Agency; *and*

WHEREAS, The United States Environmental Protection Agency convened an Expert Workshop on Full Cost Pricing of Water and Wastewater Service in November 2006; *and*

WHEREAS, Workshop participants generally believed the major issues standing in the way of greater progress toward utility sustainability (particularly related to smaller, less viable utilities and may include some that are not currently under the jurisdiction of economic regulators) are issues of utility organization, ownership and management, and the terms and conditions under which utilities provide service; *and*

WHEREAS, Workshop participants agreed that a robust, well-informed dialogue among State Public Utility Commissions, Drinking Water Quality Regulatory Agencies; and other appropriate stakeholders about the potential role of economic regulation vis-à-vis public health and environmental regulation could significantly advance water utility sustainability; *now, therefore, be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners (NARUC), convened in its July 2007 Summer Meetings in New York, New York, affirms NARUC's desire to join the United States Environmental Protection Agency, the Association of State Drinking Water Administrators, and other appropriate stakeholders in a dialogue about ways in which the insights and principles of economic regulatory oversight might be appropriately and innovatively applied, together with existing public health and environmental regulation and oversight, to advance our national public health and environmental protection goals and achievements through sustainability-based water utility planning, management, and operations; *and be it further*

RESOLVED, That a systematic, robust, and well informed dialogue be promoted in each State to explore how best economic regulators and public health and environmental regulators might work together to advance attainment of sustainable public health and environmental protection.

Sponsored by the Committee on Water

Adopted by the NARUC Board of Directors July 18, 2007