

Resolution Supporting Federally Funded SRF Programs for Water and Wastewater Infrastructure

WHEREAS, With increased environmental costs and more stringent drinking water and wastewater regulations on the horizon, cities, towns and utilities face major challenges over the next several decades replacing aging and deteriorating water and wastewater infrastructure; *and*

WHEREAS, In May 2002, the Government Accountability Office estimated that over the next 20 years, U.S. water utilities will have to invest between approximately \$492 billion and \$820 billion overall to replace aging drinking water and wastewater infrastructure to continue to ensure the delivery of safe, high quality water to their customers; *and*

WHEREAS, With the passage of the amendments to the Clean Water Act (CWA) in 1987, the U.S. Congress replaced the long-standing federal Construction Grants program with the Clean Water State Revolving Fund (CWSRF) program. The CWSRF program is available to fund a wide variety of water quality projects including all types of non-point source watershed protection or restoration, and estuary management projects, as well as more traditional municipal wastewater treatment projects; *and*

WHEREAS, The Safe Drinking Water Act, as amended in 1996, established the Drinking Water State Revolving Fund (DWSRF) to make funds available so drinking water systems can finance infrastructure improvements. The program emphasizes providing funds to small and disadvantaged communities and to programs that encourage pollution prevention as a tool for ensuring safe drinking water; *and*

WHEREAS, Since their inception, the DWSRF Program has provided \$10.8 billion to water treatment and distribution projects and the CWSRF Program has provided \$47.9 billion to water pollution control projects; *and*

WHEREAS, The installation of water and wastewater system upgrades, new water treatment facilities, and wastewater collection and treatment system improvements to meet stringent new water quality requirements and the needs of consumers for safe, clean, and affordable water demands significant financial investment; *and*

WHEREAS, The State Revolving Fund (SRF) model has proven extremely effective over the years. Specifically, the CWSRF and DWSRF programs are widely viewed as successful partnerships between federal and State governments in addressing important health and environmental problems; *and*

WHEREAS, Funds from the SRF programs leverage matching State funds to inject needed investment in water infrastructure, thus lowering the costs of projects, resulting in savings which Commissions ensure are passed on to water utility ratepayers through lower rates; *and*

WHEREAS, The National Association of Regulatory Utility Commissioners (NARUC) strongly supports the SRF model and ongoing full appropriations for the DWSRF and CWSRF and other such programs to continue this federal and State partnership which has been so beneficial in ensuring access to clean, and safe and affordable water; *and*

WHEREAS, By federal law, CWSRF money is currently unavailable to private utilities while DWSRF money has no such federal restriction; *and*

WHEREAS, NARUC, in 1996, resolved that funding to promote compliance with drinking water standards should be provided through the SRF to all water systems regardless of ownership; *and*

WHEREAS, The availability and use of SRF low-interest loans promotes effective and viable water and wastewater systems, and therefore any unreasonable barriers to their full utilization should be removed; *now, therefore, be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2008 Summer Meetings in Portland, Oregon, urges ongoing commitment to the SRF model, full funding for DWSRF and CWSRF programs and encourages modification of the CWSRF upon reauthorization that would allow private utilities access to the fund.

Sponsored by the Committee on Water
Adopted by the Board of Directors July 23, 2008