

***Resolution on Establishing Accounting Procedures for Drinking Water State
Revolving Fund Loans to Water Utilities***

WHEREAS, The 104th Congress passed the Safe Drinking Water Act Amendments of 1996, PL 104-182, (the Amendments) creating the Drinking Water State Revolving Funds (DWSRF); *and*

WHEREAS, The Amendments specifically provide that SRF monies are to be available to investor owned water utilities; *and*

WHEREAS, The economic regulation of investor owned water utilities is primarily within the purview of state utility regulators; *and*

WHEREAS, The National Association of Regulatory Utility Commissioners (NARUC) publishes the Uniform System of Accounts which prescribes regulation and accounting standards for regulated water utilities; *and*

WHEREAS, The Subcommittee on Accounts of the NARUC Committee on Finance and Technology develops the NARUC Uniform System of Accounts; *and*

WHEREAS, The Committee on Finance and Technology and the Committee on Water have agreed to work together through their staff subcommittees to examine accounting issues arising out of the Amendments; *and*

WHEREAS, States throughout the country are drafting legislation to create DWSRF's consistent with the amendments, and need a statement of regulatory treatment of SRF funds loaned to a commission regulated water utility; *now, therefore, be it*

RESOLVED, By the Executive Committee of the National Association of Regulatory Utility Commissioners (NARUC), convened at its 1997 Winter Meetings in Washington, D.C., that the Committee on Finance and Technology and the Committee on Water, through their staff subcommittees, are authorized to review the Amendments, evaluate the appropriate accounting treatment for loans to investor-owned water utilities, evaluate whether changes need to be made to the Uniform System of Accounts, prepare a report and provide any recommended changes at the July or November NARUC meeting.

*Sponsored by the Committees on Finance and Technology and Water
Adopted February 26, 1997*