



N A R U C
National Association of Regulatory Utility Commissioners

April 6, 2023

The Honorable Kevin McCarthy
Speaker of the House
2468 Rayburn House Office Building
U.S. House of Representatives
Washington, D.C.

The Honorable Hakeem Jeffries
Democratic Leader of the House
2433 Rayburn House Office Building
U.S. House of Representatives
Washington, D.C.

The Honorable Sam Graves
Chairman, House Committee on
Transportation and Infrastructure
1135 Longworth House Office Building
U.S. House of Representatives
Washington, D.C.

The Honorable Rick Larsen
Ranking Member, House Committee on
Transportation and Infrastructure
2163 Rayburn House Office Building
U.S. House of Representatives
Washington, D.C.

The Honorable David Rouzer
Chairman, House Committee on
Transportation and Infrastructure's
Subcommittee on Water Resources
and the Environment
2333 Rayburn House Office Building
U.S. House of Representatives
Washington, D.C.

The Honorable Grace Napolitano
Ranking Member, House Committee on
Transportation and Infrastructure's
Subcommittee on Water Resources
and the Environment
1510 Longworth House Office Building
U.S. House of Representatives
Washington, D.C.

RE: NARUC support for a hearing and quick passage of *The Clean Water State Revolving Fund Parity Act (HR 250)*.

Speaker McCarthy, Democratic Leader Jeffries, Chairman Graves, Ranking Member Larsen, Chairman Rouzer, and Ranking Member Napolitano:

The National Association of Regulatory Utility Commissioners (NARUC) urges Congress to quickly pass H.R. 250, which was introduced by U.S. Reps. John Garamendi (D-CA) and Mike Bost (R-IL) earlier this year.

We hope each of you will consider cosponsoring this legislation, which makes sure that *all* of your constituents are served by wastewater utilities that can access critical taxpayer funded infrastructure loans – not just those who live in areas served by government-owned systems.

Access to low-interest capital for wastewater infrastructure provides the financial support needed to carefully balance *affordable rates* with *needed investments*.

There is no question that such access is needed. Every four years, the American Society of Civil Engineers releases a report on the health of the United States' infrastructure. The 2021 [ASCE Infrastructure](#)

[Report Card](#) gives the wastewater sector a D+ grade and pegs the “annual water infrastructure capital investment gap” at \$81 billion dollars. The wastewater sector needs additional federal, state, local, and private investment.

H.R. 250, *The Clean Water State Revolving Fund Parity Act* simply levels the playing field for access to low-interest wastewater infrastructure loans.

The Clean Water “State Revolving Fund” loan program currently unfairly limits the access and impact of this federal infrastructure program by bypassing millions of your constituents served by regulated water utilities. State officials administering the SRF programs can only provide low-interest loans and grants to government-owned wastewater systems. Privately owned wastewater utilities provide service in many areas where no other government or non-profit utilities exist or are willing to provide service. Customers served by those privately owned utilities are subject to the same rate pressures and financial hardships caused by the need to invest in and maintain infrastructure.

H.R. 250 amends eligibility provisions to ensure that customers of private wastewater systems can benefit in the same way as customers of public systems. Since all Americans pay for this low-interest loan program, all Americans should also have an opportunity to benefit from it. This is only fair. Congress already assures equitable access with respect to the companion Drinking Water State Revolving Fund. It should immediately pass H.R. 250 to also open up access to the Clean Water State Revolving Fund to private wastewater systems *and their customers*. NARUC’s state utility commission members, who have jurisdiction over these utilities, will assure the utilities pass any savings directly to your constituents.

Upgrading our nation’s wastewater treatment infrastructure means more efficiency, a reduced environmental impact, and lower utility bills for American families. Significantly, HR 250 only expands eligibility for dollars allocated to the program over and above current funding levels. This ensures that the expanded access to private regulated systems *would not reduce investment levels in publicly owned systems*. This bill will allow states to facilitate investment in infrastructure that will benefit taxpayers the most, just as they can under current law with the drinking water revolving loan program.

We look forward to working with Congress to pass HR 250. If you have any questions about this letter, please do not hesitate to contact the undersigned or Brad Ramsay, NARUC’s General Counsel, at 202.898.2207 or jramsay@naruc.org. We have attached a copy of a November 2022 NARUC [Resolution Supporting Fair and Equal Customer Access to Federal and State Drinking Water and Wastewater Funding Programs](#), which provides more detail on NARUC’s support for legislation like HR 250.

Respectfully Submitted,

Michael Caron
NARUC President
Commissioner
Connecticut Public Utilities Regulatory Authority

Jeff Hughes
Chair, NARUC Committee on Water
Commissioner
North Carolina Utilities Commission

cc: Members of the House Committee on Transportation and Infrastructure

Appendix

NARUC Resolution Supporting Fair and Equal Customer Access to Federal and State Funding Programs

Whereas high quality, safe, and environmentally sound drinking water and wastewater treatment services are essential to life, community health, and the economy;

Whereas the fair and equal treatment of water and wastewater utility customers is a priority of the National Association of Regulatory Commissioners (“NARUC”) as recognized in its recent resolution on Water Equity passed on February 16, 2022;

Whereas federal and State governments have long recognized that there is an important role for taxpayer-funded water and wastewater grant and loan programs and as a result have created and funded a number of different programs designed to address environmental quality, public health, aging infrastructure, and economic development;

Whereas the Infrastructure Investment and Jobs Act (“IIJA”) was passed with bi-partisan support in 2021 and commits more than \$50 billion towards water and wastewater funding programs;

Whereas the White House describes the IIJA as “a once-in-a-generation investment in our nation’s infrastructure” and as “historic legislation” that will “deliver clean water to all American Families;”

Whereas the congressional member that first sponsored the bill states that the bill “will ensure that clean, safe drinking water is a right in all communities;”

Whereas approximately 25 million people within thousands of communities in urban, suburban, and rural areas of the United States are served by privately owned water and wastewater utilities;

Whereas a disproportionate number of the nation’s small water systems are owned by private utilities, and the Environmental Protection Agency (“EPA”) and other regulatory agencies have long acknowledged that small water systems in general need the most external support;

Whereas the number of customers served by privately owned wastewater systems has increased substantially since 1987, the year when the nation’s largest federal wastewater funding program, the Clean Water State Revolving Fund, was authorized without allowing privately owned wastewater customers to benefit from the fund;

Whereas privately owned water and wastewater utilities provide service in many areas where no other government or non-profit utilities exist or are willing to provide service;

Whereas customers served by privately owned water and wastewater utilities are subject to the same rate pressures and financial hardships caused by the need to invest to address environmental and public health threats, and properly maintain and upgrade aging infrastructure;

Whereas under federal and some state laws, customers and communities served by privately owned utilities are excluded from directly benefiting from many of the water and wastewater funding opportunities included in the IIJA;

Whereas even though privately owned water utilities are eligible for the Drinking Water State Revolving Fund under federal law, some states prohibit customers of privately owned utilities from benefitting;

Whereas customers served by privately owned utilities pay the same federal and state taxes that are used to fund water and wastewater assistance programs that customers served by government- owned and other non-profit water utilities pay;

Whereas the vast majority of states have state utility regulatory commissions that regulate and monitor private utilities, and enforce regulatory, accounting and rate-setting practices that result in the financial benefits of federal and state funding being directly passed through to customers, and

Whereas the federal and state programs that do provide access to customers of private utilities, including the Drinking Water State Revolving Fund and the Low-Income Household Water Assistance Program, have demonstrated the extremely positive impact federal and state programs can have on customers and communities; *now, therefore be it*

Resolved that the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2022 Annual Meeting and Education Conference in New Orleans, Louisiana, urges Congress and state general assemblies to take steps and make any necessary program modifications in federal and state law to assure that customers served by private utilities have fair and equal access to federal and state water and wastewater programs; *and be it further*

Resolved, that NARUC, through its Committee on Water, stands ready to assist state and federal agencies and governing bodies identify and address the barriers which limit customer access to water and wastewater funding programs.

Sponsored by the Committee on Water

Adopted by the NARUC Board of Directors on November 15, 2022