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National Association of Regulatory Utility Commissioners

May 3, 2018

The Honorable John Barrasso Chairman Senate Environment & Public Works Committee Washington D.C. 20510

The Honorable Tom Carper Ranking Member Senate Environment and Public Works Committee Washington D.C. 20510

RE: Support for the Voluntary Water Partnership for Distressed Communities Act

Dear Chairman Barrasso and Ranking Member Carper:

The National Association of Regulatory Utility Commissioners (NARUC) urges you to act now to ensure clean water is available to every American.

Your support for the *Voluntary Water Partnership for Distressed Communities Act* is crucial to help distressed water systems comply with Federal drinking water standards. According to the EPA, more than 1,200 community water systems have been in serious noncompliance with those standards for at least three years. Failing to address systems in serious noncompliance puts public health at risk. This legislation creates a vital pathway to protect your constituents by encouraging partnerships with other water systems.

NARUC, a bipartisan organization that represents public service commissions in all US States and territories, is not alone in supporting this legislation. The American Water Works Association, the National Association of Clean Water Agencies, the Association of Metropolitan Water Agencies, and the National Association of Water Companies all agree that the bill's minor changes to Section 1420 of the Safe Drinking Water Act provides a much-needed pathway for challenged water systems to pursue alternate, non-punitive paths to bring their systems in to compliance. ¹

NARUC has adopted resolutions supporting best practices for small and mid-sized companies that specifically reference partnerships, consolidation and incentives for distressed systems similar to those in this legislation. See, e.g., Resolution Supporting Consideration of Regulatory Policies Deemed as "Best Practices," July 2005 - http://pubs.naruc.org/pub/53973DD2-2354-D714-51D7-8DD3522C7A9D; Resolution Endorsing Consideration of Alternative Regulation that Supports Capital Investment in the 21st Century for Water and Wastewater Utilities, November 2013 - http://pubs.naruc.org/pub/53A0858A-2354-D714-5175-3BF53CDDC767; and Resolution Supporting the Consideration of Regulatory Mechanisms and Policies Deemed "Best Practices" for the Regulation of Small Water Systems, July 2013 - http://pubs.naruc.org/pub/53A0D971-2354-D714-51EB-8A01C0909879. A document is appended hereto with a summary of these resolutions.



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NARUC's member commissions in many States oversee investor-owned water utilities and often grapple with the challenge of how to bring struggling water companies into compliance.

We look forward to working with each of you and other interested parties to pass this legislation.

If you have any questions or want to discuss how NARUC can assist you please contact NARUC's Legislative Affairs Counsel for Communications, Technology and Water – Kenneth Mallory, at 202-898-2205, kmallory@naruc.org, or General Counsel – Brad Ramsay, at 202-898-2207, jramsay@naruc.org.

Sincerely,

John Betkoski, III

John U. Bettenh (11)

President, NARUC

Vice Chairman

Connecticut Public Utilities Regulatory Authority

Mary-Anna Holden

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Chair, NARUC Committee on Water

Commissioner, New Jersey BPU



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SUPPORTING NARUC RESOLUTIONS AND ACTIONS

NARUC has adopted resolutions supporting best practices for small and mid-sized companies that specifically reference partnerships, consolidation and incentives for distressed water systems. The following provides brief summaries of NARUC's water resolutions and actions supporting water systems' partnerships.

- NARUC Resolution, "Supporting Consideration of Regulatory Policies Deemed as "Best Practices," July 2005. Conceptually supports "review and consideration of the innovative regulatory policies" identified in the resolution as "best practices," including "expanded technical assistance for small water systems."
- NARUC Resolution, "Endorsing Consideration of Alternative Regulation that Supports Capital Investment in the 21st Century for Water and Wastewater Utilities," November 2013. Supports "consideration of alternative regulation plans and mechanisms along with and in addition to the policies and mechanisms outlined in the Resolution Supporting Consideration of Regulatory Policies Deemed as "Best Practices" adopted by the NARUC Board of Directors on July 27, 2005."
- NARUC Resolution, "Supporting the Consideration of Regulatory Mechanisms and Policies Deemed "Best Practices" for the Regulation of Small Water Systems," July 2013. Recommends "that economic regulators consider and adopt as many as appropriate of the regulatory mechanisms identified" in the resolution as best practices for the regulation of small water systems, including "where applicable and beneficial to the customer, encouraging consolidation with a nearby water system."
- NARUC Letter to NAWC and Other Water Associations, October 2016. NARUC expressed support for a "Partnership Amendment" jointly agreed to by NAWC, the American Water Works Association, and the Association of State Drinking Water Agencies. The "amendment would make minor changes to the Safe Drinking Water Act (SWDA) to help distressed water systems comply with clean water standards by "creating a pathway to compliance" through partnerships with other water systems."