

***WTR- 2 Resolution Supporting Fair and Equal Customer Access to Federal and State
Drinking Water and Wastewater 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 IJA;

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