Policy Developments

• America’s Water Infrastructure Act of 2018
• Water Infrastructure Improvement Act (2019)
• Agricultural Improvement Act of 2018 (Farm Bill)
• Funding Appropriation Bills

• Rates Study Commission
• System Development Fees
• Fair Market Value
America’s Water Infrastructure Act 2018 (99 to 1)

- Water Resource Projects
- Reauthorizes Drinking Water State Revolving Fund ($1.174 B to $1.95 B (2021))
- Allows longer term loans
- WIFIA reauthorized
- WIFIA approach integrated into SRF Programs

Democratic Sen. Elizabeth Warren officially launches her 2020 presidential campaign. Watch CNN

Trump signs bipartisan water infrastructure spending law

By Morgan Vazquez, CNN
Updated 4:13 PM ET, Tue October 23, 2018
America’s Water Infrastructure Act
(Misc. Provisions)

https://www.congress.gov/bill/115th-congress/senate-bill/3021/text#toc-
H766B6B65954F497BB6ECC93B2FE313C6

• Study of “Intractable” Water Systems

• Provides potential for “Drinking Water System Infrastructure Resilience and Sustainability Program” ($4 B/yr – needs to be appropriated) (sec. 2005)

• Primacy agencies can require study of consolidations (Sec. 2010)

• Requires Community Risk and Resilience Assessments for systems greater than 3,330 (Sec. 2013)
• Integration of wastewater and stormwater management plans
• Expanded use of green infrastructure
Farm Bill (86 to 11)

- **Regional Conservation Partnership Program (RCPP)**
  - Authorizes $200 M/yr
  - Calls out drinking water and drought objectives

- **USDA Water and Waste Disposal Grant and Loan Program** reauthorized
Rates Continue to be Scrutinized

III. Committee to Study Rates and Transfers/Public Enterprises

Pursuant to Section 24.3 of S.L. 2017-57, the Committee shall study the issues raised therein and make recommendations to the General Assembly on:

1. Fee and charge setting by units of local government in the operation of a water or sewer system, including collection rates of those fees and charges;
2. Proper accounting controls to ensure transparency in budgeting and accounting for expenditures and interfund transfers of public enterprise services by units of local government;
3. Legislation that may be necessary to ensure proper funding of infrastructure maintenance and improvements for the provision of water and sewer services, including whether regionalization could facilitate financially healthy systems with lower fees and charges to customers; and
4. Legislation that may be necessary to ensure that units of local government monitor aging water and sewer infrastructure to ensure proper maintenance and repair, including how this responsibility impacts the financial health of the public enterprise.
The Future of Rate Setting and Revenue Monitoring???

• Status Quo
• State incentives or disincentives (Eligibility for state grants)
• Statutory prohibitions (stormwater fees)
• Statutory limits and thresholds
• Third party oversight (investor owned utilities)
• Required processes (System Development Fees)
• Adherence to more consistent practices
Rates Committee’s Expanded Discussions

- Funding to support consolidation
- Need for additional training
System Development Fees

- SDF legislation did not address fees prior to new requirements
- One approach ruled unauthorized in the courts
- Other approaches under scrutiny