



**ASSOCIATION OF
METROPOLITAN
WATER AGENCIES**

LEADERS IN WATER

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January 4, 2016

Bryan Esterly
Sector Analyst, Infrastructure
Sustainability Accounting Standards Board (SASB)
1045 Sansome Street, Suite 450
San Francisco, CA 94111

Re: *Water Utilities Sustainability Accounting Standard - October 2015 Exposure Draft Standard for Public Comment, AMWA initial comments and request for extension to comment period.*

Dear Mr. Esterly,

The Association of Metropolitan Agencies (AMWA) is an organization representing the largest publicly owned drinking water utilities in the U.S., and together the membership serves drinking water to over 130 million people from Alaska to Puerto Rico. Member representatives to AMWA are the top managers and CEOs of these large water systems.

AMWA and its member utilities are at the forefront of the development and implementation of a wide variety of sustainability metrics and are very supportive of the need to incorporate those metrics in all aspects of their operations. Although AMWA members are not publicly listed utilities, AMWA member utilities do sometimes secure funds in private capital markets, and therefore the degree to which ratings or lending decisions may be influenced by the SASB’s proposed Water Utilities Sustainability Accounting Standard (hereafter referred to as the “SASB standard”) represents a significant concern. In particular, our initial reading of the proposed SASB standard leads us to believe that many of the proposed metrics are duplicative, misapplied, or not entirely in line with the robust standards and metrics already in use throughout the water sector.

The document does not adequately portray and incorporate the nuances and complexities of the water sector and types of utilities that comprise the sector. In addition, many of the references are misused or incorrectly applied. The document demonstrates a fundamental lack of understanding of how the sector works that is imperative to inform the development of any kind of standard. Understanding the water sector requires a vigorous engagement with the appropriate water sector representatives during the development of the standard. AMWA and its member utilities are regular participants in a wide variety of public stakeholder processes in both the government and private sector, and as such, can appreciate the difficulty in reaching every vested stakeholder. However, we believe the lack of early, direct outreach to AMWA and other

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prominent water sector organizations was a significant oversight and has led to a draft SASB standard that is flawed and in need of significant additional work before it should be considered.

AMWA became aware of the public comment period for the SASB standard extremely late in the process – on December 30, 2015, which made it difficult to provide a detailed review by the posted January 5, 2016 deadline. Given the short time AMWA staff had to review the SASB standard and the inability to circulate it widely among our membership for additional comment, we can only offer brief feedback at this time. AMWA therefore requests an extension of the comment period until January 28, 2016 so that we can engage our members in the development of additional comments and recommendations.

In the interim, there are two major issues on which we ask you to focus your immediate attention.

1. Adequately consider the uniqueness of the water sector in any future standard.

The water sector comprises publicly owned and privately owned utilities, water, wastewater and stormwater utilities, joint utilities, wholesale and retail utilities. SASB should consider reorganizing the standard to more accurately reflect the uniqueness of the different utilities that comprise the sector, and the subsequent relevance of the various sustainability disclosure topics to the types of water utilities.

AMWA encourages SASB to engage with water sector associations to better understand this uniqueness and therefore more accurately represent water utilities in a future draft of the standard.

2. Adequately consider the myriad significant resources already developed and implemented for assessing water utility sustainability.

AMWA suggests that SASB take a closer look and robustly account for the significant resources and efforts that cover many of the same topics covered under the draft SASB standards. Many of the existing metrics are in wide use across the industry, and having them align with the SASB standard will be critical if wide acceptance of a future standard is desired. Existing programs and products that should be incorporated include:

- Effective Utility Management (EUM) Initiative

AMWA and five other associations representing the U.S. water and wastewater sector (including AWWA and NAWC), in collaboration with the U.S. Environmental Protection Agency (EPA), released Findings and Recommendations for a Water Utility Sector Management Strategy in 2007. In 2014, U.S. EPA published a sustainability roadmap document entitled [Moving Toward Sustainability: Effective and Sustainable Practices for Creating Your Water Utility Roadmap](http://www.epa.gov/watersystem/sustainability/roadmap). Additional information is online at <http://www.amwa.net/effective-utility-management-initiative>.

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- ISO 14001 Environmental Systems Management and

- ISO 26000 Social Responsibility.

Please consider this comment letter as a preliminary response and we look forward to engaging with you on this initiative. If there are any questions about the above comments, please contact Erica Brown (brown@amwa.net), AMWA's Director of Sustainability and Climate Programs, or me (vandehei@amwa.net) at 202-331-2820.

Sincerely,



Diane VanDe Hei
Executive Director