



November 8, 2017

The Honorable Kevin Brady  
Chairman  
House Ways and Means Committee  
1011 Longworth House Office Building  
Washington, DC 20515

Dear Chairman Brady:

Our Associations represent thousands of public clean water and drinking water utilities and water sector professionals in communities across the United States. We come together to express our strong opposition to a provision in H.R. 1 that would repeal the ability to advance refund municipal bonds.

Municipal bonds are a fundamental financing tool for water and wastewater – critical public services with significant investment needs that are projected to grow over the coming decade. In 2016 alone, nearly \$38 billion in tax-exempt municipal bonds were issued for water and wastewater projects, helping local communities meet critical infrastructure needs.

Through advance refunding, the municipal water and wastewater sector has a long history of being able to respond to interest rate fluctuation. Advance refunding leads to additional funds being available for utility investment and/or significant savings of water ratepayer and taxpayer dollars. Under current law, governmental bonds and 501(c)(3) bonds are permitted one advance refunding. Bond issuers continually monitor outstanding bonds for advance refunding opportunities that will reduce costs. Water utilities around the country currently have advance refunding opportunities on their radar, or are anticipating the potential for advance refunding prior to their call date(s) in the future. This provision in H.R. 1 would impact their ability to realize these opportunities to save their communities and ratepayers money and advance critical infrastructure investment.

For these reasons, we urge you to oppose the inclusion of this provision, Sec. 3602, in the final bill.

Sincerely,

Adam Krantz  
Chief Executive Officer  
National Association of Clean Water Agencies

Diane Van De Hei  
Chief Executive Officer  
Association of Metropolitan Water Agencies

Eileen O'Neill  
Executive Director  
Water Environment Federation

Patricia Sinicropi  
Executive Director  
WaterReuse

G. Tracy Mehan III  
Executive Director of Government Affairs  
American Water Works Association

Scott Grayson  
Executive Director  
American Public Works Association

cc: House Ways & Means Committee