



November 13, 2017

The Honorable Orrin Hatch
Chairman
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Hatch:

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 included in H.R. 1 and the Senate Finance Committee Chairman's mark that would repeal the ability to advance refund municipal bonds.

The ability to advance refund municipal bonds is a critical tool that helps communities minimize water and wastewater financing costs. In fact, between 2012 and 2016, states and localities advance refunded 941 tax-exempt municipal bonds that paid for water and wastewater infrastructure improvements, saving communities and ratepayers at least \$1.36 billion.

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. A repeal of advance refunding bonds 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 against including this provision in the Senate's 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: Senate Committee on Finance