



For Generations



Association of
REGIONAL WATER
Organizations



April 27, 2018

The Honorable John Barrasso
Chairman
Senate Environment & Public Works Committee
Washington D.C. 20510

The Honorable Tom Carper
Ranking Member
Senate Environment and Public Works Committee
Washington D.C. 20510

Dear Chairman Barrasso and Ranking Member Carper:

On behalf of the undersigned organizations, we are writing to urge you to support the introduction and passage of “The Voluntary Partnership For Distressed Communities Act” that, if enacted, would encourage more partnerships in the U.S. drinking water sector. As you know, many communities are facing increasing challenges to maintain their water systems due to aging infrastructure, increasing compliance costs, and changing demographics.

The partnership language, if adopted, would amend the Safe Drinking Water Act to encourage and financially incentivize systems in significant noncompliance to voluntarily pursue partnerships to improve the provision of safe drinking water. This would be a voluntary decision, made by the community, not the EPA or the state – to pursue a collaboration with a neighboring public or private system or cooperative, to establish contractual management (public-private or public-public partnership), or to relinquish ownership control of the system (acquisition). By pursuing one of these options and bringing the system back in to compliance in a reasonable period of time a system can avoid enforcement penalties.

Failing to address water systems in serious noncompliance puts public health at risk. According to U.S. EPA's data, more than 1,200 community water systems that have been in serious noncompliance for at least three years. Rather than wait for traditional enforcement action, however, we believe communities should be given options that are tailored to the unique needs of the local community. The benefits of partnerships may include:

- **Improving operational efficiencies** – Basic services such as billing, customer service and water testing no longer need to be duplicative among neighboring systems, but instead are more efficiently handled through a single platform serving all the combined systems.
- **Better and more timely compliance with EPA regulations** – Each new EPA regulation demands greater expertise from the utility operators and costs more money to implement and maintain. Through using partnerships systems collectively share the implementation, monitoring and reporting of these new EPA regulations, thereby enhancing both the level and response time of their compliance.
- **Increased purchasing power** – Smaller systems have less bargaining power and often times pay higher prices for equipment, tools, services and chemicals than larger systems. Voluntary partnerships, including consolidation and regionalization, provide increased leverage in obtaining better pricing on purchases needed to operate and maintain their systems.
- **Providing greater access to capital** – Accessing capital to fund needed investments can be difficult, particularly with the need for capital driven by required repairs to water mains, new filtration and pumping equipment and meeting EPA water quality regulations. Voluntary partnerships allow for the pooling of resources, an expanded ratepayer base and operational efficiencies which can serve to better attract private capital at more preferred rates and terms.

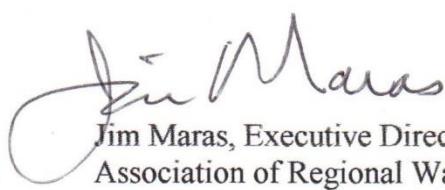
Kentucky, for example, over the last several decades has worked to consolidate and regionalize 2,200 small drinking systems to less than 400 today. This is a remarkable success story of state and local leadership and collaboration. Building upon Kentucky's successful partnering efforts, we must encourage more communities to pursue voluntary partnerships through financial incentives.

As stewards of America's water supply, infrastructure and services, we and our over (200,000+) members, affiliates, and utilities from across our nation look forward to working with you – and many struggling communities - to enact legislation to encourage the use of partnerships. Through the use of policy modifications and financial incentives, we can facilitate more partnerships that will offer long-term solutions and help for so many communities in need.

Sincerely,



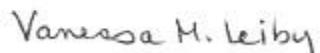
Patricia Sinicropi, J.D.
Executive Director, Water Reuse



Jim Maras, Executive Director
Association of Regional Water Organizations



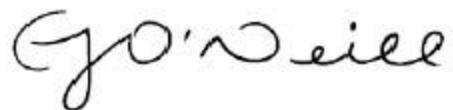
G. Tracy Meehan
Executive Director, American Water Works Association



Vanessa Leiby
Executive Director, Water and Wastewater Equipment Manufacturers Association



Christopher H. Franklin
Chairman, CEO and President, Aqua America
President, National Association of Water Companies



Eileen O'Neil
Executive Director, Water Environment Federation



Diane VanDe Hei
CEO, Association of Metropolitan Water Agencies



Jim Proctor
Senior Vice President and General Counsel, McWane Inc.