

SPONSOR STATEMENT

Committee Substitute for House Bill 46 (FIN)

“An Act relating to permitting grants to certain regulated public utilities for water quality enhancement projects and water supply and wastewater systems.”

Four years ago, legislation passed that allowed privately owned economically regulated water and wastewater utilities to be eligible for the low-cost Municipal Water & Wastewater Loan Program. This legislation has been introduced to ensure that privately owned public utilities are eligible for grant funds through the Municipal Water and Wastewater Matching Grant Program within the Department of Environmental Conservation.

The residents of a community, the utility ratepayers, are the only beneficiaries of these grants through a reduction in costs for infrastructure improvements made to a utility system. The legislation is limited to only those privately owned companies economically regulated by the RCA. That is, the RCA sets the rates and thereby ensures the benefits of the grants to the ratepayers rather than the owners. Privately held companies regulated by the RCA may not generate a return on investment or receive depreciation expense credits for grant funds they receive.

Current residents of communities with municipally owned water and wastewater systems are already the benefactors of these grant funds. It is only fair that all residents of Alaska benefit from these federally generated funds.

All existing municipally owned water and wastewater utilities remain eligible for these grants.