

# **PUBLIC WATER AND WASTEWATER SYSTEM INFRASTRUCTURE TASK FORCE**

## **Minutes of the 5th Meeting of the 2019 Interim**

**November 14, 2019**

### **Call to Order and Roll Call**

The 5th meeting of the Public Water and Wastewater System Infrastructure Task Force was held on Thursday, November 14, 2019, at 1:00 PM, in Room 129 of the Capitol Annex. Representative Jim Gooch Jr., Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Phillip Wheeler, Co-Chair; Representative Jim Gooch Jr., Co-Chair; Representative Ashley Tackett Laferty; Michael Burress, David Farrar, Mike Gardner, Peter Goodmann, Orbrey Gritton, John Holiday, Gary Larimore, Donna McNeil, and Brian Traugott.

LRC Staff: Stefan Kasacavage, Janine Coy-Geeslin, Tanya Monsanto, and Susan Spoonamore, Committee Assistant.

The October 23, 2019, minutes were approved, by voice vote, upon motion made by Mr. Traugott and seconded by Senator Wheeler.

### **Proposed Recommendations**

The task force reviewed, amended, and approved the following final recommendations to be submitted to the LRC:

- A.** Continue the work of the Public Water and Wastewater System Infrastructure Task Force by reauthorizing the task force to meet during the 2020 Interim, or by establishing a workgroup attached to the Energy and Environment Cabinet, or by doing both. Any workgroup attached to the cabinet should consist of technical experts, industry professionals, public policy makers, and representatives from stakeholder groups, including but not limited to the groups represented on this task force. The workgroup would report regularly to the General Assembly and continue to meet on an ongoing basis in the coming months and years to develop consensus strategies to address the numerous financial, technical, planning, and managerial challenges faced by water and wastewater utilities throughout the Commonwealth.

- B.** Establish a new or recapitalize an existing water and wastewater infrastructure fund to leverage federal grants and loans, assist challenged utilities with infrastructure planning and asset management, and make direct loans and grants to water and wastewater utilities.
- C.** Propose that certain state loans or grants to public water or wastewater utilities be conditioned on reasonable technical, financial, and managerial performance benchmarks as established by the appropriate state entity.
- D.** Require the development by the appropriate state entity of best management practices for public water and wastewater systems that could be used as standards for the operation and maintenance of those systems. Best management practices may relate to asset management, water loss, revenue requirements, financial assistance compliance, staff adequacy and training, and maintaining adequate asset management and capital expenditure plans, among other things.
- E.** Require the appropriate state entity to establish a uniform evaluation process to identify challenged public water and wastewater utilities that lack technical, managerial, or financial capacity. Once identified, the state entity would develop an action plan with a challenged utility, and provide for the technical, financial, and training assistance that it will need to implement the plan.
- F.** Establish initial and continuing training requirements for all water and wastewater board members, commissioners, and decision makers to be administered and enforced by the appropriate state or state-authorized entity.
- G.** Require annual financial audits and reporting, regular rate reviews, and establish regular rate adjustment criteria for all public water and wastewater utilities.
- H.** Study the adoption of a Tennessee-based model that would authorize a new or existing state entity or entities to have jurisdiction over all of Kentucky's water and wastewater utilities to ensure their financial and operational capacities and establish parameters for accountability, including oversight of annual utility financial, operations, and water loss audits. The entity or entities would be authorized to propose measures to bring any noncompliant utility back into financial and operational compliance.
- I.** Study the regionalized pooling of resources and professional services, and hiring and qualification criteria for those services, for challenged water and wastewater utilities to more efficiently manage their facilities and meet auditing and reporting standards.

Recommendations A through E, were adopted, by voice vote, upon motion made by Mr. Goodmann and seconded by Senator Wheeler.

Mr. Goodmann moved to adopt Recommendation F. Seconded by Senator Wheeler. Upon roll call vote, motion passed with 10 yes votes, 2 no votes, and 0 pass votes.

Senator Wheeler moved to adopt Recommendation G. Seconded by Mr. Gritton. Upon roll call vote, motion passed with 10 yes votes, 2 no votes, and 0 pass votes.

Senator Wheeler moved to adopt Recommendation H. Seconded by Mr. Traugott. Upon roll call vote, motion passed with 11 yes votes, 1 no votes, and 0 pass votes.

Mr. Goodmann moved to adopt Recommendation I. Seconded by Senator Wheeler. Upon roll call vote, motion passed with 12 yes votes, 0 no votes and 0 pass votes.

Meeting adjourned.