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The Time is Now for Improving West Virginia's Water and Wastewater Infrastructure



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Rob Burton is President of West Virginia American Water, a regulated water utility providing quality water and wastewater services to approximately 545,000 people in more than 368 West Virginia communities. Burton previously served in leadership roles for Pennsylvania American Water and American Water Enterprise's Military Services Group. He currently serves on the board of directors for the West Virginia Chamber of Commerce, Charleston Area Alliance and Charleston Chamber of Commerce, and is Board Chairman of Advantage Valley and a member of the West Virginia Roundtable.

Historic Times for Water and Wastewater Infrastructure Investment in West Virginia

West Virginia is a state of amazing natural resources with seemingly endless mountain vistas and dozens of pristine waterways. West Virginia is also a state with historical environmental challenges in its largest waterways, which include the Kanawha River and Ohio River Valleys. When it comes to water resources, specifically the state's drinking water and wastewater systems, West Virginia faces many challenges in delivering high-quality, safe, and reliable water services.

Status of West Virginia's Infrastructure

The 2020 Report Card for West Virginia's infrastructure, compiled by the West Virginia Section of the American Society of Civil Engineers, gave a grade of "D" to both the drinking water and wastewater

infrastructure of the state. This grade means the infrastructure is deemed to be in poor to fair condition and mostly below standard, with many elements approaching the end of their service life. A large portion of municipal and public service district systems exhibit significant deterioration, and condition and capacity are of significant concern with strong risk of failure.

For a significant number of municipal systems and public service districts, funding for capital infrastructure improvements is a long, difficult, and expensive process. Even with multiple grant and loan programs available in the state and the Appalachian region, systems may have to wait years for eligibility and funding; and though timelier, the cost of self-funding these investments is directly born by the limited customer bases of each individual utility.

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Historic Levels of Federal Funding Present Opportunities; Challenges Remain

The Infrastructure Investment and Jobs Act passed by Congress in 2021 is set to deliver to West Virginia approximately \$475 million dollars over five years to fund public water and wastewater projects across the state. This represents historic levels of federal funding and will go a long way toward meeting critical water and wastewater infrastructure needs. However, this will not meet all the



current and future needs of the state. The 2020 Report Card identifies current and near future needs for water and wastewater systems in West Virginia totaling over \$2 billion dollars. This substantial funding gap will require water and wastewater systems to look beyond federal and state funding to meet the needs of our infrastructure. Many public systems will need to evaluate rate increases to fund projects and to provide for operations and maintenance costs.

Private Investment Fills Funding Gaps

Other substantial sources of funding for water and wastewater systems can be found through Public-Private Partnerships and private, regulated utility capital investments. Through Public-Private Partnerships, public utilities can leverage private utilities and private investments to increase the likely success of projects using public financing while lowering the amounts of public money needed for these infrastructure projects. The ongoing partnerships also provide a reliable source of operations and maintenance, as they are then maintained by the private, regulated utility after the project is constructed. Additionally, direct infrastructure investment by private, regulated utilities taps into private debt and equity to fund projects that do not typically receive federal or state funding. This private funding does increase rate pressure on the customers of these regulated utilities, but this also provides a direct and real value to customers, as these improvements are both timely and substantial.

West Virginia American Water, a private, regulated utility, provides water service to approximately one-third of the state's population. The company has invested over \$250 million dollars into its water and wastewater systems

between 2019 and the end of 2021. In addition, it is actively engaged in over a dozen Public-Private Partnerships that bring much needed water services to hundreds of state residents and provide millions more in private funding. West Virginia American Water stands ready to fill funding gaps by acquiring systems that are interested in a sale or by establishing Public-Private Partnerships to extend or provide service.

The Time is Now for Improving Our Water and Wastewater Infrastructure

West Virginia faces many challenges to its water and wastewater infrastructure, and there is not, and cannot be, one solution. These challenges can be met through the historic levels of funding that will be provided by the Infrastructure Investment and Jobs Act, through the other available federal and state grant and loan programs, through adequate and appropriate rate structuring of our public water and wastewater systems, through the strategic use of Public-Private Partnerships, and through the private investment of the state's private, regulated utilities.

Now is the time to take advantage of these opportunities and collectively provide safe, reliable water and wastewater services that all West Virginians expect and deserve. ▽

