

2017 -- S 0334

LC001120

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

A N A C T

RELATING TO TOWNS AND CITIES -- MUNICIPAL WATER SUPPLIES

Introduced By: Senator Gayle L. Goldin

Date Introduced: February 16, 2017

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 45-39.1-5 of the General Laws in Chapter 45-39.1 entitled
2 "Municipal Water Supplies" is hereby amended to read as follows:

3 **45-39.1-5. Rates.**

4 (a) Adequacy. The rates of municipal water supplies shall be adequate to pay for all costs
5 associated with the municipal water supply including, but not limited to, the costs of acquisition,
6 treatment, transmission, distribution, and availability of water, and of system administration and
7 overhead, including metering and billing, programs for the conservation and efficient use of
8 water, including costs of developing, implementing, enforcing and evaluating such conservation
9 programs and including conservation pricing as described in subsection (d), and the cost and/or
10 value of any services or facilities provided by the city or town to the municipal water supply,
11 testing, operation, maintenance, replacement, repair, debt service, and for sufficient operating
12 reserves, revenue stabilization funds, debt service reserves and capital improvement/infrastructure
13 replacement funds to implement water supply system management plans;

14 (b) Equitability. Except for service charges and other fixed fees and charges, rates:

15 (1) Shall be based on metered usage and fairly set among and within the classes and/or
16 types of users;

17 (2) Shall provide that within any class of users the full costs of system capacity,
18 administration, operation, and water supply costs for peak and/or seasonal use is borne by the
19 users that contribute to such peak and/or seasonal use;

1 (3) May provide a basic residential use rate for water use that is designed to make a basic
2 level of water use affordable, and

3 (4) May require implementation of demand management practices, consistent with the
4 standards and guidelines of the water resources board, established pursuant to chapter 46-15.8, by
5 wholesale and retail customers;

6 (c) Revenue stabilization. Municipal water suppliers shall in the absence of other
7 sufficient funds available for similar purposes, establish as part of their next rate adjustment a
8 revenue stabilization account to provide for adequacy during periods when revenues decline as a
9 result of implementing water conservation programs, or due to circumstances beyond the
10 reasonable control of the water supplier, including, but not limited to, the weather and drought. A
11 revenue stabilization account shall accumulate a maximum of ten percent (10%) of the annual
12 operating expenses of the supplier and shall be used to supplement other revenues so that the
13 supplier's reasonable costs are compensated;

14 (d) Conservation. Municipal water suppliers shall take effective action to reduce waste of
15 water and to reduce non-agricultural seasonal increases in the use of water, and may adopt
16 conservation pricing as part of a demand management program or otherwise revise their rates as a
17 means to achieve their goals. For the purpose of encouraging conservation of water, suppliers are
18 authorized to adopt increased rates based on quantity used either throughout the year or
19 seasonally. Conservation pricing shall be designed to promote efficient water use, and to limit
20 seasonal non-agricultural outdoor water use, and to the extent possible shall not increase prices
21 for water users with no significant seasonal increase in water use. Revenues generated from the
22 adoption of conservation rates shall be used to fund the revenue stabilization account established
23 pursuant to subsection (c) above, operating reserves, debt service reserves or capital
24 improvement/infrastructure replacement funds; ~~and~~

25 (e) Service area: Notwithstanding any general or public law to the contrary, any
26 "municipal water supply" as that term is defined in §45-39.1-2(4), that purchases water from a
27 "water supplier", as that term is defined in §39-15.1-2(4), shall limit the sale of such water to
28 customers located within the municipality; and

29 ~~(e)~~(f) Billing. Billing shall be, at a minimum, quarterly by December 31, 2013.

30 SECTION 2. This act shall take effect upon passage.

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TOWNS AND CITIES -- MUNICIPAL WATER SUPPLIES

- 1 This act would provide that a "municipal water supplier" would limit the sale of water
- 2 from a municipal water supply to customers located within the municipality.
- 3 This act would take effect upon passage.

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