

# How Communities Can Improve Their Water Systems

## Fair Market Value Legislation

### THE CHALLENGES MUNICIPALITIES FACE



Significant Infrastructure Needs



Increased Regulatory Compliance Burdens



Shrinking Budgets with Many Competing Local Priorities



Shrinking Water Workforce



Limited Government Funds for Water Infrastructure Needs

As a result, many small and midsize utilities are choosing to sell their water and wastewater systems. But how do municipalities ensure they get a good deal for their assets?

### THE ANSWER IS FAIR MARKET VALUE LEGISLATION

Fair Market Value (FMV) legislation establishes a transparent process for independent valuation experts to use to calculate a reasonable and fair value for a municipality's water system assets subject to approval by the state's Public Utility Commission.

Allowing systems to be sold for FMV could mean an increase in the value of a municipality's water and wastewater system, which can be converted into much-needed revenue for other community priorities.



Economic Development



Education



Public Safety

### WHO BENEFITS?

#### CUSTOMERS

High-quality, reliable water service provided by expert water utility operators.

#### WATER & WASTEWATER SYSTEMS

Receive needed operational expertise and infrastructure investment.

#### MUNICIPALITIES

Get a better deal for their assets and freedom to invest in other economic initiatives.

#### REGULATED UTILITIES

Can leverage operational efficiency and expertise to make necessary investments.

### SUCCESS STORIES

FMV legislation has proven successful in:



California



Illinois



Indiana



Pennsylvania