



*Paying for Sustainable Water Infrastructure:  
Innovations for the 21<sup>st</sup> Century*

*State and Local Innovations*

***Alternative Revenue Sources:  
State Issues***

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# Why?

- ▶ Infrastructure Demands
  - Growth – expansion, economic, population, etc.,
  - Aging Infrastructure
- ▶ Rising Cost
  - Inflation
  - Material costs
- ▶ Full Cost Pricing Issues
  - Revenues are not keeping up to pay for them
  - Deferred maintenance / asset management
- ▶ Limited funding sources



# Options

- ▶ **Raise revenues and/or utilize current resources**
  - **Property tax rate**
  - **Income tax, etc.,**
  - **General fund**
  - **Issuing new debt**
  - **Efficiencies**
  - **Service elimination**
- ▶ **Alternative Revenue Sources (ARS)  
(focus today)**



# ARS Factors for Consideration

- ▶ Legality
- ▶ Dedicated and reliable
- ▶ Mission driven with defined use
- ▶ Public good vs. individual
- ▶ Cost effective and efficient
- ▶ Accountability
- ▶ Permanency?
- ▶ Sufficient – ability to grow
- ▶ Politically palatable - sellable



# Implementation

- ▶ Dynamic collaborative process
- ▶ Proposed rule/legislation should mirror ‘consideration factors’
- ▶ Purpose marketing
- ▶ Clear demarcation of responsibilities
- ▶ Limit overarching changes – utilize current processes
- ▶ Provide direct customer service
- ▶ Accountability