

First Regular Session of the 124th General Assembly (2025)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2024 Regular Session of the General Assembly.

HOUSE ENROLLED ACT No. 1459

AN ACT to amend the Indiana Code concerning utilities.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 8-1-2-128 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 128. (a) This section applies to a water or wastewater utility regardless of whether the water or wastewater utility has applied for or received a grant, loan, or other financial assistance from the authority under IC 5-1.2-10.**

(b) The following definitions apply throughout this section:

- (1) "Authority" refers to the Indiana finance authority established by IC 5-1.2-3-1.**
- (2) "Commission" refers to the Indiana utility regulatory commission created by IC 8-1-1-2.**
- (3) "Water or wastewater utility" means:**
 - (A) a public utility (as defined in section 1(a) of this chapter);**
 - (B) a municipally owned utility (as defined in section 1(h) of this chapter);**
 - (C) a not-for-profit utility (as defined in section 125(a) of this chapter);**
 - (D) a cooperatively owned corporation;**
 - (E) a conservancy district established under IC 14-33; or**
 - (F) a regional water district established under IC 13-26;****that provides water or wastewater service to the public in**

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Indiana for compensation and that is not under the jurisdiction of the commission for approval of rates and charges.

(c) Beginning January 1, 2026, a water or wastewater utility shall submit to the commission, on a quadrennial basis, a report regarding the status of the water or wastewater utility's asset management program, as defined in the guidelines of the authority under IC 5-1.2-10. The report required under this subsection:

(1) shall be made in compliance with, and according to a schedule set forth in:

(A) the commission's general administrative order under subsection (h); and

(B) any other general administrative orders of the commission that the commission determines to be relevant; and

(2) must include information:

(A) demonstrating the water or wastewater utility's efforts to implement the guidelines under IC 5-1.2-10 for asset management programs; and

(B) certifying that:

(i) the water or wastewater utility has the technical, managerial, legal, and financial capability to support those efforts; and

(ii) in the case of a report submitted after December 31, 2026, the governing body of the water or wastewater utility has completed a training or continuing education program described in subsection (j) at least one (1) time during the four (4) year period covered by the report.

Evidence that a water or wastewater utility has submitted an asset management program to the authority in connection with an application for a grant, loan, or other financial assistance under IC 5-1.2 may be provided by the water or wastewater utility to satisfy the requirement under subdivision (2)(A), as long as the water or wastewater utility provides all other information required under this section and under the commission's general administrative order under subsection (h). In addition to providing the required information concerning the water or wastewater utility's asset management program, a water or wastewater utility shall also include in a report required by this subsection information regarding the status of any federal consent decree or other federal order to which the water or wastewater utility is subject at the time the report is submitted.



(d) Subject to subsection (i), the commission shall verify, on a quadrennial basis, that the asset management program of each water or wastewater utility is sufficient and complies with the commission's general administrative order under subsection (h). If the commission determines that a water or wastewater utility's asset management program:

- (1) does not comply with the commission's general administrative order under subsection (h); or
- (2) is otherwise insufficient to demonstrate that the water or wastewater utility has the technical, managerial, legal, and financial capability to operate and maintain the water or wastewater utility's water or wastewater system;

the commission shall notify the water or wastewater utility of the deficiency and provide a time frame in which the water or wastewater utility must correct the deficiency. The commission may require the water or wastewater utility to undergo an informal rate review in the manner set forth in IC 8-1-1.9-5(e)(1).

(e) If a water or wastewater utility receives two (2) consecutive notices of a deficiency under subsection (d) over the course of two (2) consecutive verifications under subsection (d):

- (1) the commission shall assert jurisdiction over the rates and charges of the water or wastewater utility; and
- (2) the water or wastewater utility must undergo base rate cases before the commission in the manner set forth in IC 8-1-1.9-5(e)(2).

Notwithstanding IC 8-1-2.7 or IC 8-1-1.9-5(e)(3), if, after the required period of rate regulation prescribed by IC 8-1-1.9-5(e)(2), the water or wastewater utility submits a report to the commission under subsection (c), and the commission determines that the report indicates that the water or wastewater utility's asset management program is sufficient, the water or wastewater utility may provide to the commission a notice withdrawing the utility from the commission's jurisdiction.

(f) If a water or wastewater utility receives three (3) consecutive notices of a deficiency under subsection (d) over the course of three (3) consecutive verifications under subsection (d), the commission may initiate a receivership proceeding with respect to the water or wastewater utility.

(g) The commission may enter into an agreement with:

- (1) the department of environmental management; and
- (2) the authority;

to carry out the requirements set forth in this section.



(h) Before October 1, 2025, the commission shall issue a general administrative order setting forth:

(1) the information required to be included in a report under subsection (c);

(2) the procedures for submitting a report under subsection (c), including a simplified alternative reporting form that:

(A) a water or wastewater utility with less than one thousand (1,000) customers may elect to submit; and

(B) enables the water or wastewater utility to:

(i) demonstrate the water or wastewater utility's efforts to implement the guidelines under IC 5-1.2-10 for asset management programs; and

(ii) certify that the water or wastewater utility has the technical, managerial, legal, and financial capability to support those efforts;

(3) the quadrennial reporting schedule for submitting a report under subsection (c);

(4) criteria to be used by the commission under subsection (d) to:

(A) determine whether a water or wastewater utility has undertaken efforts to establish and implement an asset management plan in accordance with the guidelines under IC 5-1.2-10; and

(B) identify a deficiency that would require a water or wastewater utility to undergo an informal rate review in the manner set forth in IC 8-1-1.9-5(e)(1); and

(5) any other information the commission considers relevant under this section.

(i) The commission may delegate its authority to:

(1) review reports submitted by water or wastewater utilities under subsection (c); and

(2) issue determinations and notices of deficiency under subsection (d);

to technical staff. A determination or notice of deficiency issued by technical staff may be appealed to the full commission. An action by the commission under this section is subject to review under IC 8-1-3.

(j) Beginning January 1, 2027, the governing body of a water or wastewater utility must, on at least a quadrennial basis, complete a training or continuing education program that:

(1) includes instruction on:

(A) best practices for establishing, implementing, and



- maintaining an asset management program, as defined in the guidelines of the authority under IC 5-1.2-10;**
- (B) the fiduciary duties of governing bodies of water or wastewater utilities;**
- (C) best practices with respect to the financial management of water or wastewater utilities; and**
- (D) complying with environmental regulations; and**
- (2) is offered by one (1) of the following providers:**
- (A) The commission.**
- (B) The drinking water and wastewater infrastructure research and extension program authorized by IC 5-1.2-11.5-10.**
- (C) A statewide not-for-profit association whose membership includes rural water or wastewater utilities.**
- A provider listed in clause (A) or (B) must offer at least one (1) training or continuing education program under this subsection at low or no cost to governing bodies of water or wastewater utilities. Not later than January 1, 2027, the commission shall publish on the commission's website a list of providers offering a training or continuing education program described in this subsection.**



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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