

Plain-Language Overview: House Enrolled Act 1459

Effective Date: July 1, 2025

First Reports Due: January 1, 2026

What Is It?

HEA 1459 is a new Indiana law that requires all water and wastewater utilities—whether public, private, nonprofit, or municipal—to report on their asset management plans every four years.

What's an Asset Management Plan?

It's a plan that helps a utility:

- Track the condition of its infrastructure (like pipes, tanks, pumps, etc.)
- Plan when to repair or replace aging parts
- Budget for future needs
- Ensure long-term sustainability and service reliability

These plans are already required when applying for funding from the Indiana Finance Authority (IFA)—but under this new law, reporting is required regardless of whether a utility is seeking funding.

What Are Utilities Required to Do?

Starting in 2026, utilities must submit a report every four years to the Indiana Utility Regulatory Commission (IURC) that:

- Shows how they are following asset management guidelines set by the IFA
- Confirms they have the technical, financial, and legal capacity to maintain their systems
- Reports on any federal orders or consent decrees they are under
- Confirms their governing body (e.g., board or council) has completed a special training on topics like financial management, environmental compliance, and utility governance (starting in 2027)

Who Does This Apply To?

- Municipal utilities
- Not-for-profit utilities
- For-profit utilities
- Conservancy districts
- Regional water districts
- Cooperatively owned utilities

If you serve the public and charge for water or wastewater services—you're included.

What Happens If You Don't Comply?

If a utility fails to meet the requirements twice in a row:

- The IURC will take over rate oversight (even if it didn't have it before)
- You'll need to file a base rate case before the Commission

If there are three consecutive failures, the IURC may begin a receivership process—meaning the utility's operations could be taken over to ensure proper service.

What Help Is Coming?

By October 1, 2025, the IURC will release:

- A general administrative order outlining what to include in the report
- A simplified form for small systems (under 1,000 customers)
- A list of approved training providers (some will offer low- or no-cost options)

Why This Matters

The goal is to promote long-term sustainability of utility systems—especially in rural and small communities—and to ensure that all systems, regardless of size or funding source, are planning responsibly for the future.

Board & Council Training Requirement (Effective January 1, 2027)

As part of the new requirements under House Enrolled Act 1459, the governing body of every water or wastewater utility—such as a board of directors or town council—must complete training at least once every four years starting in 2027.

Required training topics include:

- Best practices for establishing and maintaining an asset management plan
- Understanding the fiduciary responsibilities of utility boards and councils
- Financial management strategies for water and wastewater systems
- Compliance with environmental regulations

Training may be provided by:

- The Indiana Utility Regulatory Commission (IURC)
- The Drinking Water & Wastewater Infrastructure Research & Extension Program
- A statewide nonprofit association with rural utility members (e.g., the Alliance of Indiana Rural Water)

At least one option will be made available at low or no cost. The IURC is expected to release a list of approved providers and training programs by January 1, 2027.

⚠ More details are expected in the coming months as the IURC develops official guidance. We will continue to monitor and share updates to help you stay informed and prepared.