

Agenda Item 7.6(a)....9/15/04

Recommendation of Water Policy Workgroup on 5/18/04

TOPIC:

RURAL WATER – EFFECTS OF THE FEDERAL SAFE DRINKING WATER ACT (SDWA) ON SMALL WATER SUPPLY SYSTEMS

BRAZOS G RWPG POLICY RECOMMENDATION:

“Because of the difficulty in meeting the standards of the Federal Safe Drinking Water Act for small water systems, we encourage the regionalization of these systems, and/or education and proactive planning. This approach would prevent systems from being a burden to the State because of noncompliance.”



TWDB FACT SHEET FROM WEB SITE

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Policy Topic: Rural Water-- Effects of the Federal Safe Drinking Water Act (SDWA) on small water supply systems.

Brief Description of Issue:

Recent changes in Federal drinking water standards are proving financially and technologically difficult for small water suppliers to implement, and require additional financing that is beyond the ability of many utilities to secure.

Possible Solutions, Impacts, Considerations:

- Small water supply systems may need financial subsidies to achieve or remain in compliance.
- Disposal of water treatment by-products, caused in part by new regulations, has significant financial and environmental implications.
- Small utility systems often lack operators capable of managing the more complex treatment technologies required to comply with new standards.

Background:

Under authority of the Safe Drinking Water Act, State and Federal governments set standards for contaminants in drinking water, and water suppliers must provide drinking water for their customers that meet these standards. In many cases, additional methods of

water treatment technology must be used in order to comply with the new standards.

The additional treatment is often quite expensive, which can be a burden on small water systems with a limited customer base over which to spread the costs. Consequently, these systems must delay compliance or find the means by which to finance the necessary improvements.

In addition to the costs of upgrading water treatment systems to achieve SDWA compliance, increased costs are often incurred for ongoing operation and maintenance expenses (e.g. chemical additives or electric power costs). Additional personnel may be

necessary to run the more sophisticated equipment and to monitor the additional treatment processes. Treatment processes to remove radioactive elements or toxins such

as arsenic produce by-products that require special handling and disposal. This may require additional permits and the cost for disposal can be extremely high.

Rural and small community drinking water systems typically have limited access to conventional capital markets. They often have low or non-existent credit ratings with which to borrow money to finance required water system improvements. Government-subsidized programs may be the only recourse for some water suppliers in order to upgrade their systems. Even when current government subsidies and programs are utilized, the resulting cost per utility connection can be unaffordable in many instances.

Sources:

Texas Water Development Board Water Policy Steering Council (Stakeholders) Summary, September 2001.

Water Quality 2000; A National Water Agenda for the 21st Century, November 1992.