

**TITLE 252. DEPARTMENT OF ENVIRONMENTAL QUALITY
CHAPTER 631. PUBLIC WATER SUPPLY OPERATION**

RULE IMPACT STATEMENT

Before the Water Quality Management Advisory Council on January 10, 2012
Before the Environmental Quality Board on February 24, 2011

1. **DESCRIPTION:** DEQ proposes to: (1) modify the annual fee schedule for public water supply systems; (2) update its rules concerning the date of the incorporation by reference of certain federal regulations from July 1, 2010, to July 1, 2011; (3) require minimum level of disinfection for systems with mandatory disinfection; (4) establish an alternate minimum free chlorine residual at the point of entry to the distribution system for PWSs that maintain a minimum required log-inactivation of pathogens; (5) clarify that purchase water systems must meet minimum disinfection standards; and (6) clarify which systems are required to submit the monthly operational report to DEQ.
2. **CLASSES OF PERSONS AFFECTED:** Classes of persons affected are those who operate or plan to operate a public water supply system.
3. **CLASSES OF PERSONS WHO WILL BEAR COSTS:** Classes of persons who will bear the costs of increased fees are those who operate a public water supply. It is anticipated that any increase in fees will be passed along to the consumer.
4. **INFORMATION ON COST IMPACTS FROM PRIVATE/PUBLIC ENTITIES:** The DEQ has not received any information from other public or private entities concerning the cost impacts of the fee increases.
5. **CLASSES OF PERSONS BENEFITTED:** All citizens of Oklahoma will be benefitted, particularly those members of the public who obtain drinking water from a public water supply. Additionally, this rulemaking will allow DEQ to generate sufficient resources to continue regulating public water supply systems at the current level.
6. **PROBABLE ECONOMIC IMPACT ON AFFECTED CLASSES OF PERSONS:** There will be an economic impact on those who operate public water supplies (see paragraphs 3 and 4). The level of economic impact on any one PWS is unknown at this time as such impact will vary based on the type of facility.
7. **PROBABLE ECONOMIC IMPACT ON POLITICAL SUBDIVISIONS:** There will be an economic impact on political subdivisions (e.g., municipalities) that operate public water supply systems (see paragraphs 3 and 4).
8. **POTENTIAL ADVERSE EFFECT ON SMALL BUSINESS:** There will be an economic impact on small businesses (e.g., commercial entities that provide drinking water) that operate public water supply systems. The level of economic impact on any one PWS is

unknown at this time as such impact will vary based on the type of facility.

9. **LISTING OF ALL FEE CHANGES, INCLUDING A SEPARATE JUSTIFICATION FOR EACH FEE CHANGE:** Below is the list of proposed fee changes. See paragraph 15 for a justification of the increase in fees.

INSPECTION COSTS PORTION OF ANNUAL FEE:

Current:

Purchase water systems - \$36 annually
Ground water systems - \$72 annually
Surface water systems - \$143 annually

Proposed:

Purchase water systems. Purchase water systems are systems that only utilize water purchased from another PWS. These systems are inspected at least once a year. The annual inspection costs for this type of system with:

- (i) 1-8 inspection points is \$172.00.
- (ii) 9-20 inspection points is \$349.00.
- (iii) 21+ inspection points is \$530.00.

Groundwater systems. Groundwater systems are systems that utilize at least one ground water source but do not utilize any surface water sources or groundwater sources under the influence of surface water. These systems are inspected at least twice a year. The annual inspection costs for this type of system with:

- (i) 1-8 inspection points is \$344.00.
- (ii) 9-20 inspection points is \$698.00.
- (iii) 21+ inspection points is \$1,060.00.

Surface water systems and groundwater under the influence of surface systems.

Surface water systems are systems that utilize at least one surface water source or groundwater source under the influence of surface water. These systems are inspected at least four times a year. The annual inspection costs for this type of system with:

- (i) 1-8 inspection points is \$688.00.
- (ii) 9-20 inspection points is \$1,396.00.
- (iii) 21+ inspection points is \$2,120.00.

REGULATORY COSTS PORTION OF THE ANNUAL FEE:

Current:

Purchase systems - \$266 annually
Ground water systems - \$1,167 annually
Surface water systems - \$4,980 annually

Proposed:

\$49.62 per Safe Drinking Water Act required sampling event for the system

10. **PROBABLE COSTS AND BENEFITS TO DEQ TO IMPLEMENT AND ENFORCE:**
There are no additional costs to implement and enforce the proposed rule changes. Implementing the proposed fee increases will help DEQ continue running the public water supply program and maintain compliance with its agreement with EPA to properly enforce the federal program.
11. **PROBABLE COSTS AND BENEFITS TO OTHER AGENCIES TO IMPLEMENT AND ENFORCE:** None.
12. **SOURCE OF REVENUE TO BE USED TO IMPLEMENT AND ENFORCE RULE:**
Federal grants and fees will continue to be used to run the Public Water Supply Program.
13. **PROJECTED NET LOSS OR GAIN IN REVENUES FOR DEQ AND/OR OTHER AGENCIES, IF IT CAN BE PROJECTED:** DEQ will experience a net gain in revenue due to the proposed fee increases. The anticipated net gain will be approximately \$1.8 million, which is the projected shortfall for the program next fiscal year. DEQ will lower the annual fees should other revenue sources (i.e., federal grants or state appropriations) increase. See paragraph 15.
14. **COOPERATION OF POLITICAL SUBDIVISIONS REQUIRED TO IMPLEMENT OR ENFORCE RULE:** Any necessary cooperation of a political subdivision is already in place and will need to continue.
15. **EXPLANATION OF THE MEASURES THE DEQ TOOK TO MINIMIZE COMPLIANCE COSTS:** DEQ conducted a division-wide budgetary and workload analysis in 2011. The workload analysis showed that the fees being collected are not sufficient to cover the costs to properly administer the program. The analysis showed that some federal grants have remained constant while the Drinking Water State Revolving Fund grant and state appropriations have declined. If the proposed fees are promulgated, sufficient funds would be generated to cover the costs of the program.
16. **DETERMINATION OF WHETHER THERE ARE LESS COSTLY OR NONREGULATORY OR LESS INTRUSIVE METHODS OF ACHIEVING THE PURPOSE OF THE PROPOSED RULE:** There are no less costly or nonregulatory methods of achieving the purpose of the proposed revision to the rule.
17. **DETERMINATION OF THE EFFECT ON PUBLIC HEALTH, SAFETY AND ENVIRONMENT:** The fee increases will allow the DEQ to continue to perform compliance activities to ensure that the public water supply program will meet state and federal requirements and Oklahoma's drinking water is protected.
18. **IF THE PROPOSED RULE IS DESIGNED TO REDUCE SIGNIFICANT RISKS TO THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT, EXPLANATION OF THE NATURE OF THE RISK AND TO WHAT EXTENT THE PROPOSED RULE WILL REDUCE THE RISK:** See paragraphs 15 and 17 above.

19. **DETERMINATION OF ANY DETRIMENTAL EFFECT ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT IF THE PROPOSED RULE IS NOT IMPLEMENTED:** See paragraphs 15 and 17 above.
20. **PROBABLE QUANTITATIVE AND QUALITATIVE IMPACT ON BUSINESS ENTITIES (INCLUDE QUANTIFIABLE DATA WHERE POSSIBLE):** See paragraph 8.

THIS RULE IMPACT STATEMENT WAS PREPARED ON: November 30, 2011