

**TITLE 252. DEPARTMENT OF ENVIRONMENTAL QUALITY  
CHAPTER 633. DRINKING WATER STATE REVOLVING FUND**

Before the Water Quality Management Advisory Council on January 5, 2023  
Before the Environmental Quality Board on February 17, 2023

**RULE IMPACT STATEMENT**

Appendix A. Funding Priority Formula [Revoked]

Appendix A. Funding Priority Formula [NEW]

**DESCRIPTION:**

The gist of this rule and the underlying reason for the rulemaking is to remove language related to application of the median household income as an element used by the Department in prioritizing seeking funding through the Drinking Water State Revolving Fund (DWSRF) program. This change is intended to clarify that the Department is to utilize information from the latest census on the median household income when prioritizing the award of DWSRF funds, rather than the dollar amounts currently listed in Appendix A. The language the Department proposes to remove does not reflect the latest census information on median household income and was intended to be illustrative only. Removing this language will clarify that DEQ is to utilize the information from the latest census for the household median income and is not required to only use the dollar amounts listed in Appendix A.

**CLASSES OF PERSONS AFFECTED:**

Classes of persons affected are municipalities and other public entities that seek funding for drinking water construction projects.

**CLASSES OF PERSONS WHO WILL BEAR COSTS:** There is no anticipated increase in costs as a result of these rule changes.

**INFORMATION ON COST IMPACTS FROM PRIVATE/PUBLIC ENTITIES:** DEQ has not received any information from other public or private entities concerning the cost impacts of the proposed regulations.

**CLASSES OF PERSONS BENEFITTED:** Municipalities, rural water districts, and other public entities that seek funding for drinking water construction projects. This will also affect customers of those systems, including incarcerated persons.

**PROBABLE ECONOMIC IMPACT ON AFFECTED CLASSES OF PERSONS:** There is no anticipated increase in costs as a result of these rule changes.

**PROBABLE ECONOMIC IMPACT ON POLITICAL SUBDIVISIONS:** It is unlikely that the proposed rulemaking will have an economic impact on political subdivisions (e.g., municipalities)

**POTENTIAL ADVERSE EFFECT ON SMALL BUSINESS:** DEQ has not identified any foreseeable adverse effect on small businesses.

**LISTING OF ALL FEE CHANGES, INCLUDING A SEPARATE JUSTIFICATION FOR EACH FEE CHANGE:** None

**PROBABLE COSTS AND BENEFITS TO DEQ TO IMPLEMENT AND ENFORCE:** None

**PROBABLE COSTS AND BENEFITS TO OTHER AGENCIES TO IMPLEMENT AND ENFORCE:** There are no anticipated impacts to other agencies.

**SOURCE OF REVENUE TO BE USED TO IMPLEMENT AND ENFORCE RULE:** Potential sources of funding include General Revenue, federal capitalization grant dollars, and fees for service for certain activities.

**PROJECTED NET LOSS OR GAIN IN REVENUES FOR DEQ AND/OR OTHER AGENCIES, IF IT CAN BE PROJECTED:** DEQ will not incur additional costs beyond the updating of this chapter

**COOPERATION OF POLITICAL SUBDIVISIONS REQUIRED TO IMPLEMENT OR ENFORCE RULE:** DEQ does not anticipate the need for additional cooperation with political subdivisions associated with this rulemaking.

**EXPLANATION OF THE MEASURES THE DEQ TOOK TO MINIMIZE COMPLIANCE COSTS:** Not applicable

**DETERMINATION OF WHETHER THERE ARE LESS COSTLY OR NONREGULATORY OR LESS INTRUSIVE METHODS OF ACHIEVING THE PURPOSE OF THE PROPOSED RULE:** DEQ has determined there are no less costly or non-regulatory methods of achieving the purpose of the proposed regulations.

**DETERMINATION OF THE EFFECT ON PUBLIC HEALTH, SAFETY AND ENVIRONMENT:** None

**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:** None

**DETERMINATION OF ANY DETRIMENTAL EFFECT ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT IF THE PROPOSED RULE IS NOT IMPLEMENTED:** There has been no determination of any detrimental effect on public health, safety and environment.

**PROBABLE QUANTITATIVE AND QUALITATIVE IMPACT ON BUSINESS ENTITIES (INCLUDE QUANTIFIABLE DATA WHERE POSSIBLE):** DEQ has not received any quantifiable or qualitative data of the impacts of the proposed updates.

**THIS RULE IMPACT STATEMENT WAS PREPARED ON:** December 1, 2022