

# SMALL PUBLIC WATER SYSTEMS

## REQUEST

**Support** the continued funding of the Drinking Water State Revolving Fund.

**Support Small System Safe Drinking Water Act of 2005 (S. 2161)** to prevent the enforcement of national primary drinking water regulations unless sufficient funding is made available for potable water at affordable rates. Support amendments to cover additional naturally-occurring contaminants, such as fluoride and radionuclides.

**Support** funding additional loan forgiveness, grants and interest subsidies.

New federal drinking water regulations adopted over the course of the last several years have impacted or will impact small water systems to a much greater extent than previous regulations. For example, treatment for the removal of naturally-occurring contaminants, such as arsenic and radionuclides is almost exclusively a problem for Central and West Texas small community water systems that are wholly dependent on groundwater. This issue, coupled with removal and disposal costs associated with the treatment of naturally-occurring contaminants, results in a significant number of small systems being non-compliant with federal drinking water standards. For example, in Texas, approximately 175 water systems will potentially violate the new arsenic standard. All but six of these water systems serve populations of less than 10,000 persons. Approximately 150 of the potential arsenic violators serve less than 3,300 persons. In most instances, there is not an alternate water source available to achieve compliance. Thus, in instances where treatment is the most feasible option, small systems are faced with securing significant and immediate funding to improve and upgrade existing water treatment facilities, in addition to substantial recurring operation and maintenance costs. The issues facing these small systems with regard to complying with various federal drinking water regulations support the passage of S. 2161.

Disinfection By Products (DBPs) are primarily a problem for surface water supplied water systems, but some groundwaters can produce DBPs. Compliance with new DBP standards is almost exclusively a current issue for small water systems since large water systems have been regulated for DBPs for several years. In most cases, small water systems can solve a DBP violation with a relatively small initial capital investment by altering their disinfection process; however, in some cases, the disinfection process change reduces the ability to control surface water related microbial contaminants such as Giardia, Cryptosporidium and viruses, as required by the surface water treatment rule. In the latter instances, major initial capital expenses may be necessary to accomplish both microbial and DBP control.

In general, capital costs for treatment processes increase on a per gallon basis as the volume of water treated decreases. Small water systems are susceptible to lower median household incomes and less diversity in the range of incomes. A much larger percentage of small water systems are privately owned, and therefore, are unqualified to access most tax subsidized public funds. Even when public funds are available, as through the Drinking Water State Revolving Fund, in many states, privately owned water systems cannot take advantage of grants or loan

forgiveness subsidies that are available to publicly owned water systems. This only serves to further the burden on the private water system's rate paying customers, who are much more likely to be financially disadvantaged.

The Texas delegation should support the existing Drinking Water State Revolving Fund as well as additional funding through the Drinking Water State Revolving Fund or through some other funding mechanism. This funding must continue to be accessible to and affordable to small water systems, including those water systems which are privately owned. To address the mounting affordability issues, these funds need to have a higher percentage of the funds available for grants, loan forgiveness and interest reduction. This additional subsidized funding is necessary to provide for water which meets standards and is affordable to disadvantaged customers.