

**Executive Summary**  
**25 Pa. Code, Chapter 109**  
**Safe Drinking Water Program Fees**

The proposed rulemaking is intended to supplement state costs for administering the Drinking Water Program. The proposed fees total nearly \$8.4 million and will replace approximately 75% of the state costs coming from the General Fund. The proposed annual fees will most likely be passed on to the 10.7 million customers of these public water systems as a user fee.

The proposed annual fees apply to all community water systems (CWS) (count = 2,068) and all bottled, vended, retail and bulk (BVRB) water systems (count = 171). The amended permit fees apply to all public water systems (count = 9,429), including community water systems, noncommunity water systems and BVRBs. Due to the current economic climate and the fact that the majority of noncommunity water systems are small businesses, the Department has opted not to require annual fees for noncommunity water systems at this time.

As per the Safe Drinking Water Act and regulations, all fees will be paid into the State Treasury into a special restricted revenue account in the General Fund known as the Safe Drinking Water Account administered by the Department. The funds may only be used for such purposes as are authorized under the Act.

At least 23 states in the nation charge annual fees to supplement program costs. Three additional states (Kentucky, Maryland and Oregon) anticipate promulgating annual fees within the next few years.

The proposed rulemaking was presented to the TAC on March 9, 2010. The TAC formed a subcommittee to evaluate the impact of the rulemaking, and presented their recommendations to TAC at their meeting on June 18, 2010. TAC made several recommendations. Some of TAC's recommendations were incorporated into the proposed rulemaking. Other recommendations were incorporated into the preamble as a means to solicit further public comment.

**Annual Fees.**

The proposed annual fees for community water systems are based on population, and range from \$300 to \$60,000. The per-person costs range from \$0.50 - \$12.00/person/year.

<b>Proposed Community Water System Annual Fees (Based on Population)</b>		
<b>Population Served</b>	<b>Annual Fee</b>	<b>Cost/Person/Year</b>
25 - 100	\$300	\$3.00 - \$12.00
101 - 500	\$500	\$1.00 - \$4.95
501 - 1,000	\$1,500	\$1.50 - \$2.99
1,001 - 2,000	\$3,000	\$1.50 - \$3.00
2,001 - 3,300	\$5,000	\$1.50 - \$2.50
3,301 - 5,000	\$7,500	\$1.50 - \$2.27
5,001 - 10,000	\$10,000	\$1.00 - \$2.00

10,001 – 25,000	\$20,000	\$0.80 - \$2.00
25,001 – 50,000	\$30,000	\$0.60 - \$1.20
50,001 – 75,000	\$40,000	\$0.53 - \$0.80
75,001 – 100,000	\$50,000	\$0.50 - \$0.67
100,001 or more	\$60,000	≤ \$0.60

The Department provided fee estimates for the following additional options at the request of TAC:

1. Annual fee based on the number of service connections (using a flat rate per connection, and no minimum or maximum fees).
2. Annual fee based on the number of service connections (using a sliding scale rate per connection and a minimum fee).

<b>Comparison of Proposed Annual Fees and Options #1 and #2</b>				
<b>Population Served</b>	<b># Service Connections</b>	<b>Proposed Fees (Per Pop)</b>	<b>Option #1 (Flat Rate per Connection)</b>	<b>Option #2 (Sliding Rate per Connection)</b>
25	9	\$300	\$15.75	\$250.00
125	46	\$500	\$80.50	\$250.00
750	278	\$1,500	\$486.50	\$903.50
3,300	1,222	\$5,000	\$2,138.50	\$3,971.50
10,000	3,704	\$10,000	\$6,482.00	\$11,112.00
50,000	18,518	\$30,000	\$32,406.50	\$32,406.50
100,000	37,037	\$50,000	\$64,814.75	\$55,555.50
120,000	45,052	\$60,000	\$78,841.00	\$67,578.00
160,000	59,259	\$60,000	\$103,703.25	\$88,888.50
250,000	92,592	\$60,000	\$162,036.00	\$138,888.00
660,000	244,444	\$60,000	\$427,777.00	\$244,444.00
820,000	303,704	\$60,000	\$531,482.00	\$303,704.00
1,600,000	592,593	\$60,000	\$1,037,037.75	\$592,593.00

Major changes to the permit fees are as follows:

<b>Population Served</b>	<b>Major Permit</b>	<b>Minor Permit</b>	<b>Bottled</b>	<b>Bottled finished</b>
25 – 100	\$300	\$100	\$500	\$100
101 – 500	\$600	\$250	\$750	\$250
501 – 3,300	\$1,000	\$500	\$1,000	\$500
3,301 – 10,000	\$2,500	\$750	\$2,500	\$750
10,001 – 50,000	\$5,000	\$1,000	\$5,000	\$1,000
50,001 – 100,000	\$7,500	\$2,500	\$7,500	\$2,500
100,001 or more	\$10,000	\$5,000	\$10,000	\$5,000

Other permit fees were also modified. However, other than the \$100 fee for operating permits, the other changes are minor.