IDAPA 58 – DEPARTMENT OF ENVIRONMENTAL QUALITY

58.01.08 – IDAHO RULES FOR PUBLIC DRINKING WATER SYSTEMS

DOCKET NO. 58-0108-2601 (FEE RULE)

NOTICE OF RULEMAKING – PROPOSED RULE

AUTHORITY: In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking. This action is authorized by Chapter 1, Title 39, Idaho Code and Idaho Code §39-119 specifically authorizes the agency to charge and collect reasonable fees.

PUBLIC HEARING SCHEDULE: Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than September 16, 2026.

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

The purpose of this rulemaking is to revise the fee schedule found in IDAPA 58.01.08.007, Idaho Rules for Public Drinking Water Systems.

The proposed update is intended to update the 1993 fee schedule and align drinking water fees with current and anticipated program operating costs and reduce the reliance on declining and volatile federal funding sources. This will allow the Department to retain primary enforcement authority instead of the Environmental Protection Agency and maintain regulatory oversight of the drinking water program to ensure public health protection.

FEE SUMMARY: The following is a specific description of the fee or charge imposed or increased:

The proposed rule will replace the current tier-based fee structure with a base fee of $100 for all system and a base rate for community and non-transient, non-community systems of $5.65 per service connection. The proposal implements the change over a 3-year period.

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars ($10,000) during the fiscal year resulting from this rulemaking:

Not applicable.

IDAHO CODE SECTION 39-107D STATEMENT: This proposed rule only regulates activities that are already regulated by the federal government, and it is not broader in scope or more stringent than existing federal regulations.

This rulemaking does not revise substantive drinking water standards. The proposed amendments are broader in scope than federal law or regulations only with respect to the assessment and collection of annual drinking water system fees. The fees are authorized by Section 39-119, Idaho Code.

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220, Idaho Code, negotiated rulemaking was conducted. On April 1, 2026, the Notice of Intent to Promulgate Rules – Negotiated Rulemaking was published in the Idaho Administrative Bulletin, Volume 26-4 pages 19-20. Three public meetings were held during the negotiated rulemaking process.

At the conclusion of the negotiated rulemaking process, DEQ submitted the draft rule to the Division of Financial Management for review. DEQ formatted the draft for publication as a proposed rule and is now seeking public comment. The negotiated rulemaking record, which includes the negotiated rule drafts, documents distributed during the negotiated rulemaking process, and the negotiated rulemaking summary, is available at Drinking Water: Docket No. 58-0108-2601 | Idaho Department of Environmental Quality.

INCORPORATION BY REFERENCE: Not applicable.

ASSISTANCE ON TECHNICAL QUESTIONS: For assistance on questions concerning this proposed rulemaking, contact Tyler Fortunati at tyler.fortunati@deq.idaho.gov or (208) 373-0140.

SUBMISSION OF WRITTEN COMMENTS: Anyone may submit written comments regarding this proposed rule. DEQ will consider all written comments received on or before September 23, 2026. Submit written comments to:

Tyler Fortunati
Department of Environmental Quality
1410 N. Hilton, Boise, ID 83706
tyler.fortunati@deq.idaho.gov

Dated this 2nd day of September, 2026.

Diane Cutler
Rules and Planning Analyst
Department of Environmental Quality
1410 N. Hilton Street
Boise, Idaho 83706
208-373-0165
Diane.Cutler@deq.idaho.gov

THE FOLLOWING IS THE PROPOSED TEXT OF FEE DOCKET NO. 58-0108-2601
(Only Those Sections With Amendments Are Shown.)

58.01.08 – IDAHO RULES FOR PUBLIC DRINKING WATER SYSTEMS

007. FEE SCHEDULE FOR PUBLIC DRINKING WATER SYSTEMS.
All owners of PWSs must pay an annual drinking water system fee. The fee will be assessed as provided in this section. ~~The Department may waive the requirements of this section at its discretion.~~ ~~(7-1-24)~~( )

01. Effective Date. Annual fees will be paid for each fee year. Fee years begin on October 1 of each calendar year. (7-1-24)

02. Fee Schedule. (7-1-24)

a. Owners of community and non-transient non-community PWSs must pay an annual fee ~~according to the following fee schedule:~~ of one hundred dollars ($100) plus a per service connection fee of five dollars and sixty-five cents ($5.65). The new fee structure will be implemented as follows: ( )

i. Beginning one (1) year after the effective date of this rule all PWSs will be assessed an annual fee, in accordance with IDAPA 58.01.08.007.04 Billing, of one hundred dollars ($100) plus a per service connection fee of three dollars ($3.00). ( )

ii. Beginning two (2) years after the effective date of this rule all PWSs will be assessed an annual fee, in accordance with IDAPA 58.01.08.007.04 Billing, of one hundred dollars ($100) plus a per service connection fee of five dollars and sixty-five cents ($5.65). ( )

Number of Connections	Fee
1 to 20	$100
21 to 184	$5 per connection, not to exceed a total of $735 per PWS
185 to 3,663	$4 per connection, not to exceed a total of $10,988 per PWS
3,664 or more	$3 per connection

(7-1-24)

b. The annual fee for transient PWSs is twenty-five one hundred dollars ($25100). (7-1-24)( )

c. New PWSs formed established after October August 1 will not pay a fee until the following October next annual billing cycle. (7-1-24)( )

03. Fee Assessment. (7-1-24)

a. An annual fee assessment will be generated for each community and non-transient non-community PWS using the number of service connections the Department has on record. (7-1-24)( )

b. Community and non-transient non-community PWSs will be notified each year of the official number of service connections listed in SDWIS the Department has on record. PWSs will have at least one (1) month to notify the Department if the number of service connections provided are not in agreement with the PWS's records. (7-1-24)( )

04. Billing. An annual fee statement will be mailed or delivered electronically, where not otherwise prohibited, to all PWS owners on record with the Department by September 1 of each year and will include acceptable payment methods. (7-1-24)( )

05. Payment. (7-1-24)

a. Annual fee payment will be due on October 1, unless it is a Saturday, a Sunday, or a legal holiday, in which event the payment will be due on the successive business day. (7-1-24)

b. Invoice payment must be made using an electronic funds transfer or through the online payment portal, unless otherwise prohibited. ( )

bc. If a PWS consists of two hundred fifty (250) service connections or more, the PWS may request to divide its annual fee payment into equal monthly or quarterly installments by submitting a written request to the Department. (7-1-24)( )

i. A PWS must accept electronic delivery of the invoice and remit payment electronically to be eligible for quarterly installments. ( )

ii. The Department will notify PWSs of approval or denial of a the requested monthly or quarterly installment plan within ten (10) business days of receiving the request. (7-1-24)( )

ii. If a PWS has been approved to pay monthly installments then each installment will be due by the first day of each month, unless it is a Saturday, a Sunday, or a legal holiday, in which event the installment will be due on the successive business day. (7-1-24)

iii. If a PWS has been is approved to pay quarterly installments then each installment will be due by the first day of the month of each quarter (October 1, January 1, April 1, and July 1), unless it is a Saturday, a Sunday, or a legal holiday, in which event the installment will be due on the successive business day. (7-1-24)( )

iv. Approval granted after August 1 will not be invoiced quarterly until the following year. ( )

06. Delinquent Unpaid Fees. ( )

a. A PWS owner will be delinquent in payment if its annual fee assessment has not been received by November 1; or if having opted to pay ~~monthly or~~ quarterly installments, its ~~monthly or~~ quarterly installment has not been received by the last day of the month in which the ~~monthly or~~ quarterly payment is due. ~~(7-1-24)~~( )

b. A one-time late fee shall be assessed for any PWS that is more than ninety (90) days delinquent in payment. The late fee shall be the greater of fifty dollars ($50) or ten percent (10%) of the total invoiced amount, not to exceed one thousand dollars ($1,000). ( )

c. Any PWS delinquent in payment of its annual fee and associated late fee, in excess of one hundred and eighty (180) days, will be referred for collection in accordance with Section 67-2358, Idaho Code. Upon referral, the PWS shall remain responsible for the full amount of all fees assessed, including any additional costs, interest, or charges incurred through the collection process or imposed by the collection agency. ( )

07. Suspension of Services and Disapproval Designation. (7-1-24)

a. For any PWS owner delinquent in payment of fee assessed under Subsections ~~010~~007.02, in excess of ninety (90) days, technical assistance provided by the Department may be suspended ~~except for review and processing of~~ as follows: ~~(7-1-24)~~( )

i. Review and processing of ~~M~~monitoring waivers; and ~~(7-1-24)~~( )

ii. ~~Engineering reports; and~~Third party technical assistance provider referrals. ~~(7-1-24)~~( )

~~iii. Plans and specifications for design and construction as set forth in Sections 500 through 552.~~ ~~(7-1-24)~~

b. For any PWS owner delinquent in payment of fee assessed under Subsections 007.02, in excess of one hundred and eighty (180) days, the Department may disapprove the PWS pursuant to Subsection 00~~7~~5.06 and may suspend all technical assistance provided, as indicated above, and including review and processing of: ~~(7-1-26)~~( )

i. Engineering reports~~;~~. ~~(7-1-24)~~( )

ii. Plans and specifications for design and construction as set forth in Sections 500 through 552~~; or~~. ~~(7-1-24)~~( )

iii. ~~Monitoring waivers~~Revocation of approval for quarterly installments. ~~(7-1-24)~~( )

08. Reinstatement of Suspended Services and Approval Status. For any PWS owner for which suspension of ~~technical assistance~~ services, disapproval, or both has occurred, reinstatement of ~~technical assistance~~ services, approval, or both, will occur upon payment of delinquent annual fee assessments and any incurred late fees. ~~(7-1-24)~~( )

09. Fee Reduction or Temporary Suspension. In the event that the total unobligated fund balance exceeds six (6) months or fifty percent (50%) of annualized program expenditures as of the close of the most recent state fiscal year, the Department may, at its discretion, reduce or suspend fee assessments for the next invoicing cycle, in whole or in part, as necessary to maintain prudent reserves, continued program sustainability, and regulatory compliance. The Department shall establish the duration, eligibility criteria, and any limitations of such reduction or suspension as necessary to ensure continued program sustainability and regulatory compliance. ( )

~~09~~**10. Responsibility to Comply**. S~~ubs~~ection 007~~.07~~ in no way relieves any PWS from its obligation to comply with these rules. ~~(7-1-26)~~( )