DEQ'S RESPONSE TO COMMENTS/PROPOSED RULE

IDAPA 58.01.08 – IDAHO RULES FOR PUBLIC DRINKING WATER SYSTEMS

DOCKET NO. 58-0108-2601

1. City of Middleton
2. Priest Lake Water LLC
3. Bighorn Hills
4. Veolia
5. Santa-Fernwood Sewer
6. Rick Pongratz
7. Idaho Rural Water Association

Cmt #	Constituent	Commenter	Comment Summary	Response
1.	City of Middleton	1	The City of Middleton supports the revisions to the Drinking Water Fee as described in Proposed Rule Docket No.58-0108-2601 and recognizes that while fee increases are important to avoid to the extent possible, Idaho Department of Environmental Quality Drinking Water Division does an important work in maintaining the public's confidence in our state's public water systems. We consider it a significant	Thank you for your comments and support of the Department's drinking water program.

			benefit to our state's residents for Idaho's Department of Environmental Quality to maintain primacy over the implementation federal drinking water standards and therefore advocate for this rule revision to appropriately fund that agency with a moderate fee increase.	
2.	Priest Lake Water LLC	2	I am writing on behalf of Priest Lake Water LLC to formally register our strong opposition to the proposed Idaho Department of Environmental Quality (DEQ) Water Fee increases. As the new owners of this system, we are quickly learning firsthand just how costly it is to run a small public water district under the current regulatory landscape. While we fully understand and support the core necessity of keeping rigorous clean water standards, the timing and structural scale of these compounding fee hikes pose an existential threat to small, rural, and recreational districts like ours. Adding increased DEQ testing mandates and higher administrative fees creates a cumulative burden that is simply no longer manageable. Under the current rules in place, it is already extremely difficult to ask for and successfully get rate increases approved. Ultimately, these fee increases function as an unfunded mandate that forces us to choose between infrastructure stability and rate affordability. We urge the DEQ to consider the disproportionate impact these rules have on rural systems compared to larger urban utilities. In response to the options presented via the Idaho Rural Water Association (IRWA), Priest Lake Water LLC System notes that any increase in fees severely impacts our tight budget, our ability to cover operational costs, and our capacity to invest in infrastructure.	Thank you for your comments. The Department recognizes the challenges of small public drinking water systems and considered those concerns in developing the proposal. Significant effort was made to engage and incorporate feedback from small public water systems into the proposed rule. The Department built the proposed fee structure to replace the drinking water program's federal funding shortfall. Care was taken to ensure the proposed fee structure provided a projected funding amount that was as close to the lost federal funding amount as possible without generating unnecessary additional funding. The Department worked with stakeholders to develop a three-year implementation timeline that allows system administrators time to develop appropriate budgets and fee structures to accommodate the

			Priest Lake Water LLC runs on a tight budget, yet we successfully meet all DEQ requirements and consistently self-fund our own system improvements. We have actively chosen not to borrow money. We appreciate the opportunity to weigh in on these proposals and urge the DEQ to adjust the final rules to protect the financial viability of Idaho's small, rural water systems and the operators working hard to support them.	change. In Priest Lake's instance, with 71 listed connections, the current fee of $355 or about $0.42 per connection per month will be reduced slightly in the first year to $313 then at full implementation will be $501.15 or an increase of $0.17/connection per month for approximately $0.59/connection/month.
3.	Bighorn Hills	3	It seems excessive to have a flat $100 on top of the per hook up fee of 5.65.	Thank you for your comments. The Department built the proposed fee structure to replace the drinking water program's federal funding shortfall. Care was taken to ensure the proposed fee structure provided a projected funding amount that was as close to the lost federal funding amount as possible without generating unnecessary additional funding. If the $100 flat fee were removed, that funding would have to be absorbed into a higher per connection fee. The same $100 base fee applies to all systems, regardless of size.
4.	Veolia	4	Thank you for the opportunity to provide input on the proposed rule change.	Thank you for your comments. The Department built the proposed fee structure to replace the program's

			I wanted to mention that an annual fee that is more easily divisible by 12 is far simpler to reflect as a monthly amount for water providers that include the safe drinking water fee on customers' monthly bills for transparency. A $5.65 annual fee is more difficult to split and pro-rate than an annual fee of $5.64 for example, which results in a flat $0.47 per month. Adjusting the fee amount would eliminate rounding issues and prevent the need for customized billing rules. However, I understand that even a small change in the dollar amount can have a big overall impact statewide, on utilities and especially customers. Thank you for your consideration.	federal funding shortfall while minimizing additional costs to systems. The $5.65 per connection amount was selected to closely match the projected funding need without generating unnecessary additional funding. Systems retain flexibility in how they recover that cost from customers. For example, a system could account for the rounding difference in one billing period.
5.	Santa-Fernwood Sewer	5	I am writing to let you know that the three systems that I work for, the Fernwood Water and Sewer District, Santa Water and Sewer District and the Santa-Fernwood Sewer District are VERY SMALL SIZED drinking water and wastewater systems. Even though one of the systems, the Fernwood Water & Sewer District is just over 500 population within the last few months, I still consider each of them a Very Small Drinking Water and Wastewater System. Increasing the fees to be paid to IDEQ will put a strain on our budget that has already been made for the 2026-2027 year. These three systems are operating on a very fine shoestring right now and with the price increases on parts, fuel, wages, etc., adding an increase in the fee to pay IDEQ yearly will add a significant strain on our budgets.	Thank you for your comments. The Department recognizes the challenges of small public drinking water systems and considered those concerns in developing the proposal. Significant effort was made to engage and incorporate feedback from small public water systems into the proposed rule. The Department worked with stakeholders to develop a fee increase implementation timeline that would keep drinking water fees at their current rate allowed by rule until September 30, 2028. This was done to allow public water systems adequate time to incorporate the fee increase into future budgets and to

			I think that you must reconsider your intent to change the current fee rule and think about all of the small systems in Idaho that are barely scraping by. In today's economy where the price of everything has increased exponentially, adding one more burden to our already straining budgets will be a detriment to every system in Idaho.	not impact currently operating, or near term, budgets.
6.	Rick Pongratz	6	Thank you for the opportunity to comment on the proposed fee increase for public drinking water systems. I'm writing to respectfully request that you amend the proposal and reduce or eliminate the increase proposed for small neighborhood systems. Our drinking water network is a small (25 connections) system. The labor and expense to safely maintain the system is already taxing for our families. As it stands, we already rely on local residents donating time and materials to keep our system running. This increase will further tax our residents. Please do not increase this fee.	Thank you for your comments. The Department recognizes the challenges of small public drinking water systems and considered those concerns in developing the proposal. Significant effort was made to engage and incorporate feedback from small public water systems into the proposed rule. The Department built the proposed fee structure to replace the drinking water program's federal funding shortfall. Care was taken to ensure the proposed fee structure provided a projected funding amount that was as close to the lost federal funding amount as possible without generating unnecessary additional funding. A flat fee structure was developed that was as equitable as possible across all systems, regardless of system size.

				Additionally, the Department worked with stakeholders to develop a three-year implementation timeline that allow system administrators time to develop appropriate budgets and fee structures of their own to accommodate the fee increase.
7.	Idaho Rural Water Association	7	The Idaho Rural Water Association (IRWA) provides training, technical assistance, and a representative voice for public drinking water and wastewater utilities in Idaho that serve communities with populations under 10,000. Our membership includes more than 385 drinking water utility systems and is governed by a seven-member, volunteer board of directors elected from among our member systems. On behalf of IRWA's member systems, we appreciate the opportunity to participate in this third public comment period to demonstrate our support and reiterate our recommendations regarding the Idaho Department of Environmental Quality's (DEQ) rulemaking for Drinking Water Fees, Docket No. 58-0108-2601. IRWA has participated in all portions of the negotiated rulemaking process since the initial public discussion session on April 9, 2026. Our Association was pleased to see participation from several small, rural communities in this process, and we commend DEQ for their efforts to ensure those system representatives are heard. Throughout the negotiated rulemaking process, IRWA has advocated for a flat rate drinking water fee, with increases to be implemented in a phased approach and with the discretion to reduce or remove fees as warranted by DEQ. Our priority with	Thank you for your comments and support of the Department's drinking water program.

			these recommendations is to ensure a fair and equitable transition to the new fee structure for rural utilities with limited funding. IRWA's comments on behalf of our utility members have been implemented in the most recent iteration of the proposed rule changes. IRWA supports DEQ's most recent draft of Docket No. 58-0108-2601 and commends DEQ's engagement of rural utility professionals throughout the negotiated rulemaking process.	