



September 2011  
SFR-074/11

# Report to the Governor: Public Water System Capacity Development Program

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Water Supply Division

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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**Report to the Governor:  
Public Water System  
Capacity Development Program**

Water Supply Division  
Texas Commission on Environmental Quality  
SFR-074/11  
September 2011



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## EXECUTIVE SUMMARY

The Texas Commission on Environmental Quality (TCEQ) is the primary state agency authorized to enforce the federal 1996 Amendments to the Safe Drinking Water Act (SDWA) and state and federal rules and regulations for public water systems<sup>1</sup>. The TCEQ is also the agency responsible for the general supervision and oversight of water utilities.

The 1996 reauthorization of and Amendments to the federal Safe Drinking Water Act 1420 (c) (3) states:

Not later than 2 years after the date on which a state first adopts a capacity development strategy under this subsection, and every 3 years thereafter, the head of the state agency that has primary responsibility to carry out this title in the state shall submit to the Governor a report that shall also be available to the public on the efficacy of the strategy and progress made toward improving the technical, managerial and financial capacity of public water systems in the state.

This fourth report to the Governor accounts for the TCEQ's implementation and enforcement authority for the drinking water program. This report will be made available to the public on the TCEQ's web site.

At the close of the 2011 fiscal year (FY11) there are 6,969 known active public water systems in Texas. Of the 6,969 known active public water systems, there are 4,730 active community water systems; 893 active nontransient noncommunity systems; and 1,299 active transient noncommunity systems. The 4,730 active community water systems are comprised of 3,151 retail water public utilities<sup>2</sup> of which 1,382 are private investor-owned utilities; 956 are water districts; 960 are municipalities; 862 are non-profit water supply corporations<sup>3</sup>, 15 are county water systems and one is a Federal Government water system.

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- 1. A *public water system* is defined as a system for the provision to the public of water for human consumption through pipes or other constructed conveyances, which includes all uses described under the definition for drinking water. Such a system must have at least 15 service connections or serve at least 25 individuals at least 60 days out of the year.**
  - 2. A *retail public utility* is defined as any person, corporation, public utility, water supply or sewer service corporation, municipality, political subdivision or agency operating, maintaining, or controlling in this state facilities for providing potable water service or sewer service, or both, for compensation.**
  - 3. A *water supply corporation* is defined as any nonprofit corporation organized and operating under Texas Water Code, Chapter 67, that provides potable water service for compensation and that has adopted and is operating in accordance with bylaws or articles of incorporation which ensure that it is member-owned and member-controlled. The term does not include a corporation that provides retail water to a person who is not a member, except that the corporation may provide retail water service to a person who is not a member if the person only builds on or develops property to sell to another and the service is provided on an interim basis before the property is sold.**

Many divisions in the TCEQ deal with public water systems, including Water Supply, Field Operations, Compliance Support, Enforcement, Environmental Law, Litigation, Border Affairs, Operator Certification, and Small Business & Environmental Assistance.

One of the TCEQ's benchmarks for meeting its objectives is the percentage of Texans that get their drinking water from a public water system meeting or exceeding safe drinking water standards. To achieve this benchmark, the TCEQ recognizes that the future of water systems depends on their ability to plan for and achieve long-term compliance. The TCEQ has embarked on a program to ensure the financial, managerial, and technical capacities of public drinking water systems. As of August 2011, 94 percent of people in Texas who get their water from a public water system are getting water that meets or exceeds the safe drinking water standards. Furthermore, 95 percent of Texas Public Water Systems are currently protected by a source water protection program; and 95 percent of Texas population is currently served by a Public Water System protected by a program which prevents connection between potable and non-potable water sources.

Although the public drinking water and the utilities programs had begun interacting informally long before their merger under the Texas Natural Resource Conservation Commission (predecessor agency to the TCEQ) in 1992, a formal initiative to address the viability of drinking water systems began in Texas in 1994.

After the 1996 Amendments to the SDWA were adopted, the TCEQ renewed its commitment to this initiative under the Capacity Development Program through funding from the available set-asides from the SDWA's Drinking Water State Revolving Fund (DWSRF) which allows the state to set aside a portion of the capitalization grant to develop, implement, and maintain the program. The SDWA, along with provisions in Senate Bill 1 from the 1997 Texas Legislative Session and Senate Bill 2 from the 2001 Texas Legislative Session, provides the federal and state statutory framework to advance the viability of public water systems. From on-site financial, managerial, and technical assistance (FMT) to training and direct financial support available through the DWSRF, Texas is conducting a wide range of activities to promote the ability of public water systems to comply with drinking water standards.

The TCEQ promotes developing and maintaining financial, managerial, and technical capacity of individual and regional public water systems through four main objectives of the TCEQ's Capacity Development Program which are:

- Ensuring that new systems are viable;
- Assessing the viability of existing systems;
- Improving the viability of existing systems; and
- Assisting nonviable systems in restructuring.

## NEW RULES AND REGULATIONS

Both the 81<sup>st</sup> (2009) and 82<sup>nd</sup> (2011) Texas Legislative Sessions passed minor revisions to allow landowners more flexibility to obtain water and/or wastewater service from an alternate service provider if the current Certificate of Convenience and Necessity (CCN) holder is unable or unwilling to serve. Other legislation affecting public water systems includes rainwater harvesting cross connection requirements and emergency preparedness plan requirements for some populous counties in hurricane prone areas.

## SECURITY AND EMERGENCY RESPONSE

During the three years since the 2008 Capacity Development Report to the Governor, the TCEQ has continued its partnership with the Texas Water and Wastewater Agency Response Network known as TxWARN. TxWARN serves as the state's main vehicle to promote statewide emergency preparedness, disaster response, and mutual assistance for public and private water and wastewater utilities. TCEQ is the primary funding source for TxWARN. Over the last three years TxWARN has increased its membership capabilities to provide assistance through its enhanced coordination with the Texas Department of Emergency Management Public Works Response Team. This team provides highly trained personnel from across the state to assist water and wastewater utilities during any type of incident.

The TCEQ has also partnered with the United States Coast Guard, Environmental Protection Agency, and the Texas General Land Office to implement the use of a centralized data system for disaster response activities. The system, known as Response Manager, allows a means of documenting and tracking the operational status of water and wastewater systems in a manner that allows for coordination of field and office assessments. Response Manager also provides enhanced features for reporting on activities conducted to respond during a natural disaster.

## SUPPLY AND DEMAND

The TCEQ is interested in any reasonable and affordable way public water systems can increase water availability and keep public drinking water systems compliant with its rules and state or federal laws. Technologies such as rainwater harvesting, desalination, conservation, reuse, regionalization, reclamation, and other approaches to match supply with demand continue to be noteworthy options to managing Texas' water supplies.

## **BACKGROUND**

After the 1996 Amendments to the SDWA were adopted, the United States Environmental Protection Agency (EPA) required states to submit strategies addressing financial, managerial, and technical issues for new and existing public water systems. The EPA approved the TCEQ strategy for new public water systems on July 16, 1999, and the EPA approval of the TCEQ strategy for existing public water systems followed on July 6, 2000, making Texas eligible to receive yearly DWSRF grants the TCEQ and the Texas Water Development Board (TWDB). The DWSRF loan program funds are used to address public health priorities and assist water systems in achieving compliance with the SDWA by providing low-interest loans to public water systems to ensure that Texas' drinking water supplies remain safe, adequate, and affordable and that those public water systems have access to the assistance needed to ensure that the system will be properly operated and maintained.

### **THE DWSRF LOAN PROGRAM OBJECTIVES:**

- Address public health priorities;
- Achieve compliance with the Safe Drinking Water Act;
- Assist systems in providing affordable drinking water; and
- Maintain the long-term viability of the fund.

## **ENSURING THAT NEW SYSTEMS ARE VIABLE**

The first of the four TCEQ Capacity Development Program objectives is ensuring that new systems are viable. To accomplish this objective, the TCEQ screens applicants seeking to create or develop new stand-alone systems for overall operating capability. The TCEQ also considers whether or not a stronger system might be formed through service provided by an existing nearby water provider. The TCEQ's Capacity Development Program's objective of ensuring that new systems are viable results in the formation of new systems that possess sufficient FMT skills to provide continuous and adequate service.

Business plan reviews and financial and managerial (FM) assessments are important components in ensuring that new systems are viable. The TCEQ evaluates potential new stand-alone systems for revenue sufficiency; access to financial capital; fiscal management and controls; ownership accountability and staffing; and organization. During the last three years, the TCEQ has performed 358 FM capability reviews of public water systems.

Prior to the submittal of engineering plans and specifications to the TCEQ, all proposed start-up, stand-alone public water systems are required to attempt to obtain water service from neighboring public water providers within one-half mile of the proposed area to be served. The proposed new public water systems must make a written request for service the existing neighboring service provider(s).

The neighboring system(s) must respond to the request indicating whether they want to serve or that they are unwilling to serve the requested area.

Proposed start-up retail public utilities applying to obtain a CCN must also demonstrate that they have attempted to obtain water service from a neighboring water system(s) or show that it would not be economically feasible to partner with an existing nearby system(s). To comply with this requirement, the applicant must investigate any system that is located within two miles of the intended service area of the proposed new stand-alone water utility.

CCN applicants are required to provide written public notice to all neighboring cities and water utilities within five miles of a proposed new service area and within two miles of a proposed amended water service area. In addition, the CCN applicant must publish notice in a local newspaper once a week for two consecutive weeks. This public notice requirement allows an opportunity for public water systems in the area to contact the CCN applicant to explore system partnership opportunities.

Proposed new water districts that apply to the TCEQ for creation must also provide public notice and demonstrate FMT capability to the TCEQ to ensure viability. Water districts that finance water system improvements through the use of bonds must have the TCEQ's approval of the proposed project and funding. Another highlight of the TCEQ's Capacity Development Program's effort is evidenced in the continued success of the expedited bond review process which enables funding for water districts.

## **ASSESSING THE VIABILITY OF EXISTING SYSTEMS**

The second of the four TCEQ Capacity Development Program objectives is assessing the viability of existing systems. Assessing the overall viability of a public water system provides valuable information about the collective strengths and weaknesses of public water systems to the TCEQ, the EPA, the system owner(s), system operator(s), the customers, and funding agencies.

At the close of FY11, 94 percent of Texans who get their water from a public water system are getting water that meets or exceeds the safe drinking water standards. Furthermore, 95 percent of Texas public water systems are currently protected by a source water protection program; and 95 percent of the Texas population is currently served by a public water system protected by a program which prevents connections between potable and non-potable water sources.

The TCEQ's regional office staff conducts thousands of comprehensive compliance investigations, sanitary surveys, and consumer complaint investigations of public water systems. These investigations are followed by letters informing the systems of their compliance status and any TCEQ rules and regulations observed by the regional inspector. This information helps the TCEQ and the systems assess vital technical and managerial capabilities.

In the event that enforcement action is required to ensure a public drinking water system is brought into compliance, that action is pursued through the administrative process and, if necessary, through civil court. These actions typically culminate in administrative orders or judgments outlining appropriate corrective action(s).

The TCEQ's sampling and monitoring program assesses the water quality of public water systems around the state. Water quality monitoring includes analyzing and reporting both microbiological and chemical water quality samples.

As required by the SDWA, the DWSRF includes a requirement that all public water systems interested in being considered as applicants be assessed and ranked by the TCEQ for an *Intended Use Plan* (IUP). Each year the TCEQ assesses the health and compliance factors as well as certain physical deficiencies of IUP applicants. This assessment results in a ranked list of public water systems that the TWDB uses to determine eligibility for funding under the DWSRF loan program.

State legislation enacted in 1999 allows the TWDB to require entities interested in obtaining funding for water or wastewater projects from the Economically Distressed Area Program to first get the TCEQ to assess their overall capability to operate a system. Similar to the DWSRF assessments, these include a field assessment and a review of the system's compliance history and current status.

Each utility that applies for an amendment to their CCN service area is assessed to ensure the existing utility possesses the FMT to provide continuous and adequate service to the proposed area. Final orders to amend an existing CCN may require improvements be made to ensure the system remains viable and in compliance.

Investor-owned utilities must gain approval for rate changes from the TCEQ. During the rate-approval process, the TCEQ staff assesses the utility's overall capability to cover its cost of service so the utility can maintain and operate the system, and to earn a reasonable rate of return on the utility's investment.

The TCEQ staff review district creations and bond applications to determine whether a project is feasible, practicable, and beneficial to the district. Certain districts are required to file an annual audit report which must certify that water district personnel received the required training and state whether there is any indication of financial weakness.

The TCEQ's Water Supply Division's Drinking Water Protection Team generates source water susceptibility assessment reports as a component of the Source Water Assessment and Protection Program. These source water assessments help public drinking water systems protect their sources by generating information regarding each system's susceptibility to source water contamination. The assessments are provided to water system management for

inclusion in Consumer Confidence Reports and subsequent implementation of local source water protection programs.

## **IMPROVING THE VIABILITY OF EXISTING SYSTEMS**

The TCEQ communicates with thousands of water system operators, managers, and customers each year. Regional and central office staff provides a wide variety of assistance over the phone, through written correspondence, and the TCEQ's web site. Opportunities for personal interaction are further facilitated by training workshops featured at the TCEQ's Water Supply Division's Annual Public Drinking Water Conferences.

The TCEQ's Water Supply Division hosted the Seventh Annual Public Drinking Water Conference on August 11-12, 2009. The recurring theme was "Information and Tools for Public Water Systems and Utilities." A total of 843 people attended the conference, including 85 exhibitors and outside speakers, 603 attendees consisting of water system operators, board presidents, managers, and engineers from across the state coming to learn more about drinking water. TCEQ staff gave 26 presentations on topics ranging from utility financing, emergency preparedness, plan review requirements, emerging issues for both groundwater, and surface water, and reducing unaccounted for water.

The Water Supply Division hosted the Eighth Public Drinking Water Conference on August 10 - 11, 2010. The recurring theme was "Information and Tools for Public Water Systems and Utilities." A total of 850 people attended the conference, including 599 attendees consisting of water operators, board presidents, managers, and engineers from across the state coming to learn more about drinking water. TCEQ staff gave 26 presentations on topics ranging from utility rate design, emergency preparedness, plan review requirements, emerging issues for both groundwater and surface water, and chemical controls/monitoring.

The Water Supply Division hosted the Ninth Public Drinking Water Conference on August 9-10, 2011. The recurring theme was "Information and Tools for Public Water Systems and Utilities." A total of 826 people attended the conference, including 124 exhibitors outside speakers 584-attendees consisting of water operators, board presidents, managers, and engineers from across the state coming to learn more about drinking water. TCEQ staff gave 28 presentations on topics ranging from total coliform rule, emergency preparedness, plan review requirements, emerging issues for both ground water, and surface water, how to prepare for a TCEQ investigation, and stage two disinfection byproducts rules.

One of the highlights of the Water Supply Division's Public Drinking Water conferences is the "TCEQ Technical Assistance Room" where staff is available in an informal setting to answer specific questions from the water system operators and managers. Both the TCEQ and the attendees learn from the exchanges,

forging a stronger partnership and understanding of the challenges faced by all involved in drinking water and utility regulation. The TCEQ learned from assistance providers and the public water system recipients that direct, on-site assistance is one of the most effective ways of improving the viability of existing public water systems.

#### FINANCIAL MANAGERIAL AND TECHNICAL: ASSISTANCE CONTRACT

In an effort to improve the viability of public drinking water and wastewater systems throughout Texas, TCEQ offers assistance at no charge for systems needing help to solve FMT operational problems. Many of these water and wastewater systems may have the potential for regulatory compliance violations if corrections are not made. This free utility assistance is known as the FMT Assistance contract.

The FMT Assistance contract currently resides with the Texas Rural Water Association (TRWA). In FY09-FY11, over 4,753 FMT Assistance assignments were made. Some examples of the assignments include:

Developing and updating tariffs, rate analysis, and funding sources;

- A joint project of the FMT contract and Homeland Security Counter Terrorism to help systems with Vulnerability Assessments and Emergency Response Plans;
- Providing assistance with CCN application preparation and board training;
- Providing technical assistance for compliance with disinfection byproducts, arsenic, sampling requirements, and water loss;
- Providing assistance for Drinking Water State Revolving Fund applicants and others assessments;
- Consolidation assessments and assistance to encourage and assist in regionalization and to facilitate consolidation of systems; and
- EPA Needs assessments.

#### FINANCIAL MANAGERIAL AND TECHNICAL: EMERGENCY PREPAREDNESS

The 81<sup>st</sup> Texas Legislature passed legislation in 2009 that required affected utilities in Harris County to develop and implement emergency preparedness plans to ensure operations of water systems during power outages as a result of a natural disaster. Over 250 systems requested FMT Assistance. FMT contractors made on-site visits to assist affected utilities develop Emergency Preparedness Plans.

#### FINANCIAL MANAGERIAL AND TECHNICAL: TRAINING

The TCEQ and the FMT contractor organized training seminars in South, West and East Texas in FY09-10. The purpose of the seminars was to provide

assistance with utility regulations, management and board training. Coordination between TCEQ's central office, field offices and the FMT contractor made for popular and successful seminars with a total of over 200 participants.

The TCEQ participates in a state, federal, and international work groups to help public water systems along the border improve their FMT capabilities and promotes regionalization, where it is feasible. The TCEQ works closely with training providers to encourage the availability and delivery of more training courses for operator certification.

#### OPERATOR CERTIFICATION PROGRAM

The TCEQ continues to provide public water system operator licensing examinations, approve water system operator training, and issue and renew public water system operator licenses. As of June 1, 2011, there were 16,737 licensed water operators in Texas, reflecting a 15 percent increase since FY08. For the period September 2008 through May 2011, the TCEQ has administered 21,293 water operator license exams, has issued 9,242 new water operator licenses, and has renewed 13,280 water operator licenses.

The Texas Small Public Water System Training Program, funded by an EPA Expense Reimbursement Grant, ended on August 31, 2010. This grant consisted of approximately 9.1 million dollars and paid for training and licensing fees for small public water systems that were community or nontransient, noncommunity systems serving a population of 3,300 or fewer.

During the course of the program, funding was provided toward 1,645 classes; 4,769 issued licenses; and 1,065 cluster courses for 8,195 attendees. Information about the Texas Small Public Water System Training Program is available at: <[www.txsmallwater.org](http://www.txsmallwater.org)>.

#### IMPROVING THE VIABILITY OF EXISTING SYSTEMS: OTHER ACTIVITIES

Plans and specifications for new public water systems or system expansion and alterations are required to be submitted for review and approval. This review assists systems to ensure applicable rules and regulations are met. During FY09-FY11, TCEQ staff received and reviewed a total of 4,297 plans.

The TCEQ manages the Texas Optimization Program, which is a voluntary program designed to enhance the overall operating ability of any existing utility and the performance of that utility's surface water treatment plants without major capital improvements. The goal of the program is to reduce the risk of waterborne disease by reducing the number of pathogenic organisms that pass through a treatment plant. The program provides in-depth assistance, training, and recognition to participating entities. The TCEQ is also working to enhance optimization of groundwater systems through the Area-Wide Optimization Program.

Each year, the TCEQ provides managerial and technical support to public water systems by contracting with a vendor to collect nearly 12,000 water samples for chemical analysis from public water system entry points designated by the TCEQ.

The TCEQ provides public water systems with notices of violations and information on notification; sampling; and other requirements based on the water sample results.

Information from source water assessments can be used to assist existing public water systems by helping to identify systems that need additional or reduced monitoring based on potential sources of contamination.

The TCEQ developed model drought contingency plans for small systems. The plans are available on the TCEQ's website to assist public water systems in meeting the drought contingency plan submittal requirements. The TCEQ provides assistance across the state in drought plan preparation and enforcement and reviews drought and water conservation plans for compliance.

The TCEQ assists public water systems in meeting the requirement to provide customers with Consumer Confidence Reports (CCRs) by providing training, generating the reports and a template. This report allows systems to make their customers aware of the quality of their drinking water. The TCEQ provides over 4,500 CCR templates to water systems annually.

The TCEQ encourages and provides assistance to public water systems to help them come into compliance. If enforcement action is necessary, it may result in a compliance schedule. Failure to comply may result in penalties, temporary management, or receivership to ensure compliance.

During FY09-11, the TCEQ Source Water Assessment and Protection Program has assisted 17 public water systems develop source water protection projects which provide recommended best management practices to help prevent contamination of their drinking water sources. These projects have helped protect human health, through public education, outreach events and roadside markers.

## **ASSISTING NONVIABLE SYSTEMS IN RESTRUCTURING**

The fourth TCEQ Capacity Development Program objective is to assist nonviable systems in restructuring as required in Senate Bill 1 enacted during the 75<sup>th</sup> Texas Legislative Session in 1997. The TCEQ offers assistance in restructuring noncompliant, nonviable systems through regionalization and consolidation. The EPA refers to regionalization as system partnership solutions ranging from informal cooperation, such as mentoring programs, to ownership transfer with managerial and/or physical consolidation. The TCEQ defines consolidation as the physical combination of the operations or physical plants of two or more

existing or proposed water and wastewater systems. The goals of regionalization and consolidation are to achieve the best service at reasonable rates that will ensure that the system is maintained for the long term.

To promote the goals of regionalization and consolidation, TCEQ staff makes multiple presentations throughout the year to the regulated community about regionalization and meets with individual systems that might benefit from consolidating with another system. The Water System Partnership Workgroup consists of the EPA, the TCEQ, and other states. The workgroup collectively considers the challenges and successes in achieving compliance through restructuring.

TCEQ offers free consolidation assessments through the FMT Assistance contract for officials or owners of systems who may be looking into the possibility of getting out of the water or wastewater business by consolidating their system with a nearby system. In those circumstances, TCEQ will assign the contractor to assess the feasibility of two or more systems working together, possibly to the point of a merger. If consolidation is determined to be feasible and recommended, TCEQ will then assign the FMT contractor to assist the parties throughout the process to completion.

At the request of a public water system or on the agency's own initiative, the TCEQ can conduct a FMT Assistance contract consolidation assessment to determine whether neighboring water systems should consider a partnership. To conduct a consolidation assessment, the TCEQ staff or the FMT contractor will contact the public water systems to determine if a partnership is feasible and if the systems can reach an agreement on how to structure the partnership. The TCEQ cannot compel consolidation. First, it is determined if the entities are interested in participating in examining regionalization or restructuring options. If there is interest, the TCEQ or the FMT contractor will facilitate community meetings to identify funding issues and possible solutions, as well as assist with any permits or other approvals, if necessary.

In some instances, nonviable water systems are encouraged to restructure or regionalize through enforcement actions. This action facilitated the use of receiverships; authorized the requirement that public water systems and utilities have business plans; and enhanced TCEQ authority to order system interconnects, place a utility or public water system under supervision, or appoint a temporary manager to operate troubled or failing water systems and utilities. After sale or transfer, the system benefits from improved FMT resources.

In conjunction with the Office of the Attorney General of Texas, (OAG) the TCEQ currently supervises 24 utilities that have been court-ordered into receivership as part of a TCEQ enforcement action for drinking water or wastewater violations. Three public water systems in receivership successfully transferred ownership from owners under enforcement to new entities capable of meeting the TCEQ's FMT requirements. Several other systems in receivership are currently going through the transfer process to new entities. The TCEQ staff and the TRWA FMT contractors provided assistance to help facilitate these transfers.

## AT-RISK SYSTEMS

In FY11, the TCEQ is in the process of developing a new workgroup called “At-Risk Systems” to identify and track water and wastewater systems that are at risk of potentially failing, and to assist the systems before they may require a referral for the appointment of a receiver. The workgroup will consist of TCEQ staff from the Water Supply, Water Quality, Enforcement, Litigation, Environmental Law, and Field Operations Support divisions as well as the OAG.

### DEVELOPING THE “AT-RISK” PROJECT

When a water system fails, it is often due to financial or managerial weaknesses that culminate in technical violations which are difficult to overcome without significant assistance, funding, enforcement actions and restructuring. If the water system is a community water system, failure can pose a serious threat to public health because the customers are left without a source of drinking water and water for sanitation. For investor-owned utilities, the TCEQ has the enforcement mechanism through the Texas Water Code to appoint a temporary manager or receiver to keep the water system running while looking for a permanent solution. This is one of the tools available to help assist nonviable public water systems in restructuring, which is one of the TCEQ’s Capacity Development Program objectives. In an attempt to prevent water system failures and subsequent abandonment of the system, the TCEQ is currently developing an “at risk” workgroup to help identify potentially nonviable water systems; assess the FMT capabilities of these existing systems; and to provide, as needed, FMT Assistance or FMT consolidation assessments.

### FUNDING COORDINATION IN TEXAS

The Secretary of States’ office hosts the Colonia Interagency Infrastructure Workgroup. In this forum state and federal funding and regulatory agencies meets quarterly to discuss water and wastewater projects on the Texas/Mexico border and has been very successful in coordinating projects and financial resources.

In 2010, TCEQ worked with contractors to host a meeting to discuss funding and other assistance to small systems in Texas with uranium and arsenic violations. This meeting was also the first step in the development of the state-wide coordination group called the Texas Water Infrastructure Coordination Committee (TWICC). Made up of state and federal funding and regulatory agencies, TWICC has been met regularly since August 2010.

### ONGOING COORDINATION

The TCEQ continues its efforts to coordinate with other governmental entities as well as utility assistance providers in Texas to determine whether regional projects are feasible options for customers of water systems. These entities include the United States Department of Agriculture’s Rural Development Program, TWDB,

Frank M. Tejada Center, Community Resource Group, Border Environment Cooperation Commission, Texas Department of Rural Affairs, Office of the Secretary of State, and the TRWA. The coordination efforts include streamlining the funding process to assist entities in developing their capacities as quickly as possible; developing standardized forms and funding cycles to be used by the various agencies; matching compliance needs and funding sources; and soliciting input from the regulated community.

The TCEQ provides outreach through numerous presentations at trade organizations, conferences and training programs. The groups receiving this service include the American Water Works Association, Texas Water Utility Association, Texas Rural Water Association, National Association of Regulatory Utility Commissioners, Independent Water and Sewer Companies of Texas, Texas Water Conservation Association, TCEQ's Drinking Water Advisory Work Group, Association of State Drinking Water Administrators, and the Association of Water Board Directors.

The 1996 reauthorization/Amendments of the federal SDWA 1420 (c)(3) require this report on the achievements of the TCEQ's Capacity Development Program every three years. The ultimate goal of the Capacity Development Program is to ensure that current capacity to deliver safe, reliable water is not only maintained, but is expanded to meet future needs. The Capacity Development Program focuses support on public water systems, as they strive to maintain and expand their FMT capacity, recognizing that all three types of capacity are vital. This report will be made available to the public in print and on the TCEQ's web site.

