
2023 Annual Report on the Capacity Development Program

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Submitted by:
Wyoming Department of Environmental Quality
Water Quality Division



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EXECUTIVE SUMMARY

The 1996 Safe Drinking Water Act amendments require the Department of Environmental Quality (DEQ) to provide this report to Wyoming Governor Mark Gordon by September 30, 2023.

The 1996 Safe Drinking Water Act amendments established new programs and requirements. Capacity development was one of the new activities. Capacity development is a process that examines a water supply's technical, financial and managerial capabilities. States that failed to comply with capacity development requirements would realize reductions to their Drinking Water State Revolving Fund capitalization grants.

Wyoming met, and continues to meet, all of the 1996 Safe Drinking Water Act mandatory requirements. This included developing a Capacity Development Program. Using public participation, the Wyoming DEQ Capacity Development Program started its efforts with a committee representing communities, districts, extractive mineral industries, technical assistance providers, water system operators, and state and federal agencies. This committee drafted the capacity development self-assessment documents and provided advice and comments during rulemaking.

Wyoming Water Quality Rules (WWQR) Chapter 22, Capacity Development Standards for Public Water Supplies became effective on August 11, 1999. The Wyoming Capacity Development Program is fully implemented. During the past 24 years, 216 drinking water systems have performed Capacity Development self-assessments. Any new system that is activated by the EPA, any existing system that seeks a WWQR Chapter 3 construction permit, or any facility seeking Drinking Water State Revolving Fund loans will perform a self-assessment or must have done so within the last five (5) years.

Through training and outreach efforts, the DEQ continues to build a level of trust with the drinking water regulated community. Mayors, board members and public officials now regularly contact DEQ staff to discuss their systems' issues and concerns. The Wyoming Association of Rural Water Systems, Wyoming Water Quality and Pollution Control Association, Wyoming Association of Municipalities, Casper College, and Midwest Assistance Program have all been instrumental in providing valuable training to Wyoming's drinking water systems personnel.

The DEQ is pleased to submit this report to Governor Mark Gordon. The DEQ is also making this report available to the public. Copies may be viewed and downloaded from the Department's webpage at <https://deq.wyoming.gov/water-quality/water-wastewater/state-revolving-loan-fund/>. Interested parties may also obtain a copy of this report by calling the DEQ at 307-777-6371.

DETAILED REPORT

Report Purpose

Section 1420 (c) (3) of the 1996 Safe Drinking Water Act amendments require that not later than two years after the date on which a State first adopts a capacity development strategy, and every three years thereafter, the head of the State agency 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. The Wyoming DEQ has prepared this report to address this requirement.

Background

Capacity development is a federal requirement tied to the Safe Drinking Water Act Revolving Loan Fund, more commonly known as the Drinking Water State Revolving Fund. Capacity is a term coined at the federal level to describe capabilities. Drinking water capacity development comprises three overlapping areas: technical, financial and managerial.

Part of Wyoming's Drinking Water State Revolving Fund program's enabling legislation, Wyoming State Statutes 35-11-302 (a)(x), granted the DEQ Water Quality Division Administrator authority to develop standards for the determination of capacity development. During the summer of 1998, the DEQ invited representatives from communities, districts, extractive mineral industries, technical assistance providers, water systems and state and federal agencies to participate in and to become part of the Capacity Development Committee. The Water Quality Division Administrator directed this committee to develop and draft a self-assessment tailored to Wyoming's public water supplies' needs. The administrator requested the committee provide their suggestions, concerns and visions regarding how Wyoming Water Quality Rules should govern the Capacity Development Program. Using suggestions and drafts developed by the Capacity Development Committee, the DEQ finalized capacity development self-assessment materials and draft rules in an extensive public participation and outreach effort.

The 2018 America's Water Infrastructure Act (AWIA), section 2012, requires state drinking water programs to consider and include, as appropriate, asset management in their state capacity development strategies. Technical, managerial, and financial capability is the basis of Capacity Development, and asset management will be added to that analysis. Revisions to the Capacity Development self-assessment to add the asset management questions were drafted and submitted for public comment. The Water Quality Division considered all comments and made final revisions to the self-assessment. The final self-assessment was approved and has been in use since December of 2022.

On August 11, 1999, Wyoming adopted Water Quality Rules Chapter 22, Capacity Development Standards for Public Water Supplies. This rule required new and modified community and nontransient noncommunity water systems to perform self-evaluations that examine their technical, financial, and managerial capabilities. Community water systems include towns, cities, and water districts where at least 25 of the same consumers live year-round. Nontransient noncommunity systems include factories, schools, and mines where at least 25 of the same consumers do not live, but spend more than 6 months a year at the facilities serving water. There are approximately 407 systems in Wyoming subject to capacity development requirements—317 community water systems and 90 nontransient noncommunity water systems. Although transient water supplies are not subject to capacity development requirements, the DEQ encourages all public water supplies to perform a capacity development self-assessment. Transient systems include campgrounds, rest stops, and restaurants where at least 25 different consumers are present for at least 6 months a year. Wyoming has approximately 369 transient water systems.

Wyoming Water Quality Rules Chapter 22 provides the standards these public water supplies must meet to demonstrate capacity development. To demonstrate capacity development, public water supplies must (1) have Wyoming DEQ certified chief and backup operators, (2) complete self-assessments of their systems' operations, (3) develop corrective action plans and implementation schedules if the self-assessments identify deficiencies, (4) provide plans to assure sufficient financial resources if the self-assessments identify financial deficiencies, and (5) demonstrate compliance with Wyoming Water Quality Rules Chapter 3 construction permitting requirements and Chapter 12 design standards for public water supplies. The DEQ's goal is to assist systems with demonstrating capacity development. In the few instances where systems could not adequately demonstrate capacity development, the DEQ worked with those systems to secure funding for capital improvements, establish compliance schedules for operators, and invite technical assistance providers to contact and visit systems.

In addition to mandating a Capacity Development Program, the 1996 Safe Drinking Water Act amendments also required each state to establish a capacity development strategy. This strategy details how a state will assist public water supplies with attaining capacity development. Wyoming modified its capacity development strategy to address the addition of an asset management focus in 2022. If a state failed to develop a strategy, it would realize recurring and increasing reductions of Drinking Water State Revolving Fund grant awards. The United States Environmental Protection Agency approved Wyoming's initial Capacity Development Strategy on October 10, 2000 and the revised strategy on January 19, 2023.

Capacity Development Program

As detailed in the Capacity Development Strategy, Wyoming uses regulatory requirements and technical assistance to help systems develop and maintain capacity development. The State of Wyoming continues to assist public water systems with attaining and maintaining sound technical, financial and managerial capabilities. Wyoming public water supplies receive technical assistance in many ways. Wyoming's technical assistance providers regularly provide training courses and conferences. State agencies continue efforts to provide technical assistance, managerial guidance and much needed funding.

The Wyoming Water Development Office evaluates drinking water systems with various studies. These studies lead to well-planned capital improvement projects, which add to systems' technical capacities. The Water Development Office also promotes and develops partnerships among multiple drinking water systems. These partnerships encourage and create regional systems, which can benefit from combined resources and economies of scale. Financial and managerial capabilities are increased with regional systems. The Water Development Office also provides managerial, contractual and financial guidance to their project recipients.

The Office of State Lands and Investments helps systems with financial capacity. As the administrative agency of the State Loan and Investment Board, the Office of State Lands and Investments oversees several grant and loan programs. These include both the Clean and Drinking Water State Revolving Funds, the Mineral Royalty Grant program, and the Joint Powers Act loan program. Also, in the last year, the Office of State Lands and Investments has begun disbursing funds allocated through the IJA (Infrastructure Investment and Jobs Act) and ARPA (American Rescue Plan Act). All of these programs fund capital improvements, which

include drinking water system projects. These programs provide much needed financial assistance to systems struggling to attain or maintain financial capacity.

The DEQ also provides technical advice and interpretations of treatment methods and regulatory issues. Department staff regularly interact with drinking water system personnel and owners on construction permitting, operator certification, and Safe Drinking Water Act compliance issues.

The DEQ works with outside organizations to provide technical assistance to drinking water systems. The Wyoming Association of Rural Water Systems, the Wyoming Water Quality and Pollution Control Association, and the Midwest Assistance Program all partner with the state to provide technical training to water system personnel. These technical assistance providers give operators training through conferences, meetings, class sessions, and site visits.

The DEQ/Water Quality Division continues to host and support training for engineers and operating personnel on a variety of drinking water topics including permitting requirements, continuing education for operators, and facility design standards.

Capacity Development Program Successes

Wyoming's Capacity Development Strategy focuses on working with systems to identify and correct existing problems and avoid foreseeable problems. Wyoming believes this approach is more successful than relying solely on enforcement actions to correct deficiencies. Although enforcement is required at times, proactive and voluntary measures can and do work. The DEQ supports proactive and voluntary approaches, which have been particularly successful in the Operator Certification Program. Properly trained and licensed operators are a key element of capacity development.

The DEQ administers Wyoming's Operator Certification Program. Currently, the program has 978 certified water treatment, distribution, and well system operators. Wyoming regularly avoids contentious, and often counterproductive, enforcement proceedings and uses cooperatively established compliance schedules for drinking water systems. However, there are occasions when enforcement actions are necessary to ensure that technically competent operators are operating Wyoming's public water supplies.

As prescribed in the Wyoming Environmental Quality Act, the DEQ has the authority to use conference and conciliation to resolve violations. Drinking water systems often struggle to attract and retain the required qualified personnel to operate their facilities, and the DEQ recognizes this challenge. Through the Capacity Development and Operator Certification programs, the DEQ has ongoing negotiations and compliance schedules with those Wyoming's public water supplies that struggle with operator certification requirements. These mutually negotiated schedules help systems achieve compliance without enforcement actions. These compliance schedules usually require operators to attend additional training and achieve higher certification levels for chief and backup operators. Properly trained operators, often the largest expense systems realize, are fundamental to successful public water supplies' operations.

The Wyoming Association of Municipalities and the Wyoming Association of Rural Water Systems are prime partners in Wyoming's capacity development efforts. These organizations are

well-versed in the area of education and training of managers, local decision-makers, and operating personnel. The Associations regularly provide training to their members on a variety of governmental functions.

Efficacy of the Wyoming Capacity Development Strategy

The purposes of the Capacity Development Program are to prevent problems and to help systems attain and preserve long-term Safe Drinking Water Act compliance and public health protection. The DEQ is tracking the effectiveness of the Capacity Development Program. The department has created a database that records systems' assessments, sanitary survey recommendations and compliance histories. Currently, 216 public water supplies (community, nontransient, and transient) have submitted capacity development self-assessments.

Currently, 208 of the 407 community and nontransient noncommunity water systems have performed self-assessments (just over 50 percent of these systems). Only community and nontransient noncommunity water systems seeking a Wyoming Water Quality Rules Chapter 3 construction permit and/or a Drinking Water State Revolving Fund loan are required to perform self-assessments and demonstrate capacity development.

Transient water systems are not required to demonstrate capacity development. However, 8 of Wyoming's 369 transient water systems have voluntarily completed capacity development self-assessments after being encouraged to do so by the DEQ. Like all public water systems, transient systems also face the new Safe Drinking Water Act requirements. Drinking water personnel often express concerns that they are overwhelmed by the new Safe Drinking Water Act requirements. Although only about 1.9 percent of Wyoming's transient systems have completed capacity development self-assessments, the Capacity Development Program is voluntarily reaching transient systems, which again are specifically exempt from the Capacity Development Program requirements. The DEQ will continue to encourage transient systems to voluntarily complete capacity development self-assessments and is also pursuing other opportunities to provide technical assistance to transient systems to help them comply with Safe Drinking Water Act requirements.

The United States Environmental Protection Agency (EPA) has changed its enforcement action tracking tool and is now requesting that systems with an Enforcement Targeting Tool (ETT) score greater than 11 during the previous three years be addressed in this report. The summary provided in the table at the end of this report lists 22 Wyoming public water supplies (20 Community, 2 Non-community/Non Transient) that have been flagged for attention during the last three years. The EPA refers facilities to enforcement to correct violations before they become serious health threats.

Of the 22 systems subject to capacity development action that have been flagged for attention, only 3 have a capacity development self-assessment on file from the last 5 years. Thirteen of the systems have never completed the capacity development self-assessment, and the remaining 6 systems completed their self-assessments more than 5 years ago. The three systems with current capacity development assessments also all have active plans to address their enforcement problems and have actively sought assistance from the DEQ. The six systems with outdated capacity development assessments are systems that have been slow to address their deficiencies,

but in all cases are systems that the DEQ is working with. The 13 systems that have never completed their capacity development self-assessments are systems that have been less responsive but have all been referred to Wyoming's Technical Assistance Partners (MAP and WARWS) to assist them in addressing their deficiencies.

Based on the analysis of the Enforcement Tracking Tool listings, it appears that there is correlation between the systems that are current on their capacity development assessments and the responsiveness of those systems to addressing their own needs and finding necessary financial resources. While many variables related to the system and its capacity may affect this correlation, the efforts of the capacity development program are clearly beneficial for systems. The DEQ plans to increase outreach about the new capacity development self-assessment tool to many more systems over the next year since it now includes a new focus on asset management. Assistance and training on Asset Management is being added the department's work with Wyoming's Technical Assistance Partners (MAP and WARWS).

Conclusions and Outlook

The 1996 Safe Drinking Water Act amendments created a number of new regulatory requirements and programs; these include Operator Certification, the Drinking Water State Revolving Fund, and the Capacity Development Program. The DEQ faced many federal challenges and deadlines to implement these programs and requirements to meet the needs of Wyoming public water supplies.

The 54th Wyoming Legislature granted the DEQ Water Quality Division Administrator the authority to write rules for the determination of capacity development capabilities. The DEQ has created and is implementing a Capacity Development Program that seeks to help public water systems thoroughly evaluate their operations. The program relies on a mixture of regulatory, voluntary, and incentive-based tools to achieve the desired results. The Wyoming Capacity Development Program promotes proactive compliance rather than punitive measures. The Capacity Development Program has resulted in improved relationships with its regulated community. Both regulators and the regulated are now openly discussing problems that exist and are seeking alternative approaches to correct potential problems before they materialize. Wyoming's capacity development efforts will continue to be successful as the developing partnerships among state and federal agencies, technical assistance providers, communities, and operators continue to grow.

Contacts:

Persons interested in more information about this report and the Capacity Development Program may contact Stan Miller at (307) 777-6371, or stanley.miller@wyo.gov.

Information may also be obtained from the DEQ website <https://deq.wyoming.gov/water-quality/water-wastewater/state-revolving-loan-fund/>.

July 2023 listing of capacity development target systems for WY, from EPA ETT database.

New system (Com, NTNC) list (last three years) for the 2023 Annual Capacity Development Report for Wyoming				
PWSID	PWS Name	First Reported to SDWIS	Highest ETT	TMF self -assessment or TMF assistance - provide narrative
WY5601720	CEDAR SPRINGS MEADOWS	4/1/2020	0	Uses a contract operator.
WY5601728	COPPERLEAF WATER SYSTEM	3/15/2022	1	Uses a contract operator.
WY5601725	HWY 390 LLC	5/10/2021	1	Uses a contract operator.
WY5601730	LITTLE HORSETHIEF CANYON HOA	3/15/2022	2	Uses a contract operator.
WY5601719	NORTH FORTY SUBDIVISION	4/1/2020	1	Uses a contract operator.
WY5601721	NORTH GURLEY MOBILE HOME PARK	8/12/2020	0	Not in opcert database yet.

Existing systems (Com, NTNC and TNC) list of PWSs (last three years) with an ETT score of 11 or greater for the 2023 Annual Capacity Development Report Wyoming.				
PWSID	PWS Name	PWS Type	Highest ETT	TMF self -assessment or TMF assistance - provide narrative
WY5600007	BIG PINEY, TOWN OF	Community	13	Capdev 12/8/2003, MAP in contact.
WY5600015	COKEVILLE, TOWN OF	Community	12	6/2/2022 assessment is current, town has plans to address problems. MAP in contact.
WY5600040	PINE BLUFFS, TOWN OF	Community	25	9/29/2020 assessment is current, town is working on several projects. MAP in contact.
WY5600045	RAWLINS WATER SUPPLY, CITY OF	Community	27	Capdev 5/6/2014. Has had planning/financing issues that DEQ is attempting to assist with.
WY5600059	DIXON, TOWN OF	Community	50	Contract Operator, System doesn't have a capdev on file.

WY5600092	SUPERIOR, TOWN OF	Community	11	Capdev 6/26/2006. MAP in contact.
WY5600109	LANCE CREEK WATER DISTRICT	Community	34	Contract Operator, System doesn't have a capdev on file. MAP in contact.
WY5600153	HAPPY VALLEY WATER I&S DISTRICT	Community	16	Contract Operator, System doesn't have a capdev on file. MAP in contact.
WY5600162	CV LARAMIE MHP, LLC	Community	11	Contract Operator, System doesn't have a capdev on file.
WY5600184	SPENCER HOMESITE WATER ASSOCIATION	Community	16	EPA inactivated 7/27/23, Contract Op, System doesn't have a capdev on file.
WY5600221	MOUNTAIN VILLAGE PARKS	Community	23	Private system is bankrupt, capdev 1/22/2008. MAP has attempted contact.
WY5600223	MARBLETON, TOWN OF	Community	18	Capdev 1/29/2002
WY5600232	RED LANE DOMESTIC WATER, INC.	Community	12	Private system is bankrupt, System doesn't have a capdev on file. Map in contact.
WY5600377	ROBERTS TRAILER PARK	Community	12	EPA inactivated on 3/23/2023, contract operator, No system capdev on file. Now connected to Hulett.
WY5601199	KENNINGTON SPRINGS PIPELINE	Community	12	Contract Operator, No system capdev on file.
WY5601270	MOUNTAIN VIEW ESTATES (KNECHT INVTS)	Community	11	Contract Operator, No system capdev on file. Permit has been issued for modifications to correct issues. MAP in contact.
WY5601471	LEISURE VALLEY INC/ STAR VALLEY RV PARK	Community	13	Doesn't have a capdev on file.
WY5601586	STONE CREEK HOA	Community	31	Doesn't have a capdev on file.
WY5601692	BEULAH LAND WATER	Community	15	Doesn't have a capdev on file.
WY5680211	BTNF-BLACKROCK WORK CENTER	Community	16	Doesn't have a capdev on file. Not monitoring. Out of compliance with opcert.
WY5600634	SISECAM WYOMING LLC	Non-Transient Non-Community	21	1/6/2020 assessment is current. This is a private entity, but they are working with DEQ.
WY5600636	TATA CHEMICALS (SODA ASH) PARTNERS	Non-Transient Non-Community	50	Capdev 10/23/2006
WY5601724	AKAL TAVEL CENTER-TUMBLEWEED EXPRESS	Transient Non-Community	11	
WY5680232	BHNF--BURGESS JCT VISITOR CNTR	Transient Non-Community	13	Not monitoring, closed or changed operator/organization.
WY5680243	BHNF-RANGER CREEK CG	Transient Non-Community	16	

WY5601644	BRUSH CREEK RANCH	Transient Non-Community	11	System has hired an engineer to address issues, DEQ is involved.
WY5601129	BUNKHOUSE BAR AND GRILL	Transient Non-Community	15	System has hired an engineer to address issues, DEQ is involved.
WY5601373	CAMP BUFFALO BILL	Transient Non-Community	11	
WY5601513	CAMP PAINTROCKS	Transient Non-Community	17	MAP providing assistance to new owner.
WY5601102	CHEYENNE SHRINE CLUB	Transient Non-Community	15	
WY5601542	CROOKED CREEK GUEST RANCH	Transient Non-Community	15	owner turnover
WY5600370	DEVILS TOWER KOA-CAMPSTOOL	Transient Non-Community	12	Administrative order has been closed. Some monitoring problems. MAP in contact.
WY5600860	EDELWEISS	Transient Non-Community	11	
WY5601700	EMMANUEL BIBLE CHURCH	Transient Non-Community	11	
WY5600682	GRAND TETON PARK RV RESORT	Transient Non-Community	17	
WY5601726	GREEN RIVER BAR	Transient Non-Community	31	MAP working with system on monitoring plan
WY5600502	HEART SIX GUEST RANCH	Transient Non-Community	11	some fixes underway
WY5600407	LAVA MOUNTAIN LODGE	Transient Non-Community	14	
WY5601479	LINE SHACK LODGE	Transient Non-Community	12	
WY5600740	LITTLE BEAR INN	Transient Non-Community	20	
WY5600362	MEADOWLARK SKI RESORT	Transient Non-Community	23	owner trying to sell, MAP has been in contact.
WY5600678	NATRONA COUNTY PARKS-TRAILS CENTER	Transient Non-Community	11	Is currently monitoring.
WY5600903	NORA'S FISH CREEK INN	Transient Non-Community	12	

WY5600592	NORTHERN DREAM LOUNGE	Transient Non-Community	14	Closed for now.
WY5601601	ORIN JUNCTION TRUCK STOP	Transient Non-Community	11	
WY5601686	PLATTE RIVER CAMPGROUND	Transient Non-Community	11	
WY5600400	TRIANGLE C RANCH	Transient Non-Community	12	
WY5601103	WAGON BOX INN	Transient Non-Community	13	Administrative Order Closed, previously had not been monitoring.
WY5600515	WESTON COUNTY MALLO CAMP	Transient Non-Community	11	Reporting issues, seasonal startups not reported.
WY5600307	WOODS LANDING RESORT	Transient Non-Community	11	
WY5600641	YMCA OF THE BIG HORNS CAMP ROBERTS	Transient Non-Community	12	