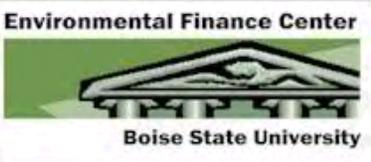


# The Financial Considerations of an Exemption

**Bill Jarocki**  
**Environmental Finance Center**  
**Boise State University**

# Building Financial & Management Capacity Through Research, Training and Assistance



Environmental Finance Center  
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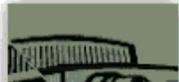
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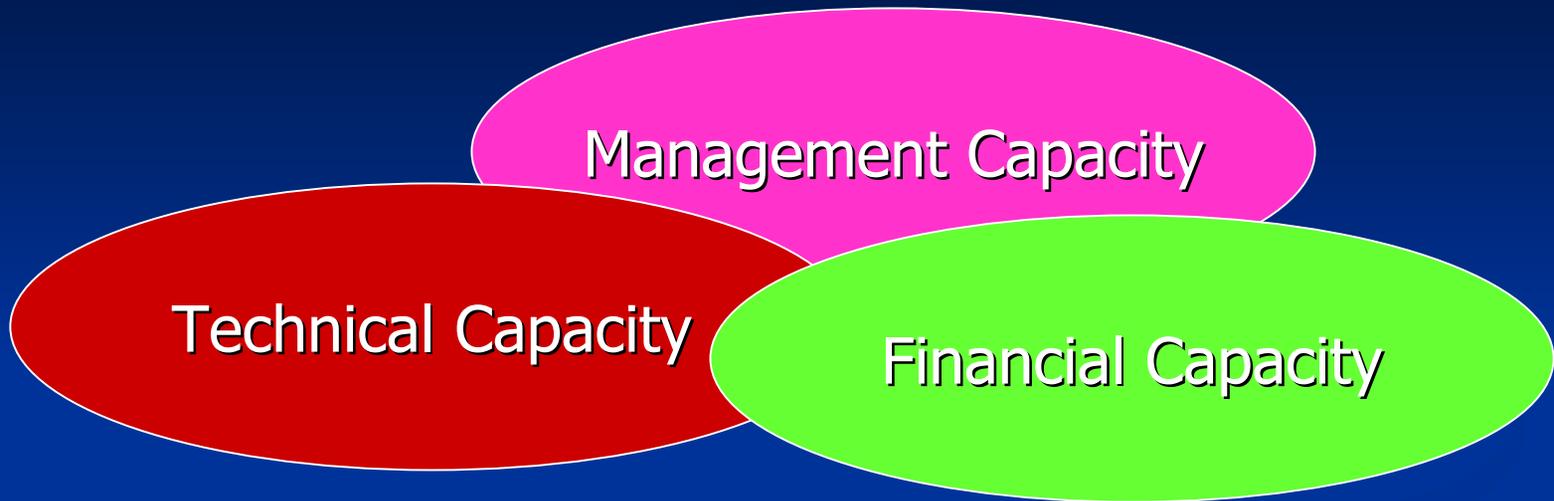


tools & services



<http://sspa.boisestate.edu/efc>

# 1996 SDWA Amendments Formalized the TFM Capacity Concept



New regulations or changes in existing MCLs, such as the arsenic standard, are less difficult to implement in water systems that have acceptable TFM capacities.

Systems with inadequate financial and management capacity are more likely to have problems implementing new regulatory requirements.

TFM capacity assessment is not routinely performed on systems that demonstrate good testing results, or that are not requesting funding from the State Revolving Funds or other publicly subsidized funding programs.

FINANCIAL CAPACITY  
ASSESSMENT INDICATORS

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IDAHO DWSRF

UPDATED  
MAY 2004

ENVIRONMENTAL FINANCE CENTER  
REGION 10  
BOISE STATE UNIVERSITY

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Since 1997, the Environmental Finance Center has been reporting on the financial capacity characteristics of applicants to the Idaho DWSRF and the Alaska DWF.

Our research of the financial and management capacity of drinking water systems has helped fine-tune our analysis approach.

We have leveraged what we have learned to target key issues of concern in thinking about the financial impacts on water systems of implementing the new arsenic standard.

For the purpose of considering arsenic rule exemptions, **financial**, **community** and **affordability** factors should be reviewed.

# ARSENIC EXEMPTION FINANCIAL REVIEW CHECKLIST

## East Lizard Butte Water Corporation

	TYPE	SOURCE	STATUS		
			on file	in report	pending
<b>COMMUNITY</b>					
Population	number	U.S. Census	x		
Community Profile	qualitative	Idaho Community Prof.	x		
Description of Project	qualitative	Application	x		
Number of Residential Connections	number	Application	x		
<b>FINANCIAL</b>					
Audited Financial Statements	document	Application (attachment)	x		
Annual Budget	document	Application (attachment)	x		
Capital Budget	document				
Capital Improvement Plan	document				
Financial Audits	yes/no				
Bond Rating	yes/no		x		
Billing Cycle (days)	number				
Cost of Project	number				
Frequency of Rate Setting	qualitative				
Number of Rate Changes in Past 10 Yrs.	number				
Guidance Used in Rate Setting	qualitative				
Date of Last Rate Increase and/or Ordinance	document	Application	x		
<b>AFFORDABILITY</b>					
Current Ave. Monthly Res. Rate	number	Application	x		
Future Ave. Monthly Res. Rate	number				
Median Household Income	number	U.S. Census	x		
Poverty Rate	number	U.S. Census	x		
Unemployment Rate	number	U.S. Census	x		

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# Questions

