

TITLE 327 WATER POLLUTION CONTROL DIVISION

Rule Information Sheet

Public Water Supply Construction Fees
LSA Document #26-47

Overview

The Safe Drinking Water Act (SDWA) was enacted by Congress in 1974 to protect drinking water quality across the nation by establishing minimum standards to protect tap water and requires all owners and operators of PWSs to comply with these standards (42 U.S.C. 300f et seq.). To ensure that PWS systems will comply with SDWA standards and in accordance with IC 13-18-16, IDEM's drinking water permits section regulates the construction of PWSs under the PWS construction permits rule at 327 IAC 8-3. Specifically, the requirements at 327 IAC 8-3-2 require all PWSs to submit a drinking water construction permit application to IDEM before the construction, installation, or modification of any facility, equipment, or device. All PWSs are required to pay an associated permit fee when submitting a construction permit application unless they are excluded from the payment of this fee under 327 IAC 8-3-7.

Currently, five categories of PWS sources are listed under the fee exemption under 327 IAC 8-3-7, including nonprofit organizations. However, all five categories must also be a "governmental entity" to qualify. Churches, most of which operate as nonprofit organizations, are not currently eligible for the exemption. Small churches in particular are currently faced with the burden of paying fees for PWS construction permits.

The purpose of this rulemaking is to add a new exemption category under 327 IAC 8-3-7 for nonprofit religious organizations while maintaining the category of nonprofit organizations that are also governmental entities.

Affected Persons

Churches in operation in Indiana who require PWS construction permits under 327 IAC 8-3 and who will qualify as either a governmental agency or a nonprofit religious organization under 327 IAC 8-3-7(a). These entities will be relieved of the cost burden of permit applications when installing a new well or treatment unit.

Reasons for the Rule

This rulemaking change waives permit fees for churches that meet the definition of nonprofit religious organizations as defined in IC 34-6-2.1-134 and who are defined as public water systems regulated by IDEM. Waiving these permit fees will benefit the regulated community by saving money and payment processing time and will not negatively impact IDEM.

Economic Impact of the Rule

This rulemaking will provide a cost savings for churches in the state by waiving permit fees ranging from \$100 up to \$860 per application fee.

Based on data provided by IDEM's Drinking Water Branch Permits Section over the last five years, the estimated number of permit applications submitted by churches for the full cost of \$860.00 are as follows:

- 2021- 6 permit application fees
- 2022- 5 permit application fees
- 2023- 6 permit application fees
- 2024- 8 permit application fees
- 2025- 8 permit application fees (to date)

The average number of permit applications received from PWS systems that are churches for the past five years is 6.6 applications, which would have resulted in a savings of \$5,676 for churches if they had been included under the permit fee exemption. IDEM's Drinking Water Branch Permits Section estimates that it will receive a total of 10 permit applications from churches in 2025, and adding these churches to the permit fee exemption in 327 IAC 8-3-7 would result in an estimated annual cost savings of \$8,600 for the regulated community.

Scheduled Board Action and Hearings

First Public Hearing: May 7, 2026, at 1:30 p.m., at the Indiana Government Center South, 10 North Senate Avenue, Conference Center Room A, Indianapolis, IN 46204.

IDEM Contact

Additional information regarding this rulemaking action can be obtained from Keelyn Walsh, Rules Development Branch, Office of Legal Counsel, at kwalsh@idem.in.gov, or (317) 232-8229, (800) 451-6027 (in Indiana).