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September 15, 2026

Honorable Kay Ivey, Governor
State of Alabama
600 Dexter Avenue
State Capitol
Montgomery, AL 36130

RE: Alabama's 2026 Triennial Capacity Development Report

Dear Governor Ivey:

Enclosed is the triennial report on Alabama's Capacity Development program as required by the Environmental Protection Agency. The report summarizes the Department's progress toward improving the capacity development capabilities of the State's public water systems. Capacity development is an essential element in ensuring all public water systems have sufficient resources to provide safe drinking water and to maintain adequate service for their customers. ADEM's Capacity Development strategy includes assisting viable public water systems in maintaining technical, managerial, and financial capacity and assisting with the consolidation of non-viable public water systems with other viable public water systems.

Outreach and education are provided by the ADEM Drinking Water Branch staff and through coordinated efforts with service providers, including the Alabama Rural Water Association and Communities Unlimited. Development of viable systems has also been accomplished through regular coordination with the USDA Rural Development Program, the Alabama Department of Economic and Community Affairs, and the Department's own State Revolving Fund Program.

Implementation of the State's Capacity Development strategy has resulted in the overall improvement of the State's public water systems, including very high compliance rates. The enclosed triennial report contains information detailing the efforts of the State's public drinking water program to address the federal capacity development requirements.

Should you or your staff have questions after review of this report, please do not hesitate to contact me or Emily Anderson at 334-271-7774.

Sincerely,

Edward F. Poolos
Director



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Alabama's 2026 Triennial Capacity Development Report

In accordance with Section 1420(b)(2) of the Safe Drinking Water Act, the following Capacity Development Report summarizes Alabama's efforts to address the capacity development capabilities of the State's public drinking water systems, both new and existing, through FY 2026.

The Drinking Water Program (DWP) in Alabama has a long history of working with the State's public drinking water systems to improve overall operation. Despite these efforts, some systems continue to have difficulties maintaining compliance with State and Federal regulations. In most cases, non-viable water systems are those systems with insufficient resources to maintain adequate service to their customers and/or to comply with State and Federal requirements. When necessary, ADEM has encouraged the consolidation of these non-viable water systems with other viable water systems. Alabama realized long ago that a water system with inadequate resources will have difficulty meeting its obligations. EPA has reached the same conclusion, resulting in Federal requirements that all states develop criteria to evaluate a water system's capacity development capabilities.

For existing water systems, Alabama meets the Federal capacity development requirements by evaluating a non-compliant water system's technical, managerial, and financial (TMF) capability. This TMF evaluation can happen during permitting actions, routine inspections, or through administrative actions following a history of

noncompliance. The goal of these evaluations is to classify the system's ability to operate the water system and ensure the system takes steps to maintain adequate water supply to its customers by addressing deficiencies or by taking other actions (i.e., merging the system into another viable system). Most water systems are inspected at least annually with a full, comprehensive "sanitary survey" occurring every 3 years. When problems arise, additional inspections are conducted to evaluate viability of the system.

Every quarter, the capacity development coordinator meets with the Alabama Rural Water Association, one of the Department's technical assistance providers. At this meeting, a priority list of water systems that could use assistance, or potentially need assistance in the near future, is discussed and updated. Before this meeting, the capacity development coordinator will talk with the Drinking Water Branch inspectors to get updates and insights about water systems that are already on that priority list and any that should be added. The most common indicators being reviewed are deficiencies (amount, significance, and recurrence), staff turnover (both technical staff and administration level staff such as mayors and board members), water loss, and paperwork issues. Assessing the technical and operational capability of water systems on a regular basis, identifying potential problems, providing assistance, and conducting follow-up inspections are the first steps in a chain of events that ultimately leads to either improving the operation or inactivation of marginally maintained water systems.

The same TMF criteria are also used when evaluating the capacity development capabilities of proposed new water systems. Effective April 14, 2022, the Alabama Environmental Management Commission adopted a new regulation requiring all proposed community and non-transient, non-community water systems to prepare and submit an asset management plan to the Department. Along with an asset management plan, a preliminary engineering report for new water systems must be submitted by the proposed system's engineer. These reports must address and confirm the proposed system's technical, managerial, and financial ability to provide and sustain adequate service to its customers. Prior to issuance of a construction or operation permit, review and concurrence of these reports by ADEM must be complete. Additionally, systems with a history of noncompliance or deficiencies may be required to submit an asset management plan as a condition of permit renewal. This plan would be used as a guide to determine if the system can maintain their current capacity and also guide them on how to improve and maintain the water system. From FY24Q1 to FY26Q4, we have received three asset management plans for water systems intending to start their own water supply: Ford's Valley & HWY 278 Water CO-OP (AL0000575), Butler County Water Supply District (AL0001830), and MPT Operating Partnership, L.P. (AL0001821).

The Department has long-standing regulatory requirements for water systems to submit preliminary engineering reports prior to any construction of new or modified water system facilities. This information allows the DWP to assess both the

technical feasibility of proposed water system projects and the long-term sustainability of the projects to ensure the long-term success of water systems.

As a result of the current DWP's capacity development efforts, the number of non-viable water systems in Alabama continues to decrease. From FY24Q1 to FY26Q4, thirteen water systems were inactivated: White House Water System, Inc. (AL0000076), Peach Queen Koa Campgrounds Water System (AL0000223), Vell's Lounge (AL0001820), Johnny's Lakeside RV Resort (AL0001812), Integra Water, LLC (AL0001807), Oasis Travel Center (AL0001673), Children's Bible Ministries of North Alabama (AL0000504), Peterson Water System (AL0001309), CAA-CTC Plainview Head Start Program (AL0000181), Clear Creek Harbor, LLC (AL0001225), West Bank Damsite/W F George Lake (AL0001566), West Bank Damsite/George W Andrews (AL0001549), Hackneyville Water Authority (AL0001541); two systems were proposed: Butler County Water Supply District, Inc. (AL0001830), and The Broadway Group, LLC (AL0001840); and one system was activated: MPT Operating Partnership, L.P. (AL0001821). It is important to note that the reduction in the number of non-viable water systems has not curtailed the expansion of water service.

The EPA's Office of Enforcement and Compliance Assistance (OECA) released the Drinking Water Enforcement Response Policy (ERP) in December 2009. The updated enforcement approach replaced the contaminant-by-contaminant compliance strategy, often referred to as "Significant Non-Compliance" (SNC), with a system-

wide approach using the Enforcement Targeting Tool (ETT). The ETT is a tool created by the EPA that assigns a point value to specific violations for each system to bring attention to drinking water systems with the most serious and unaddressed violations. Created as a way to allow both the states and EPA to view public water system compliance comprehensively, the ETT tool has formed a prioritization approach to enforcement efforts. This tool calculates noncompliance status for all water systems through an enforcement targeting formula and identifies those systems not meeting national expectations as set by EPA. If a water system meets or exceeds an ETT score of 11, they are considered a priority system for enforcement response and the state is required to take formal enforcement action within two quarters, unless the system returns to compliance. Thirty-two of Alabama's public drinking water systems have met or exceeded an ETT score of 11 between Q1 of FY24 and Q4 of FY26. The majority of these compliance issues were related to disinfection byproducts or in cases where the water system did not meet the state's sampling, monitoring, and reporting requirements. A few of these compliance issues were due to not submitting a Lead Service Line Inventory (LSLI). All systems have either returned to compliance, or the violation has been addressed through formal enforcement action. Alabama's capacity development program assures better water quality, improves customer service and increases revenues, thus allowing expansion of services to customers needing (or desiring) public water.

Over the last three years, ADEM has worked with the Alabama Rural Water Association (ARWA) and Communities Unlimited, operating under the Rural

Community Assistance Partnership (RCAP) as technical service providers, to evaluate the technical, managerial, and financial capabilities of fifty-six of the state's public drinking water systems. Those water systems are:

- Akron Water Department, Town of (AL0001767)
- Alexander City, City of (AL0001265)
- Aliceville, Water and Sewer Board of the City of (AL0001102)
- Ardmore Water System (AL0001420)
- Arifton Water Works Board, Town of (AL0000416)
- Autaugaville Water Works (AL0000002)
- Bayou La Batre Utilities Board (AL0000957)
- Beatrice, Town of (AL0001044)
- Camp Hill Utilities Board (AL0001270)
- Childersburg Water & Sewer Board (AL0001228)
- Clayton Water Works & Sewer (AL0000082)
- Coffeeville Utilities Board (AL0000252)
- Columbia Water Works (AL0000676)
- Coosa Pines Recreation Association, Inc. (AL0001248)
- Cowikee Water Authority (AL0001460)
- CWM Water Authority (AL0001764)
- Dallas County Water & Sewer Authority (AL0000463)
- Daviston Water System, Town of (AL0001274)
- Deer Park / Vinegar Bend Water and FPA (AL0001368)
- Eutaw Water Department (AL0000636)

- Excel, Town of (AL0001046)
- Fords Valley and Highway 278 Water (AL0000575)
- Franklin, Town of (AL0000860)
- Glenwood Water Works (AL0000388)
- Gordon, Town of (AL0000685)
- Hackleburg Water and Sewer Board (AL0000925)
- Hale County Water Authority (AL0001509)
- Hayneville, Town of (AL0000847)
- Highland Water Authority (AL0000580)
- Hobson City Water System (AL0000149)
- Luverne, Water Works & Sewer Board of the City of (AL0000390)
- Oasis Travel Center (AL0001673)
- Macon County Water Authority (AL0000847)
- Marion Water & Sewer Board, City of (AL0001097)
- Mexia Water System, Inc. (AL0001050)
- Midway Water Works (AL0000116)
- Millport, Town of (AL0000770)
- Millerville Water & Fire Protection Authority (AL0000270)
- Mosses Water & Fire Protection Authority (AL0000853)
- Mount Andrew Water Authority (AL0000089)
- New Site Water System (AL0001283)
- North Choctaw Water & Sewer Authority (AL0000243)
- Old Line Water System (AL0000257)

- Perry County Water Authority (AL0001427)
- Prichard Water Works Board (AL0001015)
- Quint-Mar Water Authority (AL0001508)
- Repton Water Works (AL0000344)
- Rockford Utilities Board, Inc. (AL0000353)
- Southport Campground (AL0000066)
- Steele Water Works Board (AL0001213)
- Styx River Resort (AL0000049)
- Uniontown, Water Works and Sewer Board of the City of (AL0001100)
- White Hall Water Board (AL0000858)
- Wilcox County Water and Sewer District (AL0001371)
- Wilton Water Works (AL0001172)
- York Water System, City of (AL0001223)

These evaluations have noted issues such as excessive water loss, delinquent accounts, lack of adequate system maps, poorly organized or missing records and plans required by regulation, and source water issues such as potential contamination or insufficient capacity. The technical service providers worked closely with the systems to correct deficiencies by attending board meetings, training and assisting new staff, setting up notebooks which contain all required records and plans, developing source water assessments and sampling plans, valve locating and map development, assisting with grant and loan applications, creating tank maintenance plans, creating asset management plans, and conducting rate studies and extensive

leak surveys. The results of their efforts included increased compliance rates, reduction in water loss, greater financial stability, and more reliable sources of water. Along with the systems stated above, Communities Unlimited also assisted schools through the EPA WIIN grant to replace water fountains with bottle filling stations, create lead sample plans, and assisted with lead sampling. These schools were Robert C. Hatch High School (Perry County), Francis Marion School (Perry County), and Jackson-Steele Elementary School (Lowndes County).

In the past, the most significant challenges for water systems in Alabama with capacity development issues have been funding and management training. Whether it is unfunded mandates of increasingly complex regulations or maintenance and upgrading of aging infrastructure, many of these water systems have constantly struggled to generate the revenue required to operate and maintain their water systems. Water system managers for these systems often lack the experience needed to properly operate their water systems. They often use water system revenues to subsidize other programs such as sewer or public safety, and they are often reluctant to adjust water rates to produce the revenue required to operate and maintain their water system. ADEM has partnered with ARWA to provide board member training for water board members in an effort to meet these challenges. All water systems are strongly encouraged to send their board members to training, especially newly elected or appointed board members. Six of these classes were held in 2025 and six in 2026. Communities Unlimited also held multiple training courses over the past

three years: twelve pertaining to drinking water operators, one for the WIIN grant lead reduction program, and five board member training courses.

Another program that is instrumental to capacity development is the Drinking Water Branch's Area Wide Optimization Program (AWOP). ADEM continues to be an active participant in the EPA Region 4 Area Wide Optimization Multi-State Pilot Program (AWOP-MSPP). The AWOP-MSPP is a cooperative effort to optimize performance of existing surface water treatment plants and distribution systems. The main goal of the program is to maximize public health protection from microbial contaminants and disinfection byproducts by coordinating existing system resources with proven performance improvement tools. Other states participating in the program include Florida, Kentucky, Mississippi, North Carolina, South Carolina and Tennessee. The AWOP tools focus on things a water system can do to improve performance with little or no cost. AWOP also offers Performance Based Training which educates operators regarding AWOP tools and how to apply the tools to their plant or distribution system. Therefore, AWOP tools can improve the technical, managerial, and financial capacity of a water system.

Several members of the Drinking Water Branch's Surface Water Section participated in and conducted activities associated with AWOP-MSPP. For the periods of FY 2024, FY 2025, and FY 2026, the activities included the following:

- ADEM staff attended Region 4 AWOP planning meetings, workshops, and trainings and National AWOP meetings

- ADEM staff attended a Multi-State Microbial Comprehensive Performance Evaluation with Region 4 AWOP members in South Carolina
- ADEM staff conducted Annual Surface Water Meetings in October 2024, October 2025, and plan to conduct another in October 2026
- ADEM staff provided Performance Based Training for water plants and distribution systems, including manganese studies, tank assessments, and data audits
- ADEM staff regularly provided technical assistance through phone calls, inspections, and special visits to water systems

ADEM's Drinking Water Branch continues to meet regularly with representatives from the USDA Rural Development Agency, the Alabama Department of Economic and Community Affairs, and the ARWA. During these quarterly meetings, the technical, managerial or financial capacity of water systems and proposed expansions of existing water systems are discussed. Communication with these groups has included the requirements for new water systems, the expansion of marginally operated existing water systems, and the Department's expectations for compliance and TMF capacity.

Over the last three years, in cooperation with the ARWA, ADEM has participated in training sessions for certified operators and other personnel of Alabama's public drinking water systems. Topics in these training sessions included: creation of asset management plans, establishment of water system legal policies, legal liabilities of

board members, operation and maintenance of water distribution systems, computer training, regulatory updates, water system security, and water conservation. These training sessions have significantly contributed to the improvement of many of the State's public drinking water systems with respect to capacity development.

Alabama has diligently pursued efforts to improve the capacity development capabilities of the State's public drinking water systems. As a result, the sustainability of water systems has continued to improve, and the state has maintained a consistently low noncompliance rate for health-based standards. ADEM is committed to continue to promote and implement programs to address the capacity development capabilities of the State's public water systems.