



## WATER RESOURCES RESEARCH GRANT PROPOSAL

**Project ID:** 2004TX151B

**Title:** Assessment of Four Economic and Managerial Models for Operation of Public Water Systems in Texas

**Project Type:** Research

**Focus Categories:** Management and Planning, Law, Institutions, and Policy, Treatment

**Keywords:** Rural water systems, drinking water, privatization of water utilities, water treatment and distribution

**Start Date:** 03/01/2004

**End Date:** 02/28/2005

**Federal Funds:** \$5,000

**Non-Federal Matching Funds:** \$12,300

**Congressional District:** 19th

**Principal Investigators:**

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**Abstract**

This study will attempt to compare various aspects of the performance of four distinct types of water utilities now commonly used throughout Texas to serve small communities—private for-profit systems, non-profit systems, municipal utilities, and special purpose water districts. The project will focus on seeking to understand the complex reasons that drinking water supplied by the private sector seems to be much more expensive than drinking water provided by non-profit water supply corporations and other entities.

To develop these comparisons, the project will apply four methods in parallel—examining economic theory, investigating performance, comparing the amount and nature of violations of drinking water standards by utilizing data from the Texas Commission on Environmental Quality and the Texas Department of Health, and

convening a series of focus groups, where managers of each of these systems will provide feedback and discuss key issues.

The project will seek to develop extensive data on several of the costs facing managers of each of these systems, including expenses related to acquiring raw water, treatment, distribution, wastewater collection and treatment, personnel, and investments in capital improvements. In addition, data will be gathered and analyzed about the extent to which utilities in each of these four classes have programs in place to comply with new U.S. Environmental Protection Agency regulations for disinfection byproducts.

Results of this project are expected to provide valuable insights into the state of rural water systems throughout Texas, and will help identify the priority concerns facing customers of small water utilities.