

GAO@100 Highlights

Highlights of [GAO-21-291](#), a report to the Honorable Charles E. Schumer, Majority Leader, U.S. Senate

Why GAO Did This Study

The roughly 50,000 drinking water utilities in the United States face steep costs—more than \$470 billion over the next 20 years, according to EPA estimates—to repair and replace drinking water infrastructure. These costs are passed on to customers through water rates. States regulate the rates charged by privately owned water utilities. EPA has responsibilities to implement programs to further the health protection objectives of the Safe Drinking Water Act.

GAO was asked to review private for-profit drinking water utilities and rates. This report examines, among other things, (1) information available from EPA and other sources about the number and characteristics of private for-profit water utilities in the United States, and (2) Drinking Water SRF assistance provided to private for-profit water utilities. GAO reviewed EPA SDWIS data, Drinking Water SRF data, and Global Water Intelligence data, as well as EPA's and others' documents. GAO also interviewed EPA and water utility stakeholders.

What GAO Recommends

GAO is making two recommendations, including that EPA define all utility ownership types in SDWIS and verify and correct this data as needed. In written comments on the report, EPA generally agreed with both recommendations.

View [GAO-21-291](#). For more information, contact J. Alfredo Gómez at (202) 512-3841 or gomezj@gao.gov.

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PRIVATE WATER UTILITIES

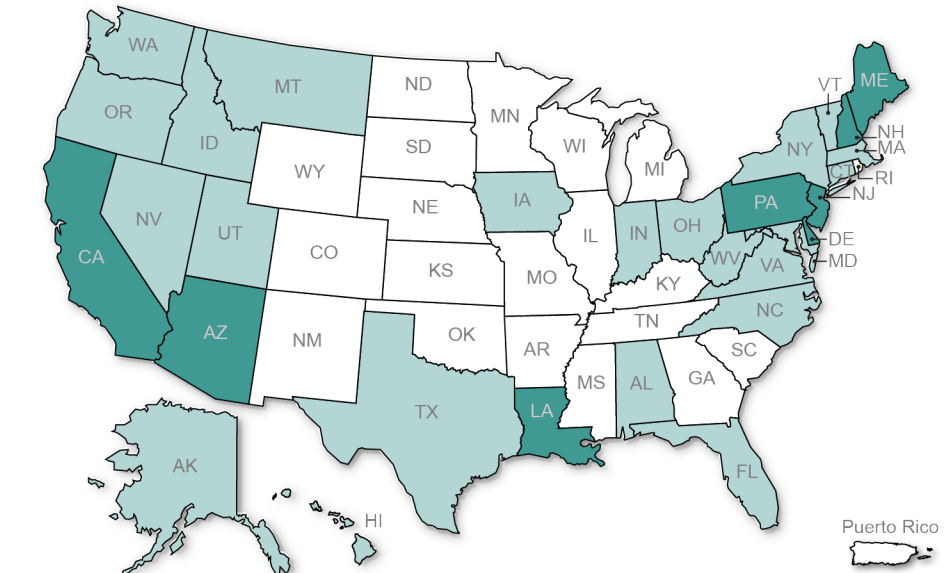
Actions Needed to Enhance Ownership Data

What GAO Found

Available information on private for-profit drinking water utilities shows that 14 publicly traded companies served customers in 33 states in 2019. However, the Environmental Protection Agency's (EPA) primary source of publicly available information on U.S. drinking water utilities—the Safe Drinking Water Information System (SDWIS)—contains ownership information that is limited by inaccuracies. EPA collects information in SDWIS from states but does not include definitions for utility ownership types in its data entry guidance. In addition, EPA takes actions to verify some of the data, but does not verify or correct ownership data. EPA and others use SDWIS for purposes such as analyzing Safe Drinking Water Act violations by type of utility ownership. Such analysis can help EPA and states build utility capacity to provide safe drinking water. By defining ownership types, and verifying and correcting the data in SDWIS, EPA could help ensure the data are accurate and reliable for users of the data and the public.

EPA provided over \$500 million in Drinking Water State Revolving Fund (SRF) assistance to for-profit utilities for 226 projects to help ensure delivery of safe drinking water from January 2010 through June 2020. EPA's Drinking Water SRF program, created under the Safe Drinking Water Act, provides grants to states for low- or no-interest loans or grants to drinking water utilities for infrastructure projects. The amount provided to for-profit water utilities is small, about 2 percent of the \$26.5 billion provided overall from January 2010 through June 2020.

States That Provided Private For-Profit Utilities with Assistance from the Drinking Water State Revolving Fund, since January 2010



Assistance for for-profit projects: \$501 million (Total number of projects: 226)

\$0 assistance to private-for-profit water utilities
 Less than \$10 million
 Greater than \$10 million

Sources: GAO analysis of Environmental Protection Agency data from the Project Benefits Reporting database; Map Resources (map). | GAO-21-291