

Water Quality Protection Charge (WQPC) Program – Frequently Asked Questions (June 2025)

1. What is the Water Quality Protection Charge (WQPC)?

The Water Quality Protection Charge is a fee assessed on all retail water sales in Rhode Island to support projects that protect the state's public drinking water sources. It is currently set by state law at **\$0.0292 per 100 gallons** of water sold.

2. Who is eligible to receive WQPC disbursements?

Only water suppliers that **manage their own water sources** (groundwater or surface water) are eligible to receive WQPC funding.

Eligible Water Suppliers:

1. Block Island Water
2. Clear River Electric and Water (CREW)
3. Town of Cumberland – Water Department
4. Town of Jamestown – Water Division
5. Kent County Water Authority
6. Kingstown Water District
7. City of Newport Water Division
8. Town of North Kingstown – Water Department
9. Pawtucket Water Supply Board
10. Quonset Development Corporation
11. Richmond Water Supply Board
12. Stone Bridge Fire District
13. Veolia Water Rhode Island
14. Town of Westerly – Water Department
15. City of Woonsocket – Water Division

3. How is the revenue from the WQPC distributed?

WQPC revenue is divided into three components:

- **6.9%** is retained by water suppliers for administrative purposes.
- **57%** is transferred to the Rhode Island General Fund.
- **36.1%** is remitted to the **Rhode Island Infrastructure Bank** (or retained by Providence Water in certain cases).

This 36.1% portion is commonly referred to as the “**penny fund**,” representing approximately one penny per 100 gallons of water sold.

4. What types of projects are eligible for WQPC funding?

Detailed eligibility information can be found in the Water Resources Board [Application for WQPC Funds - Project Eligibility Determination](#). Examples of eligible uses of the WQPC funds include:

- **Secure critical lands for source water protection** through fee simple purchases, conservation easements, or purchase of development rights, with a strong emphasis on long-term protection. When partnering with other entities, ensure all agreements include robust conservation easement language to safeguard the land’s water quality functions in perpetuity. (Minimum of 55%.)
- **Maintenance and administration** of protected land.
- **Planning activities** such as water quality protection plans, surveys, and appraisals, including up to 40% of the cost to produce a Water Supply System Management Plan
 - To be eligible, an entity’s Water Supply System Management Plan and the Water Quality Protection Component therein must be current or under review
- **Construction of physical improvements** that directly protect drinking water sources. (Up to 45% may be used for these non-land acquisition projects.)
- Additional projects may be considered eligible at the discretion of the Water Resources Board.
- The following is language directly from the WQPC State Regulations:

“Not less than 55% of Bank WQPC Fund monies shall be spent for the acquisition of land or rights in land or physical improvements to acquired land required to protect the quality of raw water in the water supply system. The following costs shall be included as part of the 55% requirement:

- a. Expenditures for maintenance, administration, related property surveys and appraisals, and payment of taxes.
- b. Acquisition of watershed lands located within or outside the state.
- c. Reimbursements for a maximum of 40% of the total cost to prepare water supply system management plans.
- d. Reimbursements for monies spent for eligible projects under this section which closed on or after March 1, 2015 shall be eligible for funding from the Bank WQPC Fund and shall be included as part of the 55% requirement.

3. Any remaining funds may be used for the construction of physical improvements that directly protect the quality and safety of public drinking water supply:

- a. As set forth on a Board approved water quality improvements project list, which may be amended from time to time by the Board.
- b. A supplier may appeal to the Board for consideration of projects not on the list. The Board or the Board Staff as set forth in these regulations shall make the final determination regarding the eligibility of water safety and quality improvements.
- c. No funds shall be used to extend service lines, to expand system capacity, or to install and maintain customarily applied water supply improvements.

4. Preparation and updates of water supply system management plans and property surveys and appraisals related to eligible land acquisition may be reimbursed or paid from the Bank WQPC Fund monies.”

[Water Quality Protection Charge - State Regulations](#) (June, 2025)

5. Can WQPC funds be used for reimbursement?

Yes. Water suppliers may apply for reimbursement of eligible land acquisition costs incurred on or after **March 1, 2015**.

6. How does a water supplier apply for WQPC funding?

The application process includes two steps:

1. Submit an [application](#) to the **Rhode Island Water Resources Board (WRB)** to determine project eligibility.
2. Upon confirmation, submit a **formal written request** for disbursement to the **Rhode Island Infrastructure Bank**.

Applications must include a complete project narrative, supporting documentation, maps, and plans.

7. What happens if a project is deemed ineligible?

Suppliers may appeal a project's ineligibility determination to the WRB within **60 days**. The Board may choose to review the appeal at its discretion.

8. What are the compliance and reporting requirements for suppliers?

Water suppliers must:

- Remit funds to the Bank and Board **by the 20th day of the second month** following the billing month.
- Maintain records on water use, charges billed and remitted, and exemptions granted.
- Keep records for at least **six years**.
- Submit **audited financial statements** and **annual reports** to the Bank and Board.
- Provide full access to relevant records for auditing and compliance purposes.

9. Why is the WQPC important?

The WQPC supports critical projects that:

- Safeguard public drinking water sources.
- Reduce the need for costly water treatment.
- Align with the objectives of the **Public Drinking Water Supply Act of 1997**.

10. Can conservation groups participate in the WQPC program?

Yes. **Land trusts and environmental organizations** can collaborate with water suppliers to identify, structure, and implement eligible source water protection projects that benefit both the environment and public health.

11. How long do I have to complete the project under this award?

The RI Infrastructure Bank and Water Resources Board anticipates all projects will be completed within 12 months of WQPC funding being made available to an entity. Extensions will be available for those entities that demonstrate substantial progress, as determined by the RI Infrastructure Bank and Water Resources Board.

Additional Resources:

[Rhode Island Infrastructure Bank - Water Quality Protection Charge Page](#)

[RI Water Resources Board - Water Quality Protection Charge Page](#)

[RI Water Resources Board - Water Quality Protection Charge Application](#)

[RI Department of Environmental Management - RI Drinking Water Supply Map](#)

The Water Quality Protection Charges regulations can be located at the below link ([490-RICR-00-00-7 - Water Quality Protection Charges.](#))