

National Drinking Water Advisory Council

Conference Call Minutes

July 10, 2003

Prepared by:

Prepared for:

**United States Environmental Protection Agency
Office of Ground Water and Drinking Water**

July 11, 2003

**National Drinking Water Advisory Council (NDWAC)
Minutes of July 10, 2003 Conference Call**

Participants

Present at EPA Headquarters: Cynthia Dougherty, Veronica Blette, Nanci Gelb, and Amit Kapadia.

NDWAC members by phone: NDWAC Chair Dr. David Spath, Bradford McLane, John Young, Dennis Schwartz, Vicki Ray, Dr. Graciela Ramirez-Toro, Michael Baker, Lynn Thorp, Rebecca Head, Dr. Mary Davis (SAB NDWAC liaison).

Other participants by phone: Bruce Schillo, EPA, and Matt Courson (ASDWA).

Public commenters by phone: William Snyder (Monroeville Water Works, Alabama), Bill Eckman (Mayor of La Plata, Maryland), Mel Aust (Northern California), Tim Mahoney (Rural Loraine County Services District in California, Clarence Aragon (New Mexico), and Ed Thomas (National Rural Water Association - NRWA) .

Opening Remarks

- Dr. David Spath convened the meeting at 10:10 a.m.
- Everyone had an opportunity to take a look at revisions of the report consistent with what was discussed at the June 20, 2003 conference call. Dr. Spath said that the Council would walk through each of the changes and close with a decision on the report.
- Dr. Spath said that the NDWAC would also discuss the letter that he, Mr. Baker, and Blanca Surgeon drafted recognizing the ASDWA Resource Needs Report.

Presentation of Modifications to the Affordability Report Since the Last Call and Initial Council Discussions

- Some changes were made to the report as result of the last discussions with the Council.
- Mr. Young read the changes he made to The NDWAC Perspectives on pages ix and x. Mr. Young said that he was not trying to change this section, but was trying to make it a more of a standalone piece.
- Ms. Ray agreed with Mr. Young's changes.

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- Mr. Young then moved on to discuss the changes made on page xii. The report states that the NDWAC is recommending that cumulative affordability guidelines be produced for many reasons, not just when variances are triggered.
- Dr. Spath asked the Council for comments. None of the members had comments so Dr. Spath moved onto the next issue. Dr. Spath said that he and Ms. Blette deleted the vote count throughout the report due to what they heard from the Council previously. Dr. Spath asked the Council for comments.
- Mr. Baker suggested that Dr. Spath and Ms. Blette strike from the report the third sentence from the bottom of the last paragraph on page iv. This sentence discusses vote counts.
- Dr. Spath agreed and moved on to the deletion of the allotment discussion on pages 44-46. This required editing of the document, which included removing sections on pages 44 and 45, and moving a paragraph from another section to page 46.
- Ms. Ray pointed out to Ms. Blette that the second bullet on page 41 is missing the word “available” at the end of the sentence. This bullet should match the one on page 56.
- Dr. Spath asked the Council for further comments. None of the Council members had comments, so Dr. Spath moved on to the final wrap up of the NDWAC perspectives on pages 100-102. Essentially, this section repeats what is in the abstract and will need to reflect Mr. Young’s recommended language.
- Dr. Spath asked the Council for any general comments on the report.
- Mr. Baker suggested changing “developing” to “providing” in the first sentence in the second paragraph on page iv in an effort to turn this into a Council report as opposed to a working group report.
- Mr. Young supported Mr. Baker’s suggestion.
- Ms. Ray suggested verb tense changes. Ms. Ray suggested changing “will be” to “is” in the first sentence of the second paragraph under The NDWAC Perspective on page ix. Ms. Ray suggested changing “will be” to “is” in the second sentence of the second paragraph under The NDWAC Perspective.
- Dr. Spath said that the Council members should send any additional edits or any places that mention the votes to Ms. Blette.

- Dr. Ramirez-Toro commented that the report sets up a great base for looking at capacity development. It is great start for those who want to deal with capacity development.

Public Participation

- Dr. Spath moved on to public participation.
- Ms. Blette said that all public commenters would be allowed to talk for 5 minutes.
- Mr. Snyder said that regulations will not be affordable. A lot of small systems pay only about \$25 for a water bill. Water bills could increase to \$83, which is not very affordable. Mr. Snyder asked why anything needs to be done that would be a hardship on most of the population.
- Mr. Mahoney spoke on behalf of a water district in northern Ohio. The district has taken over serving water for individuals who got water out of wells, springs, farm ponds. Mr. Mahoney's concern is that if water rates increase for these compliance issues, a lot of these people will go back to their old system. Mr. Mahoney is afraid that people with a potable water system will go back to a nonpotable water system if having a potable water system costs too much.
- Mr. Aust said that small systems are much more difficult to manage and run. The income of rural households is significantly different than the income of households in metropolitan areas, and the report does not address that well. The difficulty of trying to get funding for rural utilities makes many utilities quit the process. Mr. Aust's community decided in the early 1990s that it needed to consolidate utilities, and the consolidation saved the community \$300,000. Small systems will support consolidation when it makes sense. Mr. Mahoney does not think that a cap of 2.5 percent of median household income is realistic for rural counties. Mr. Mahoney suggested that the NDWAC reference the Census 2000 report for rural counties income.
- Mr. Aragon said that 98 percent of systems in his area of New Mexico serve fewer than 300 people and do not have operators. Unemployment is about 20% and income about \$13,000. Mr. Aragon felt that people are having trouble paying their other bills and that \$400 per regulation is too expensive.
- Mr. Eckman said that although mean household income in La Plata is \$56,000, some members of the community would be challenged by higher water rates. Water, sewer, and trash are billed in one bill. About 15 percent of households have incomes of less than \$25,000, so these bills come up to over 3 percent of their income. If we add \$400 per

regulation, their bills will increase to about 8 percent of their income. Mr. Eckman felt that \$400 per regulation is not affordable.

- Mr. Thomas said that \$400 per year, per regulation, per connection is clearly an unaffordable recommendation for small communities. Mr. Thomas encouraged the Council to really think about that recommendation.

Council Discussion and Action on Affordability Report

- Ms. Ray said that the NDWAC was recommending that EPA look at the cumulative nature of the guidelines.
- Mr. Baker noted that he believed in the working group and the Council's recommendation that for any given rule, there will be a large number of systems that will not be able to afford it. Besides being impractical, there are a number of reasons for not wanting to develop and allow variances. This is why the report went well beyond the affordability criteria, to find alternatives to variance technologies.
- Mr. McLane agreed with Mr. Baker. Mr. McLane said that it is a gross misrepresentation of the efforts of the working group to say that they and the Council supports \$400 per regulation. The Council is looking to avoid using variances. Mr. McLane feels that the most appropriate action is for the utilities, public interest groups, and regulators to work together to secure funding to provide water at affordable rates to all Americans. The report does not say that EPA should consider \$400 per regulation to be affordable.
- Dr. Spath said that all of the public's comments were relevant. There are difficult choices of affordability throughout the country. The law is fairly restrictive in what it lets EPA do. Congress needs to revisit the variance issue and try to find other ways to make regulations affordable and provide resources to meet drinking water standards.
- Mr. Schwartz disagreed with the statement that 1 percent of the national median household income (MHI) per regulation is affordable. Mr. Schwartz was disappointed that, rather than address what can be affordable, the report seems to conclude, or suggest, that whatever the cost of a rule may be, that is acceptable, and disadvantaged people will have to figure out a way to pay their water bill. Mr. Schwartz said that there is no question that if every system had reverse osmosis, there could be an absolutely safe drinking water product, but if it is absolutely unaffordable or there needs to be a trade-off, it is not truly a benefit. This is not specific to just small systems. Everyone is going to see the same consequence.

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- Dr. Spath asked if there was a motion to accept the report and to send it on to the administrator.
- Mr. Young so moved.
- Dr. Ramirez-Toro seconded the motion.
- Dr. Spath asked for a vote.
- Ms. Blette conducted an individual vote:
 - Dr. Ramirez-Toro approved
 - Ms. Thorp approved
 - Ms. Ray approved
 - Dr. Spath approved
 - Mr. Baker approved
 - Mr. McLane approved
 - Mr. Young approved
 - Mr. Schwartz disapproved
- Dr. Spath said that the Council had a vote of 7 to 1 to approve the report and provide it to the EPA Administrator.

Council Discussion and Recommendation on the ASDWA Report

- Dr. Spath moved on to the draft letter to the EPA Administrator. This letter is a recognition of the report presented to the Council by Jay Rutherford of ASDWA. Dr. Spath asked for comments on the letter.
- Mr. Baker supported transmitting the letter to the administrator.
- Mr. Schwartz moved to forward the letter to the administrator; Ms. Ray seconded.
- Dr. Spath asked if all were in favor of moving the letter onto the Administrator. All of the Council was in favor.
- Ms. Blette asked the Council members to send her any additional errors in the report that they might find.
- Dr. Spath asked if there were any items to discuss about the meeting in to be held in November 2003.

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- Ms. Dougherty said that she was trying to decide whether the meeting in November should be held in Tampa, FL, or Cincinnati, OH.
- Dr. Spath adjourned the meeting at 11:10 a.m.