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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

EXECUTIVE SECRETARY

August 5, 1996

To: Board of Directors (Special Committee on Water Quality and Environmental Compliance--Information) (Engineering and Operations Committee--Information) (Committee on Legislation--Information)

From: General Manager

Submitted by: Mark D. Beuhler
Director of Water Quality

Subject: Safe Drinking Water Act

RECOMMENDATION

For information only.

EXECUTIVE SUMMARY

As of August 5, 1996, Congress had passed a new Safe Drinking Water Act (SDWA) and sent it to President Clinton, who was expected to sign on August 6. The new law is a bipartisan compromise between Senate and House bills. The new SDWA provides for strong public health protection and improves the ability of utilities to address the more critical water quality issues. Significant improvements are made in the standard setting process. Major new funding (over $7 billion for the next seven years) is provided for research, source water protection and for loans to water systems to construct facilities to improve or maintain water quality.

DETAILED REPORT

In 1986, Congress made major amendments to the Safe Drinking Water Act resulting in an overly prescriptive law and a seriously flawed standard setting process. This created the potential for greatly increased costs to drinking water consumers without appropriate balancing of health benefits. The old law also resulted in a misdirection of regulatory efforts toward issues of lesser concern and lower public health benefit.

Since 1986, Metropolitan has been working with the national water associations and the Association of California Water Agencies (ACWA) to amend and reauthorize the SDWA to provide appropriate balance, reasonable standard setting, source water protection, funding assistance for needed water quality improvements, and other positive provisions. These efforts came to fruition with the passage in both the Senate and the House of much improved SDWA bills (S. 1316 and H.R. 3604).

Jurisdictional squabbles between several House committees initially delayed the Conference Committee followed by hardball negotiations between House Democrats led by Henry Waxman of California and Senate Republicans led by Senator Kempthorne of Idaho. The Senate and the House approved the compromise bill on August 2 by an overwhelming majority. The President was expected to sign the bill on August 6. The fate of $725 million of SRF funds appropriated by Congress for prior fiscal years is still uncertain because the SDWA was not approved on August 1.

It is clear that passage of the SDWA in a difficult political year is a major accomplishment for all involved. Metropolitan and its Member Agencies have been actively involved and have effectively worked to support the efforts of the national water associations and ACWA. In particular, Metropolitan staff also worked closely with ACWA and others to defuse arsenic as a SDWA issue by actively promoting water utility-sponsored research. (Attachment No. 1 is a guest commentary from the ACWA News.)

Key provisions of the legislation of significance to Metropolitan and its Member Agencies are:

1. Elimination of the mandate for USEPA to set MCLs for 25 additional contaminants each three years whether they are needed or not. This will save significant dollars in the future related to unnecessary monitoring and compliance costs.

2. New standard setting procedures allow USEPA to use cost benefit analysis and risk tradeoffs.

3. New mandate for radon standard that takes into account the fact that 99% of exposure to radon is from non-drinking water sources. USEPA is allowed to set a rational MCL (probably 3000 pCi/l) that will save California an estimated $2.5 billion on initial capital costs alone to treat ground water from wells.

4. Requirement that USEPA set a new MCL for arsenic only after conducting health effects research. Significant funding is provided for this research.

5. Authorization of about $7.2 billion over seven years for a new State Revolving Fund to provide low cost loans to communities and water utilities for water quality improvements. California's share for 1996 will be about $42 million but a 20% State match must be provided.

6. Source Water Protection — Funding and authority are provided for source water protection, for the first time in the SDWA, with State implementation flexibility.

Attachment No. 2 is a "snapshot" summary of the key provisions of the new law.

Metropolitan staff will be available, upon request, to conduct workshops for the Member Agencies on the impacts and implementation of the SDWA.

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Attachments

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ACWA, Member Agencies Lead the Way in Arsenic Research Arena

By John "Woody" Wodraska

The American Water Works Association Research Foundation voted to add $500,000 to an estimated $500,000 pledged by water utilities in California, Arizona and Texas to research health effects of low concentrations of arsenic in drinking water.

Wodraska

*John "Woody" Wodraska, general manager of Metropolitan Water District of Southern California, wrote the following guest commentary for **ACWA News** on the arsenic research partnership.*

In the jargon of today's business world, "partnership" has become something of an overused term. However, ACWA and some of its member agencies recently put together a true partnership to fund research into the health effects of low levels of arsenic in drinking water. In fact, the goal is to create one effective partnership in order to make an even larger one possible. This is the "Arsenic Research Partnership" in which a number of ACWA member agencies committed up-front funds totaling over one-half million dollars.

ACWA's objective was to get the board of trustees of American Water Works Association Research Foundation (AWWARF) to match the water utilities' funding by impressing them with the need for the research and with the commitment by ACWA's agencies. With that objective accomplished on June 21, AWWARF and ACWA can now go to the U.S. Environmental Protection Agency (EPA) with over $1 million and seek a firm commitment and matching funds to initiate the research. Water utilities, AWWARF and EPA would have a role in overseeing the research.

For several years, EPA has been hurrying, in regulatory time, down what seemed like an inevitable path toward a much more stringent drinking water standard for arsenic. (The current standard in place since the 1950s is 50 parts per billion [ppb]; a new standard potentially could be set as low as 2 ppb.) The pressure and momentum have been provided by scientific studies of populations in Taiwan where persons exposed to higher levels of arsenic in well water developed internal organ cancers. Extrapolation of the results in a linear fashion — per EPA's normal standard setting procedures to account for acceptable risk with safety factors — would drive the standard very low. There were serious questions raised in the national scientific community about the studies and whether this extrapolation made sense.

Drinking water agencies are very supportive of setting drinking water standards that are protective of public health. If a standard needs to be lowered, it should be. But it should be lowered only where there is reasonably adequate data on which to make the decision and before huge amounts of public funds are spent to address the issue.

In recognizing the significance of the arsenic issue and initiating early actions, ACWA has already provided a major service to the public and the entire national water industry by: 1) completing a California low-level arsenic occurrence study to identify the extent of the problem; 2) providing the impetus and co-sponsoring a major national workshop on arsenic health effects research; and 3) initiating a California cost-of-compliance study to demonstrate the huge public dollars at stake in the standard setting decision process.

All of these actions have helped shape the debate and influence decisions on this issue. A major benefit has already been realized: arsenic has been removed as a contentious issue in the Safe Drinking Water Act (SDWA) debate. This is significant because environmental groups and some members of Congress had identified arsenic as a key issue in earlier hearings on the SDWA only a few months ago. Exploitation of arsenic as a scare issue in the media has quietly dropped off as the partnership has taken shape.

ACWA and its member agencies involved in this effort are to be commended for demonstrating their commitment to the underlying precept that "good regulations need good science" and to the protection of public health. While a team effort was required, the individual efforts of a few persons should be noted, especially those by Bill Mills, Orange County WD; Ken Reich, Central/West Basin MWD; Jim Wickser, Los Angeles Department of Water and Power; Tom Levy, Coachella Valley WD; ACWA Executive Director Steve Hall; and the regulatory/legislative staff of ACWA, including Maria Tikkanen, Dan Smith and Dave Reynolds.

It is important for California water agencies to take time out occasionally and pat ourselves on the back.

ACWA members are welcome to submit guest commentaries to ***ACWA News***.

Attachment No. 2

SAFE DRINKING WATER ACT AMENDMENTS OF 1996

Provide improved public health protection:

- **by allowing communities to direct scarce public funds/resources to resolve issues of greatest concern and that provide the most health benefits**

- **by requiring that drinking water standards be set to address greatest risks**

- **by maintaining current strict drinking water standards**

Eliminates mandate for 25 new standards each 3 years

- whether they are needed or not and whether or not they actually occur in water sources; eliminates the accompanying increased monitoring costs.

Establishes new standard setting procedures

- USEPA must determine whether the benefits of a new MCL justify the costs; evaluate risk reduction with cost-benefit analysis; requires use of best available, peer reviewed science.

- Allows USEPA to consider and balance risks between microbials (acute, short-term effects such as waterborne diseases) and chemicals (chronic, long-term effects such as carcinogens).

Maintains requirements that USEPA allow use of innovative, cost-effective technology

- (such as ozone/peroxone) in lieu of very costly Granular Activated Carbon (GAC) treatment.

Allows communities adequate timeframes for compliance

- Reasonable time after a new standard is set will be provided for a community to build needed facilities.

Requires that USEPA regulate radon in drinking water

- Standards to be set for radon that are protective of health but avoid extreme costs ($2.5 billion in California) to resolve only 1% of radon problem.

Provides authority and funding for new Source Water Quality Protection programs

- States will have ability to assist communities in preventing contaminants from getting into sources; provide for another barrier against contaminants and avoid increased treatment costs downstream.

Provides major financial assistance to communities

- About one billion dollars per year for 7 years; $60-75 million in California; revolving loan funds for communities to construct facilities to improve/maintain water quality.

Significant new funding for water quality research

- on issues including *Cryptosporidium* to provide good scientific knowledge especially on health effects.

Provides funding and mandate for added research into health effects of low-level arsenic & new arsenic standard

- USEPA required to develop comprehensive research plan to obtain good scientific information on health effects at very low levels of arsenic in drinking water before new standard is set.

State Health Agencies given flexibility to reduce costly monitoring that is not needed

- for chemicals never found in community supply, especially helpful to smaller systems.

Improves State Health Agencies surveillance programs over water systems, especially small systems

- Greater funding and more flexibility given to states to address most important issues.

Provides increased funding for technical assistance to small water systems

- Smaller water systems, nationally and in California, account for most of the non-compliance problems.

Requires that water treatment operators be certified

- This has been required in California for many years.

Improves public notification requirements and requires new annual water quality report to consumers

- Water utilities in California already do this. However, there are new requirements to report MCLGs (Maximum Contaminant Level Goals).

Prepared by Water Quality Division, Metropolitan

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