

# Small Systems Implementation Working Group

**October 20-21, 1999**  
**Albuquerque, New Mexico**

## Executive Summary

The National Drinking Water Advisory Council's Small Systems Implementation Working Group met in Albuquerque, NM on October 20-21, 1999. The group reached general, preliminary consensus on a wide range of potential recommendations to the full NDWAC. The working group's deliberations centered on the series of seven issue papers developed through the group's previous work. This executive summary reports each of the major issue areas discussed and the general, preliminary consensus the group reached on potential recommendations.

### **State Capacity Development Strategies**

**ISSUE: States are developing strategies to assist Public Water Systems in acquiring and maintaining technical, financial, and managerial capacity. What should be done to help States develop strong and effective strategies? Given available resources, what should States and EPA do to maximize the beneficial outcomes of implementing capacity development strategies?**

#### PRELIMINARY POTENTIAL RECOMMENDATIONS:

For EPA: The group encouraged EPA to continue current efforts of technical assistance and development of information for states. Members also suggested that EPA do more in the area of facilitating exchange of information between States, for example, development of a website with program summaries and links to State pages. The group felt that EPA could also improve information sharing among States and across EPA Regional Offices through face to face working sessions or teleconferences. Finally, the group suggested that EPA increase direct personal interaction with local decisionmakers and field-based technical assistance providers.

For States: The group emphasized the importance of States using all available resources and authorities to develop the technical, managerial, and financial capacity of systems. Members agreed that the development of system capacity is central to public health protection and reducing long term resource shortfalls facing state drinking water programs, since systems with greater capability require less oversight. In particular, the group discussed the importance of an effective, broad-based stakeholder process, and the development of institutional connections among State agencies that regulate water quality, quantity, rates, and funding.

### **Role of Public Awareness**

**ISSUE: How can system capacity be built through customers' willingness to pay and willingness to act? What should systems, EPA, and States do to help customers better understand the true cost and value of safe drinking water?**

#### PRELIMINARY POTENTIAL RECOMMENDATIONS

For EPA: During deliberations, members agreed that public awareness generally involves a tripartite relationship among water systems, State and Federal regulatory agencies, and industry associations and technical assistance providers. The group was generally satisfied with EPA's current public awareness activities such as creating generic informational products, e.g., brochures and public service announcements. Members suggested, however, that EPA engage in broader partnerships with various

stakeholder groups, as well as address additional subject areas such as water rates. Finally, the group proposed using the National Drinking Water Clearinghouse (currently funded by the Rural Utilities Service of USDA) to develop a bank of resource materials related to building public awareness, including educational programs for schools.

For States: The group emphasized improving system capacity to inform and engage customers. Specifically, members suggested that States coordinate technical assistance to systems on public awareness, develop generic public outreach materials that systems can customize for their own use, and provide grants to systems to do public outreach. The group also felt that States should, on limited basis, conduct direct public education activities.

### **Training/Education of Governing Bodies**

**ISSUE: Governing bodies that are well trained and educated in water system management and operation are an essential component of a sustainable system. How can we ensure that water system governing bodies receive the training and education that they need?**

PRELIMINARY POTENTIAL RECOMMENDATIONS:

For EPA: The group encouraged EPA to conduct a training needs analysis, as well as provide examples/models, and tools for training. The group also suggested that EPA use incentives to encourage States to implement board member training programs, for example, by providing flexibility in the use of funds for operator certification.

For States: The group suggested that States establish programs requiring board member training, but also suggested that States have the flexibility to phase in this requirement. Members also proposed that States provide incentives to those systems not of highest priority, to encourage them to participate in board member training more immediately.

### **Regulatory Agency Institutional Structures and Processes**

**ISSUE: The institutional structures and processes of regulatory agencies can impose significant burdens on water systems, making it difficult for systems to build technical, managerial, and financial capacity for the long term. What changes to their respective institutional structures and processes should EPA and the States make to help water systems provide maximum public health protection at the lowest possible cost?**

PRELIMINARY POTENTIAL RECOMMENDATIONS

For EPA: The group had four general recommendations to EPA. First, it reaffirmed the value of EPA's approach to engaging stakeholders, and urged EPA to continue with this approach. Second, the group recommended that EPA seek administration support for a national drinking water policy. The purpose of such a policy would be to promote a coordinated, integrated statement of goals and objectives of federal government activities regarding drinking water. Such a policy could potentially be modeled on the Clean Water Action Plan. Third, the group recommended Federal-level consideration of a special dedicated federal "trust-like" fund for building drinking water system capacity. Finally, the group suggested that EPA reassess the relationship between EPA headquarters and regional offices in order to address the consistency of policy implementation.

For States: The group reached consensus on a number of issues related to both internal and external State institutional issues. Internally, for example, the group recommended that there be increased coordination among State agencies, that States address barriers to restructuring and acquisition, and that States improve their review and implementation of new technologies. Externally, for example, the group

suggested that States clarify and communicate their expectations to technical assistance providers to ensure that their activities are consistent with the State capacity development strategies. The group also suggested that States more effectively address issues with adjoining States, such as water rights issues.

### **Mechanisms for Sharing the Cost of Water Service**

**ISSUE: What are the best ways to financially assist low income households that cannot afford to pay for water services in order to meet the national goal of providing safe and affordable drinking water to all people served by public water systems?**

#### PRELIMINARY POTENTIAL RECOMMENDATIONS

Recommendations to EPA. The group proposed three potential recommendations. First, the group proposed that EPA continue to provide information and policy research and to promote improved coordination of federal funding programs. Second, members thought that EPA should facilitate system access to public private partnerships and commercial markets. Third, the group suggested that EPA explore additional dedicated federal funding targeted to the neediest of systems.

Recommendations to States. The group proposed four potential recommendations for States. First, the group thought that States should encourage and provide incentives to systems to use progressive water rates. Second, the group suggested that States directly support systems, e.g., creation of a dedicated fund for Drinking water, and a State water usage tax used to cover certain costs such as monitoring. Third, the group proposed that States provide assistance to customers (through public programs, charities, etc.) to pay water bills. Finally, the group felt that States should help systems lower costs by assisting systems in identifying and implementing least-cost options for service provision.

### **Water System Institutional Structures**

**ISSUE: The institutional structure of a water system may affect the system's ability to provide consistently safe and affordable water. How can EPA and the States promote and facilitate water system institutional restructuring to enhance public health protection and water affordability?**

#### PRELIMINARY POTENTIAL RECOMMENDATIONS

For EPA: The group recommended that EPA continue to provide information and policy research.

For States: The group generally agreed that States should help systems achieve maximum public health protection at least cost by strengthening existing internal structures. Examples include training and technical assistance to enhance system efficiency and effectiveness, assisting and encouraging partnerships among systems, and balancing use of market forces with the need for States to step in. Also, the group felt that States should establish a procedure for temporary receivership of exceptionally troubled systems posing a public health threat for the purpose of achieving system capacity.

### **Unsustainable Systems**

**ISSUE: What long-term policy options are available to regulators for systems that cannot achieve self-sufficiency, even after providing significant financial and technical assistance, and using maximum regulatory flexibility?**

#### PRELIMINARY POTENTIAL RECOMMENDATION

The group agreed that there is a very small but important unsustainable systems problem (unsustainable systems are those for which all normal avenues of assistance and regulatory assistance have been

exhausted and which pose a clear and imminent danger to public health.) The group recommended that States consider all possible tools to address these problems and that EPA provide information on possible tools.

### **NEXT STEPS**

The group agreed to attempt to complete its work without any additional face-to-face meetings. The contractors will propose one or more options for the group to consider regarding how to present final recommendations to the full council. Final recommendations will be presented to the full council at its spring, 2000 meeting.

#### Members Present

Jerry Biberstine  
Andrea Griese  
Kirk Leifheit  
Charles Maddox  
Bruce Florquist  
Yvette DiPieza  
Bob Wendeglass  
Christine Hoover  
Mark Bugher  
Patrick Banegas  
John Scheltens  
Jim Dunlap  
J.W. Hellums, Jr.  
Blanca Surgeon  
Gary Morgan  
Paul Felz  
Peter Shanaghan  
Michael Dimitriou

#### Members Absent

Michael Walsh  
E. Leon Jacobs, Jr.  
David Siburg  
Curtis Truss, Jr.