

DRINKING WATER ADVISORY COMMITTEE

DEQ State Office

Conference Room C

Tuesday, October 16, 2007

8:30 a.m. – 2:30 p.m.

MINUTES

Attendees:

DWAC Members:

Butch Anderson, IRWA	John Wiskus, CH2M Hill
Camille Cegnar, United Water	Kellye Eager, Health Departments
Bob Hansen, IBOL Board	Fred Ostler, AWWA
Cyndi Grafe, EPA - Idaho	Lynn Tominaga, Idaho Ground Water Appropriations
Mac Pooler, City of Kellogg	Kody VanDyke, City of Sandpoint
Chad Stanger, City of Idaho Falls	Steve Tanner, DEQ

DEQ:

Lance Nielsen	Don Lee
Amy Williams	Tom John
Tim Wendland	Jerri Henry
Steve Stauer	Tom Hepworth
Joan Thomas	

Guests:

Dave Schunke, PUC
Joe Leckie, PUC
Dan Graves, PUC
Shelly Hammons, IRWA

Introductions/Review of Agenda Items –John Wiskus

- Members and guests introduced themselves and were asked if there were requests for additional items for the agenda.
- Minutes from the May 31, 2007 meeting were approved.

Public Utilities Commission – Dave Schunke

- PUC Director, Dave Schunke, presented the committee with an overview of the agency's process of rate setting.
- PUC regulates 26 investor owned utilities, and assist additional systems that aren't regulated.
- The water system fills out an application and applies for a rate increase.
- Auditors go to the system and evaluate their financial expenditures and then set up a rate base.
- In evaluating a request for a rate increase, the PUC considers what is "used and useful", and what is "known and measurable". They strive to keep rates low and prevent rate gouging.
- The amount of investment that the utility has made and a reasonable rate of return on their expenditures and investment equal the systems' annual revenue.
- The PUC allows a surcharge for capitol improvements which are tied to a particular project. A certain portion of the surcharge goes into a reserve account, which the PUC monitors, and may be used for other improvements.
- The PUC considers what the capital improvement is and whether the investor/owner contributes to rate base. If he does, there is no 2nd charge to the public.
- The timeframe for the entire process which includes auditing the systems' books, building a rate case, and a public hearing is anywhere from 3-7 months. Exceptions arise and can be completed in a minimum of 21 days. In emergency situations the PUC can raise the rate quickly.
- Normal expenses are factored into the base rates. Typically, smaller systems don't have normal expenses taken out of their rate charges.
- If there is a request to include money for a specific need that will be coming up in the future, the PUC can make exceptions to put specific need work in before it is done. The system would have to provide the PUC some assurance that it will truly be needed.

Committee Discussion

- Small systems have to meet new regulations and have to pay for upgrades. More small need to raise their rates and are afraid to go to the PUC. PUC said they really should fill out the application and initiate a rate case. They can be pre-authorized for the rate increase, so they can move forward with it. PUC tries to make it easier for the small systems.
- There are problems when they can't borrow the money to pay for upgrades. Small systems are typically 10% of the population..
- Bob Hanson mentioned that it is an expensive process beforehand and it's not until afterward that the PUC does an amortization of all costs associated with the increase to include the expenses prior to getting the increase.

MOTION/ACTION TAKEN: Director Schunke indicated it would be feasible to develop some kind of filing for smaller systems, but it would require a statutory change from the legislature. He said the PUC is anxious to look for possible ways to address this problem and suggested future meetings.

Cryptosporidium Outbreak at Settler's Park, Meridian – Lance Nielsen/Don Lee

- In Late July-August of 2007, Meridian ordered their water park closed down because of a Cryptosporidium outbreak in recreational water (not in the public water system). The EPA Manchester Lab performed analysis.
- Two Hundred Thirty (230) people in Southwest Idaho have been infected with Cryptosporidium and cases were also found in Pocatello and Rexburg. The Rexburg incident was from a swimming pool and infected 100 people.
- Nationally, 90% of outbreaks are caused by food contamination and only 10% from water. In the Settler's Park instance, people were exposed through the water that sprouts up in the water park and also splashed up on one of the water fountains.
- DEQ is confident that the Crypto did not come from the public water system. Most often contamination events like this come from outside the water system.
- The Centers for Disease Control is concerned because Idaho has experienced far more Crypto infections this year (300 +) than our average of 23 infections per year.

Point-of-Use Implementation Issues – Jerri Henry/Steve Staufer, Boise Regional Office

- DEQ is seeing more troubles than expected with POU. There are problems with the installation of the units, modification of units after installation, and the cost is higher than expected.
- Steve Staufer, Boise regional office, talked about the problems with POU.
 - The units are leaking from installers bypassing the air gap on the POU units. The vendor goes in to correct the leak. It's difficult to protect the customers if the devices are not properly installed and maintained.
 - Trying to gain access into people's homes is not as difficult as anticipated.
 - Different types of units are being installed because anyone can buy them at Home Depot.
 - Existing ownership – You may have a mixture of types of units and people don't want the cost of putting in another one.
 - Treatment costs not affordable. EPA developed a cost model indicating the cost of \$25.00/month. The actual cost is at least \$46.00/month. Centralized installation is probably still more costly for very small PWSs.
- DEQ needs to put together rule language to help some systems with addressing arsenic. In addition, POU is now the only viable option for uranium removal.
- DEQ is trying to work with the Plumbing Bureau but they have been unresponsive. Another attempt at communicating with the Bureau was in a letter the DEQ Water Quality Administrator sent to the Bureau on September 10th. There has been no response to date.
- The POU rule did not require a professional engineering facility plan. However, Tim Wendland

said that an environmental review is required whenever you receive Federal money through the SRF. Tim discussed the process of obtaining a loan and indicated that the facility plan could be tailored to the nature of the POU.

MOTION/ACTION TAKEN: DEQ is working to determine the actual cost of putting in a POU device. The DWAC was asked to provide DEQ with any feedback they may receive about POU from their constituents.

Financial Outlook – Lance Nielsen/Don Lee

- DEQ drinking water income rate is stable. Currently, with the mechanisms DEQ has in place, the estimated time more funding will be need increased by two years - from 2011 to 2013.
- Vacancies, including military deployment and engineer shortages continue to be an issue.
- DEQ could not complete a comprehensive communication plan as requested at the last meeting because it is difficult to forecast and it is now looking like the program may be solvent for the next five to six years.
- Don talked about Security money that was initially given to DEQ after September 11 to address terrorist activities. However, this security grant money can still be used for the intent it was provided without fighting terrorists. It is still being used helping systems be prepared for an emergency. DEQ has put together a workplan and it has been preliminarily approved by EPA. Performance measures that use security dollars are being tracked and DEQ will be able to account for the money.
- Kellye Eager asked about increased workload. Don indicated that DEQ is doing work in conjunction with the sanitary surveys that was security related and charging some of that work to sanitary surveys.
- DEQ needs to continue being creative with its resources. Don added that Idaho is the only state to use the security money this way.
- Mac Pooler observed that DEQ and the committee still need to be proactive and deliver the information to cities and systems way in advance of the need for a fee increase.
- Mac introduced a letter from Forsgren Associates, Inc. which was presented at an AIC meeting. The letter is regarding streamlining the IBOL licensing process. The letter proposes these three changes to the rule which would affect all drinking water and wastewater operators.
 - Remove the time in grade requirement to take the test.
 - Allow individuals to take any test at any time.
 - Allow specific water & wastewater training to meet education requirements.

MOTION/ACTION TAKEN: The committee doesn't need to do anything at this time. DEQ will continue to look at cutting any waste out of the program in order to operate efficiently. Bob Hansen will bring the Forsgren Letter to the IBOL Board in their teleconference meeting and will report their opinion to the DWAC when the meeting minutes are set out.

Pocatello Regional Office Report – Tom Hepworth, Regional Engineering Manager

- Tom presented a summary of the Pocatello Regional Office and praised his staff for their excellent work.
- Pocatello has some of the same issues as other regions such as growth management, arsenic and point-of-use, training, tracking licensed operators.
- Pocatello has some very small systems that are under financed and poorly managed.
- Tom favors system consolidation, but it is challenging in southeastern Idaho.
- Tom talked about trying to improve these issues in his region.
 - More financial assistance for small, rural water systems.
 - System consolidation is a goal for Pocatello.

- More interface between the ground water and drinking water programs.
- Staffing and salary issues. Hard to find qualified engineers because of the salary DEQ offers. Pocatello tries to pick up the excess work and also sends work to Tech Services and other regional offices.
- Would like to see a succession plan covering staff positions when someone leaves.

Emergency Well Issues – Jerri Henry

- The drinking water program is evaluating the increased misuse of the 1994 policy on back-up wells. The policy has gray areas and back-up wells are being used beyond what they were intended and are not being tested for chronic contaminants.
- Idaho has 143 different systems with 187 “backup or emergency” wells that DEQ knows about with an unknown quality of water. Some are large production wells, not short-term, small volume wells.
- The Attorney General’s office reviewed the policy, and indicates that the old policy is not in the interest of public health and requested a plan to withdraw the policy.
- Jerri is working on developing an alternative language policy and welcomed suggestion from the committee.

MOTION/ACTION TAKEN: In the next two to three months the state office will have a draft plan on emergency wells ready for review by the regions and finally approval from Barry Burnell.

Alternative Monitoring – Jerri Henry

- The Department is in the process of determining whether they will allow public water systems to deviate from entry point sampling to comply with the primary drinking water standards.
- The City of Coeur d’Alene applied to the Department to utilize time-weighted averaging for one well that would serve arsenic over the MCL level for less than 60 days per year.
- There are other systems that use poor quality wells during the summer for peak demand periods.
- One of the problems to overcome is that the current compliance program in SDWIS cannot determine compliance for flow or time weighted averages implied by seasonal/peak-demand use.

Drinking Water State Revolving Fund Update – Tim Wendland

- The pace is picking up in average loan size. Two systems will be awarded \$15 million dollars each. This year DEQ is looking at loaning well over \$30 million dollars. One home owners association in Twin Falls with a population of 150 people may be awarded \$2.8 million.
- DEQ received \$250,000 in Planning grants from the Legislature. There is a range of systems needing \$3,500 to \$40,000.
- Tim partially determined this year’s loan resources by incorporating two years of expected federal grant awards instead of one year as calculated in the past. EPA increased the grant amount from five to six million dollars.
- DEQ received \$2 million dollars for Operator expense reimbursements and spent \$1 million. Idaho is working with EPA to extend the grant to 2009 to allow operators to receive expense support longer, and provide training tools like CD ROMs from Pat Brown.
- DEQ current priority list includes \$38 million for drinking water systems and \$40 million to wastewater.

Regulatory Update – Lance Nielsen/Tom John

- LT2/Stage 2 Rule: The DEQ Board adopted the modifications at their October meeting. If approved by the Legislature, the rules will take effect in the spring of 2008.
- Beginning in January, DEQ will work with the smaller systems (less than 10,000) in preparing monitoring plans prior to the April 2008 deadline.
- Helpful informational materials have been prepared by EPA and can be found at: <http://www.epa.gov/safewater/disinfection/stage2/compliance.html> and

<http://www.epa.gov/safewater/disinfection/lt2/compliance.html>.

- The state posted guidance documents for public comment during August. There were no comments. After minor editing, these documents will be posted on the DEQ website at http://www.deq.idaho.gov/water/prog_issues/drinking_water/information_pws.cfm
- **Facilities and Design Standards:** Tom indicated there was a list of improvements to the standards and invited the committee to make any comments they deem appropriate. It wasn't the legislature's intent to require systems to have a facility plan for simple extensions. DEQ will be doing a rulemaking to amend the facility plan requirement for simple line extensions.
- **Total Coliform Rule:** Tom John is a member of the TCR Advisory Committee helping to revise the rule.

One Minute Updates – Don Lee

- Don announced the good cooperation between IBOL and DEQ regarding data collection and sharing.
- IdWARN mutual aid formation: Will meet with the Public Works Professionals group of the AIC
- Posting monitoring requirements (using MT code) is not possible at this time.
- Amy Williams announced that the Source Water Protection program has developed evaluation criteria for offering approximately \$100,000 worth of grants for local, regional, and statewide projects. She distributed a form with the information and scoring points. Amy asked the DWAC if they would look at the criteria and scoring points and offer their comments.

Wrap-up/Action Items

- Lance expressed DEQ's appreciation of the DWAC's valuable input to the drinking water program and the desire to be respectful of the committee's time. The question of how frequently and when the DWAC should meet was discussed.
- The committee said they found value in meeting face-to-face on a frequent basis, and appreciated DEQ's support of their activities.
- It was decided to meet three times a year if there are significant agenda items. Teleconferences would be considered if needed.

Adjournment at 2:00 p.m.

The next meeting will be in **April of 2008** – Date To Be Determined. DEQ will pick two dates in April and poll the committee on the best overall date.