Message

From: Jones, Enesta [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=65B8E6C6E5CA4A7A9AE85D98A4C8EEDB-EJONES02]
Sent: 11/17/2017 1:27:49 PM
To: Matt Blois [Ex. 6
CC: Press [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=b293283291dc44e0b5d1c36be9281d8a-Press]
Subject: Re: News story: funding for small town water infrastructure

Hi Matt, we are unable to provide an interview at this time.

Please attribute our response to an EPA spokesperson:

The Drinking Water State Revolving Loan Fund (DWSRF) was established by the 1996 amendments to the Safe Drinking Water Act (SDWA). The DWSRF was created by Congress as a way to provide low-interest loans to communities to help meet their most immediate needs while keeping costs down. Congress has also allowed states to use some percentage of their DWSRF funds to provide additional subsidies, further reducing costs to the community. In 2017, the average interest rate for a DWSRF loan was 1.6%, versus 3.3% for market value loans. Typically, the DWSRF provides about 10-15% of the financing needed by water utilities.
Water utilities set their rates based on a variety of factors (e.g, treatment costs, operational costs of delivering water). EPA last collected data from water systems about their revenues in the 2006 Community Water System Survey. This information is available in tables 60 -70 of Volume II of the Survey Results
(See https://www.epa.gov/dwstandardsregulations/community-water-system-survey)

Drinking water system partnerships provide opportunities to collaborate on compliance solutions, operations and maintenance activities, and to share costs with other nearby systems. This can enable systems to reduce costs and provide safe and affordable water to their communities. Partnerships can range from informal arrangements, such as sharing equipment or bulk chemical purchasing, to more complex arrangements such as shared contract management or ownership transfer. More information about water system partnerships can be found at https://www.epa.gov/dwcapacity/water-system-partnerships.

Customer assistance programs are innovative ways to meet specific customer needs, while also meeting the utility's financial needs and obligations. In 2016, EPA developed the document Drinking Water and Wastewater Utility Customer Assistance Programs, which describes different programs that utilities have initiated to ensure that all customers receive services and, at the same time, allow the community to benefit from a more sustainable and resilient utility.

From: Matt Blois <Ex. 6
Date: November 2, 2017 at 9:07:16 PM EDT
To: "Jones, Enesta" <Jones.Enesta@epa.gov>
Subject: Re: News story: funding for small town water infrastructure

Great. Thanks for looking into this. Let me know if you need more info.

The best way to contact me is by phone. My phone number is Ex. 6

Matt

On Thu, Nov 2, 2017, 2:31 PM Jones, Enesta <Jones.Enesta@epa.gov> wrote:

> Hi Matt, I am now looking into this and will be in touch. Thanks.

From: Matt Blois Ex. 6
Sent: Thursday, November 02, 2017 3:02 PM
To: Lynn, Tricia <lynn.tricia@epa.gov>
Subject: Re: News story: funding for small town water infrastructure

Tricia,

Thanks for getting back to me.

I would prefer to talk to someone on the phone. I'm a radio reporter, so emails are much less useful for me. My deadline is November, 17.

Here's the main things I would want to talk about:

The 2011 water infrastructure needs assessment estimates that water systems in the U.S. will need to invest more than $380 billion over the next 20 years to continue providing clean water. How does the money available for SRF loans compare to the money needed for infrastructure improvements?

A lot of the people I've talked to in Montana are upset that they have to take out SRF loans because it means their water bills go way up. How can towns pay for these infrastructure projects without making their residents pay higher water bills?

The high cost of infrastructure projects seems to affect small towns more than big towns because there are fewer people to share the cost. The amount of money needed per person by small water systems to continue providing clean water is about twice as much for big water systems according to that 2011 needs assessment. How often do these kinds of projects result in water rates so high that residents don't feel like the infrastructure improvements are worth it?

Clean water is obviously really important, but it's not priceless. Given the huge infrastructure backlog, are there infrastructure projects that would raise water prices so high that people wouldn't be willing to pay? What should we do in that kind of a situation?

In one town (Big Timber, MT) the water rate increased by almost 60% to pay for an SRF loan used to build a treatment plant. What normally happens to the water rates in towns that use SRF loans to build treatment plants? Do these kinds of loans normally result in big increases in utility rates?

What's a reasonable amount to pay (as a proportion of someone's income) for 10,000 gallons of water? What should a water system do if water rates go way over that number?

Let me know if there is someone at the EPA who can answer these questions. You can reach me at Ex. 6

Thanks,

Matt Blois