

# Stakeholder Meeting on Variances and Exemptions

## EXECUTIVE SUMMARY

**Office of Enforcement and Compliance Assurance  
Office of Ground Water and Drinking Water  
September 30, 1997  
National Rural Water Association Annual Meeting  
Indianapolis, Indiana**

Under the 1996 Amendments to the Safe Drinking Water Act (SDWA), EPA is required to promulgate regulations with respect to variances and exemptions. To meet this requirement, EPA has established an inter-office team led by the Office of Enforcement and Compliance Assurance (OECA) and assisted by the Office of Ground Water and Drinking Water (OGWDW). A stakeholder meeting was held on September 30, 1997 at the Indianapolis Convention Center in conjunction with the National Rural Water Association's Annual Meeting. The purpose of this meeting was to solicit input from operators and administrators of small public water system as EPA proceeds in this rulemaking effort.

Andy Hanson, OGWDW, opened the meeting by welcoming the attendees, and stated that the purpose of the meeting was to solicit input from stakeholders as opposed to reaching consensus on issues that were discussed. Mr. Hanson then introduced Richard Alonso, OECA, and Peter Shanaghan, OGWDW. After the introductions, Peter Shanaghan, OGWDW, presented a brief overview of the variance and exemption provisions of the 1996 SDWA Amendments.

EPA posed the following three major questions to the attendees.

- 1) **What is a Public Water System's role in obtaining a Small System Variance?**
  - How much information (and with what level of detail) should a public water system be expected to assemble in applying for a variance?
  - What type of analysis, if any, should the public water system be expected to supply in its variance application?
- 2) **What is the Public's role in the proposal of a Small System Variance?**
  - How, and at what time should the public be notified of a proposed Small System Variance?
- 3) **What types of terms and conditions should a Small System Variance and Exemption contain?**

Based on the above questions, the attendees provided a large amount of useful information to the EPA inter-agency team. Shown below are general responses to the questions from the attendees.

### 1) **Small system variance application:**

Keeping with the spirit of the KIS ("keep it simple") theory, attendees stressed that small system variances application requirements should be maintained simple on the federal level. Attendees recognized the need for the system to provide financial information, including rate information. However, regulators should keep in mind that not all systems have the ability to raise rates without government or voter approval.

Noting that financial information may not be readily available to the States, stakeholders favored the idea that a system provide information that is not readily available to the State. If the State already has information, such as technical information or compliance history, that will aid the State in its determination of whether to grant a variance, the State should not require the system to re-submit the information to the

State. Attendees recognized that the application should demonstrate that systems willingness to move forward including the systems effort to obtain State assistance through State Revolving Funds.

### **3) Public notification of proposed variances:**

Attendees recognized the need for public involvement in the variance process and supported the fact that the system should encourage the public to be involved in the early stages of the variance application process. Stakeholders asked EPA to keep the system notification requirements flexible because efficient notification to customers throughout small communities may vary.

Attendees expressed concern that the consumer petition process may cause unnecessary delay the issuance of a variance and asked EPA to adequately address whether persons not served by the system or seasonal residents may use the petition process. Stakeholders seem to support the notion that only persons served by the system on a regular basis may be afford the petition process. Attendees also discussed EPA's review of consumer petitions and requested that consumer petitions be require to be specific and based on objective concerns.

### **4) Terms and conditions of variances and exemptions:**

Attendees recognized that the terms and conditions of variances and exemptions must be clearly identified upon issuance to ensure that a system has adequate notice of its responsibilities, including notice of when a State will review or renew the variance or exemption. Stakeholders noted that review or renewal of a variance or exemption should not be automatic but should consist of a flexible analysis of the system's status and compliance under the variance or exemption. Attendees recognized the need for intermediate milestones in the terms and conditions of the variance and exemption to ensure oversight of a system's progress in complying with the terms and conditions.

EPA expressed its gratitude to all the stakeholders for attending and invited the attendees to provide further comment to the inter-agency team. Here is a list of all attendees.

### ***LIST OF ATTENDEES***

<b>Name</b>	<b>Organization</b>
John Trax	National Rural Water Association
Jim Sheldon	Cedar Knox Rural Water Project
Bill O'Connell	M.R.W.S.
Charles E. Lawson	Stagecoach General Imp. District
Dennis Peppenger	Gore Hill Water District
George A. Dengel	Town of Grass Range
Roy Heald	Stratmoor Hills Water District (Colorado)
Michael Lytle	Arizona Small Utilities Association
William Campbell	Arizona Small Utilities Association
Jean Thompson	California Rural Water Association
Joe Burns	Kentucky Rural Water Association
William F. Eckman	Maryland Rural Water Association
Ghassan Khaled	EPA - Region III
Peter Shanaghan	EPA - HQ - OGWDW
Andrew Hanson	EPA - HQ - OGWDW
Richard Alonso	EPA - HQ - OECA