E C O S

Environmental Council of the States

1250 H Street NW, Suite 850 | Washington, DC 20005 (202) 266-4920 | www.ecos.org

July 29, 2024

Bruno Pigott Acting Assistant Administrator, Office of Water U.S. Environmental Protection Agency 1200 Pennsylvania Avenue, NW Washington, DC 20460

Via email and regulations.gov: EPA-HQ-OW-2022-0678

Re: Comments on EPA's Proposed Water System Restructuring Assessment Rule

Dear Acting Assistant Administrator Pigott:

Members of the Environmental Council of the States (ECOS) appreciate the opportunity to comment on the proposed *Water System Restructuring Assessment Rule* (WSRAR). The need for smart consolidation, regionalization, and shared service arrangements in the water sector isn't new, but the urgency is growing. ECOS recognizes EPA's efforts to support states in facilitating local decisions to provide water systems restructuring alternatives that improve compliance with Safe Drinking Water Act and support economic development and environmental equity. ECOS appreciates EPA's engagement with states through the Association of State Drinking Water Administrators (ASDWA) and with other groups in its development of the WSRAR. In the following comments, ECOS encourages additional resources for states to pursue those feasible consolidation and restructuring actions and encourages EPA to retain flexibility in the final rule.

Water systems in small communities, communities with populations disproportionally impacted by environmental issues, and in rural communities face a unique set of challenges, and those systems represent a large percentage of the facilities found in significant noncompliance. Failing systems fall short in delivering the public health, environmental, and economic benefits that every community deserves. Important new requirements regarding PFAS and other emerging or ongoing contaminant challenges will make utility restructuring and capacity building even more urgent in many communities that are already struggling to provide affordable and sustainable water services.

Overcoming local opposition to restructuring and regionalization can require, among other things, local leadership, trustworthy information, time, funding and partnerships. Additional financial incentives, referenced in the federal proposal, can certainly help local leaders and ratepayers pursue restructuring opportunities. As stated in <u>ECOS Resolution 04-3, Small</u> <u>Community Water Challenges</u>, ECOS encourages EPA to support the use of flexibility in existing federal funding for small communities to lessen the financial burden on already stressed systems, and to identify resources and financing approaches to help communities make sustainable decisions.

Elizabeth Biser North Carolina Department of Environmental Quality ECOS President Jon Niermann Texas Commission on Environmental Quality ECOS Vice President James Kenney New Mexico Environment Department ECOS Secretary-Treasurer Myra Reece South Carolina Department of Environmental Services ECOS Past President Ben Grumbles ECOS Executive Director ECOS notes that liability risk is another potential barrier to restructuring and shared assistance to underserved communities and encourages EPA and others to continue to consider measures to reduce risk and increase the use of sustainable partnerships, including public private partnerships, as appropriate.

States have repeatedly advised that new federal environmental regulatory requirements for drinking water and wastewater impose an increasing burden on the primacy agencies and the regulated systems for ensuring small community compliance. ECOS appreciates the flexibility built into this proposal and the voluntary nature of state participation in mandating assessments for their water systems. While all systems must comply with standards, there is no one-size-fits-all approach. Small systems may require additional and tailored assistance from state regulators to implement new rules. ECOS encourages EPA to retain the existing flexibility in the final rule, and also to take into consideration any state comments regarding elements of the proposed rule that impose burdens on state agencies that might prohibit them from using this new authority. Though this rule is limited to Safe Drinking Water Act facilities, in cases where water and wastewater services are co-managed EPA should support states in integrating plans involving both types of facilities to encourage a one water approach and more holistic and effective restructuring efforts.

ECOS continues to advocate for early, meaningful, and substantial state and territorial engagement as co-regulators in EPA's development and implementation of federal environmental statutes and related rules, as noted in <u>ECOS Resolution 14-3</u>, <u>Federal Financial</u> <u>Resources for State Environmental Programs</u>. ECOS asks that EPA consider the above comments in conjunction with the comments from individual states, which may offer additional information, technical comments, and state-specific issues, in addition to those from ASDWA.

ECOS members look forward to continuing to work with EPA to improve the protection of public health and the environment by supporting utilities to sustainably protect water resources and provide clean and safe water to every neighborhood. If you have any questions regarding this correspondence, please contact me at bgrumbles@ecos.org or 202-266-4920.

Sincerely,

Bff Hubber

Ben Grumbles Executive Director Environmental Council of the States