



THE UNITED STATES
CONFERENCE OF MAYORS



December 13, 2022

Ms. Jennifer L. McLain
Director
Office of Ground Water and Drinking Water
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, DC 20460

RE: Proposed Lead and Copper Rule Improvements, Docket ID No. EPA-HQ-OW-2022-0813

Dear Ms. McLain,

On behalf of the nation's mayors, cities and counties we appreciate the opportunity to provide comments on the U.S. Environmental Protection Agency's (EPA) proposed regulatory revisions in the Lead and Copper Rule Improvements (LCRI), which aim to reduce lead exposure through drinking water. We appreciate the opportunity to provide pre-proposal comments to the Agency under Executive Order 13132: Federalism and the Unfunded Mandates Reform Act.

We believe the Lead and Copper Rule Revisions (LCRR), as published in the Federal Register on January 15, 2021, satisfactorily addressed the local government perspective in both protecting public health and reducing lead contamination of drinking water and was a reasonable and cost-effective approach. We encourage EPA to follow it as a guide.

As the Agency moves forward with planned revisions to the LCRR under the LCRI, we urge you to continue to consult with local governments to ensure that the rule is effective, implementable and cost efficient.

Collectively, our organizations represent the nation's 3,069 counties and 19,000 cities and the mayors of the 1,400 largest cities throughout the United States. The health, well-being and safety of our citizens and communities are top priorities for us. Local governments serve as co-regulators in implementing and enforcing many federal laws with states, including Safe Drinking Water Act programs, and our members take these responsibilities seriously. Additionally, some cities and counties also operate schools whose infrastructure will be directly impacted by this federal regulation.

To that end, it is important that federal, state and local governments work together to craft reasonable and practicable rules and regulations. As partners in protecting our residents' public

health, it is essential that local governments have a clear understanding regarding our responsibilities in implementing this rule.

In general, our organizations support the provisions in the 1996 Amendments to the Safe Drinking Water Act that require that drinking water standards be based on sound science, public health protection and occurrence of contaminants in drinking water supplies at levels of public health concern to reduce risk to the public while also balancing costs. Additionally, we broadly believe the National Primary Drinking Water Regulation (NPDWR) for lead, and any regulatory or legislative initiative addressing lead in drinking water, should balance these public health and environmental priorities. Any federal mandate on local governments should be accompanied by additional federal financial resources and also offer municipal water systems flexibility in implementation and compliance options. Finally, our organizations support programs for public education regarding safe drinking water and innovative solutions that approach this problem beyond the traditional command and control.

Therefore, we respectfully submit the following overarching items for consideration:

Local governments fund the majority of water infrastructure investments

Local governments fund 98 percent of all capital, operations and maintenance investment in drinking water and wastewater infrastructure, primarily through user fees, loans and bonds. The most recent U.S. Census data shows that local governments spent over \$144 billion on water and wastewater in 2020 alone, and, between 1993-2020, spent over \$2.53 trillion, not adjusted for inflation. Even with this significant investment by local governments, many communities struggle to maintain and upgrade their drinking water systems and simultaneously raise rates in order to comply with a continuous stream of new federal mandates.

During this same time period, the federal government appropriated approximately \$2 billion annually for both the Clean Water and Drinking Water State Revolving Loan Fund (SRF) programs. The SRF programs provide grants to states which, in turn, provide local governments with loans that must be repaid. We appreciate that the bipartisan Infrastructure Investment and Jobs Act (IIJA) provided record-high levels of funding for our nation's water infrastructure, including \$15 billion over five years to specifically address lead in drinking water.

We caution the administration and Congress, however, against thinking that this level of funding will be sufficient for local governments to meet the requirements of this forthcoming proposed rule. While our original estimates placed the total cost of lead pipe replacement between \$27-\$60 billion, a new analysis by the American Water Works Association (AWWA) estimates that this figure could be as high as \$99 billion, far more than the \$15 billion made available in IIJA. This raises several concerns that the EPA has not addressed:

- The majority of the \$15 billion provided in IIJA to address lead service lines will come in the form of loans to local governments.
- An estimated cost of \$99 billion nationally will require local governments to continue to take out loans and bonds in the absence of grant funding. The proposed rule does not address this demand for capital and the burden it will place on local budgets, nor does it recognize or quantify that more local borrowing will result in water rate increases for customers.

- Local governments face additional financial burdens due to the costs involved in replacing private service lines given that they are not allowed to recover the cost-share from private sector residents.
- IIJA funding is only available through FY2026, which does not align with the likely compliance dates for the LCRI. Therefore, it is uncertain if local governments will be able to use IIJA funding specifically for compliance with these forthcoming requirements.

Take a holistic approach to drinking water regulations

EPA is currently undergoing other rulemaking processes that pertain to local drinking water and wastewater infrastructure management and it is important that these rules and regulations are not developed in silos within the Agency. We urge EPA to take a holistic and integrated approach and consider the cumulative impacts that the rules and regulations will have on local governments in terms of cost and compliance and implementation timelines.

Specifically, we are concerned that the Agency's rulemaking proposals around NPDWR for perfluorooctanoic acid (PFOS) and perfluorooctane sulfonic acid (PFOA) and regulating PFOS and PFOA under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and Resource Conservation and Recovery Act (RCRA) in addition to the LCRI will create additional unfunded mandates for local governments that will place a substantial financial burden on communities and residents, especially on our most vulnerable populations. EPA must weigh and account for the environmental and health benefits of all these new regulations versus the economic burden they will cause. If EPA moves forward with these proposed rules and regulations, new funding sources must be created to assist local governments with compliance and implementation. Even with the increased SRF funding provided by IIJA, local governments will face a water infrastructure needs gap that will exacerbate affordability and equity concerns for the many fixed- and low-income households that already spend a disproportionate amount of their income on water bills.

Moreover, this situation is particularly relevant given that the Agency is currently in the process of finalizing the Proposed 2022 Financial Capability Assessment Guidance. EPA has an opportunity to ensure that local governments are afforded the maximum flexibility and financial alternatives to minimize the burden on residential ratepayers. We reiterate our long-standing recommendation that the Integrated Planning for Municipal Stormwater and Wastewater framework and Financial Capability Assessment Guidance should include both wastewater and drinking water considerations.

Cost concerns and the need for a complete economic analysis

A. The number of lead pipes in the nation is uncertain and the EPA definition of lead pipes creates confusion

The Lead and Copper Rule applies to the approximately 68,000 community water systems and non-transient, non-community public water systems serving over 300 million people across the country. Within these systems there are currently an estimated six to 10 million lead pipes, including the lateral pipes to homes, schools and businesses. This estimate, however, is likely to be significantly higher when community lead service line inventories are taken into account. Moreover, the estimate will depend on how EPA categorizes or defines a lead pipe, for

example: whether a galvanized pipe “ever was” downstream of a lead service line or whether a pipe of unknown material is assumed to be lead. Depending on definitions such as these, it is likely that not only will the estimated number of lead pipes increase but that the cost to replace lead pipes will also increase, bringing the overall nationwide total significantly higher.

B. An Aggressive and Costly Sampling and Monitoring Program is Proposed

EPA acknowledges that the planned revisions to the LCRR under the LCRI would result in more actions to sample and reduce lead in drinking water, thus increasing the costs for local governments regarding implementation, administration and compliance with the forthcoming rule. In developing this rule, we urge the Agency to conduct a complete economic analysis of the impact the rulemaking will have on public water systems of all sizes. While the Agency has provided data reflecting estimated replacement and treatment cost information, these are just two of the likely requirements local governments will be charged with meeting. A full economic analysis is critical to determining the full cost for public water systems and analyzing the cost-benefit as required under the Safe Drinking Water Act.

C. Local Costs to Implement and Comply will Exacerbate Existing Affordability Burdens

We further urge the Agency to consider the impact of the forthcoming proposed rule on low-income and environmental justice communities in its cost analysis calculations, including rate consequences. These communities are often disproportionately impacted by both increased costs for their water bills and risk exposure to lead and other contaminants.

Specific comments and recommendations on LCRI

In addition to these overarching concerns, we offer specific comments and recommendations on key areas of the LCRI to both ensure the regulation’s implementability and effectiveness and avoid unnecessary costs on local governments.

A. Identifying and Replacing Lead Service Lines

While we appreciate and concur with the administration’s efforts to promote public health and reduce lead concentration in drinking water, we are concerned that any stringent deadline both to identify and remove all lead service lines will prove unrealistic given that communities across the country face vast and diverse challenges with regard to the maintenance and upkeep of their water infrastructure. EPA should allow states to grant local governments an extension on completing a lead service line inventory beyond the current compliance date of Oct. 2024.

Furthermore, it is unrealistic to mandate local governments achieve 100 percent full lead service line (LSL) replacement without a substantial and realistic compliance period, significant additional financial resources to cover the cost for both public and private pipes, and the guaranteed cooperation of private homeowners.

For example, acquiring homeowner consent to access private property to reach the customer-owned portion of LSLs remains a critical challenge for local governments and water utilities in their ability to reach 100 percent replacement of LSLs. Homeowners may be reluctant to comply for a multitude of reasons, including high customer costs, disruption to private property and reluctance to view LSL replacement as a priority. In most situations, local governments have

limited options to force a private homeowner to comply with line replacement, even if there is no cost to the customer.

Even in communities that are touted for their high success rates of replacement, it is usually because the local government had ownership over the hookup pipes or ordinances were passed that forced homeowner compliance under threat of fines or imprisonment. These have been significant efforts by local governments that make these cases unique.

Accomplishing this goal will also be dependent on how EPA defines LSLs under the LCRI and how the Agency decides to classify pipes whose material is unknown. EPA should more clearly define what will be considered lead or non-lead. We agree with other water organizations that have raised concerns regarding EPA's direction to consider whether a galvanized pipe "ever was" downstream of a LSL or a pipe of unknown material. This "ever was" standard is problematic given the lack of records that date back to the initial installation. We agree with The Association of Metropolitan Water Agencies' position that "if a water system concludes that the galvanized line was likely to have been downstream of a lead line at some point in the past, the galvanized line should presently be considered lead. Conversely, if the review concludes that the galvanized line was unlikely to have been downstream of lead in the past, it should not count as lead in the system's present-day inventory."

B. Equity and Social Justice

In order for local governments and water systems to comply with any proposed mandatory annual replacement rates, many will likely prioritize seeking out customers who are able to afford the estimated thousands of dollars required for LSL replacement. Given the absolute priority that is needed for LSL replacement in low-income and environmental justice communities, this could raise serious equity issues.

Local governments should be able to develop a master plan to replace lead service lines and prioritize the most vulnerable neighborhoods where replacement is most needed. These are also the communities that need additional resources, preferably in the form of federal grants, to assist customers who may not be able to afford the costs for their portion of the pipe replacement. Furthermore, given the likelihood of a far greater number of lead service lines than currently accounted for by EPA, the Agency should work to systemically prioritize which communities and neighborhoods are most in need of LSL replacement, rather than inefficiently addressing all LSLs.

C. Covering the Costs for Private-side Pipe Replacement

As mentioned above, both the costs and the cooperation of private residents to replace pipes that are located on private property will greatly impact how quickly local governments will be able to replace the lead pipes in communities.

While we appreciate the funding that was included in the IIJA, the law includes a prohibition on recovering the costs from private homeowners, even though the majority of the funds will be in the form of loans that local governments will have to pay back. This is another financial burden that local governments will need to address as they move forward. While some local governments have been able to subsidize private-side replacement, there may be legal issues

or state prohibitions on using ratepayer or capital funds for private replacements. We urge EPA to maintain the decision from the LCRR to not require local governments to cover the costs associated with the replacement of privately-owned service lines, but still retain the option to do so.

D. Small System Flexibility

Small systems are particularly constrained in their financial and staff capacity, which impacts their ability to comply with federal regulations. As such, we urge the Agency to provide local governments, particularly small communities, with maximum flexibility for compliance options to reduce the cost burden. Additionally, EPA should ensure that small system flexibilities will be available in every state, since many of the flexibilities could depend on the state to grant.

E. Risk Communication

We recommend taking a moderate approach to risk communication so as not to cause undue public alarm and concern. While public information and transparency is important, informing customers of the existence of lead pipes can potentially raise undue public alarm if no lead is leaching due to proper corrosion control. Therefore, risk communication should be targeted to customers where there is a specific concern. Lead service line notification can be sensitive for local governments, and a requirement to notify customers when there is uncertainty will only make this process more challenging.

Specifically, a 24-hour notification time frame is unrealistic. Moreover, a 24-hour notification is usually reserved for acute public health emergencies. Effective risk communication may require longer than 24 hours to execute, as there may be various administrative issues to resolve, and several business days could elapse in some instances. We recommend that the Agency encourage best efforts for rapid delivery and notification, but not set a requirement.

F. School and Childcare Facilities

In most states, local governments do not have direct authority over the school system. Additionally, since lead pipes were traditionally more expensive than alternatives, they tend to be smaller in diameter, making them ill-suited for use in a school building, which serves a large population and would therefore need a larger pipe. The primary concern with lead contamination in school buildings is the fixtures. Many communities have already undertaken efforts to sample for lead and replace fixtures when necessary.

If EPA is considering imposing requirements around sampling for lead in schools and childcare facilities, we recommend implementing a voluntary testing effort that is led by the school system, with support from the water utility. The Agency should also provide an exemption for newly-constructed schools, which would not contain any fixtures with lead and therefore not need to be tested.

Alternatively, testing for lead in schools and childcare facilities may be an effort that is better spearheaded by the U.S. Department of Education or the U.S. Department of Health and Human Services, which currently work with schools and childcare facilities and have the ability to incentivize such testing as part of a comprehensive effort to reduce the risk of lead.

Importantly, any requirements for lead sampling from schools and childcare facilities should provide flexibility for local governments and water utilities to ensure that they are not held responsible for issues outside of their control.

G. Corrosion Control Treatment

Concerns have been raised that adding too much orthophosphate might have an undue cost burden on wastewater facilities and an environmental impact on water bodies. If drinking water system operators add too much orthophosphate at the front end, wastewater system operators will be responsible for removing it once it goes through the system. Oftentimes, these system operators are the same entity. This will add additional costs at both ends of the spectrum, which will likely be passed on to ratepayers. Proper corrosion control, which does not cause lead to leach from the pipe, should be an allowable approach to protect public health. EPA should not require changes to corrosion control treatment based on one or a small number of high individual samples.

Due to the concerns listed above, we believe additional financial resources, an extended compliance framework and additional flexibilities at the local level would offer the most realistic approach for local governments and water systems to make significant progress toward removing lead in drinking water. We urge EPA to take a reasonable and rational approach to compliance that recognizes these obstacles and to be realistic when setting goals or standards under the LCRI.

On behalf of the nation's mayors, cities and counties, thank you for considering the local government perspective on this important issue. We look forward to continued, meaningful and timely engagement with EPA as the Agency moves forward with developing this proposed rule. If you have any questions, please contact us: Judy Sheahan (USCM) at 202-861-6775 or jsheahan@usmayors.org; Carolyn Berndt (NLC) at 202-626-3101 or Berndt@nlc.org; or Sarah Gimont (NACo) at 202-942-4254 or sgimont@naco.org.

Sincerely,



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