

Sent: Friday, March 02, 2001 4:23 PM

Subject: WE GOT OUR WORK CUT OUT FOR A VERY LONG TIME !

Dear Aquathin Dealer On-Line:

Talk about your job security !!!

Warmest regards,

FOR THE BEST TASTE IN LIFE

Think Aquathin..Aquathink !!

Celebrating our 21st birthday in 2001 !!!

(visit the allnew <http://www.aquathin.com>)

"Alfie"

Alfred J. Lipshultz, President

Regulatory Matters - 3/2/2001 3:04:04 PM

Water infrastructure tab totaled

WASHINGTON — The 76,000 US community and nonprofit, noncommunity water systems will need \$150.9 billion for capital improvements over the next 20 years, according to the US Environmental Protection Agency's (EPA) second Drinking Water Infrastructure Needs Survey.

However, water supply groups insisted the EPA estimate is only a fraction of the true total, which they predicted would reach \$460 billion.

The survey is used to allocate Drinking Water State Revolving Fund monies, and only covers categories of systems eligible for those funds. Among the findings:

Of the total estimated need through 2018, \$83.2 billion will be required to upgrade and replace aging transmission and distribution

systems.

Some \$31.2 billion will be needed to bring systems into compliance with Safe Drinking Water Act regulations. Of that amount, \$22.4 billion would go to control microbiological contaminants.

Costs will be four times greater per household for small systems, which serve fewer than 3,300, than for large systems.

The EPA admitted the survey estimates are conservative. They cover only specific, well-documented infrastructure needs of large and medium systems. Needs that have not been formally studied in preparation for a funding request are unlikely to be documented. Also, most systems depended on data from their five-year action plans, which do not project costs over 20 years and which may underreport costs because of budget limitations.

Finally, the EPA excludes expenses related to dams, raw water reservoirs, future growth and fire protection.

"The EPA data is informative, but it only represents about one-third of the total infrastructure costs facing the nation's 55,000 water suppliers," said Diane VanDe Hei, the executive director of the Association of Metropolitan Water Agencies in Washington.

"Drinking water agencies currently spend approximately \$13 billion per year on infrastructure, but to continue providing safe water to our communities without raising rates beyond the reach of working families, we're asking Congress to help us."

The Water Infrastructure Network (WIN), a coalition of drinking water and wastewater utility organizations, together with municipal and trade groups, issued its own needs report in February. WIN said water and wastewater utilities devote \$23 billion a year to capital projects, but should spend at least twice that much over the next two decades.

Unlike the EPA's figures, the WIN's calculations include estimates based on the number, age and projected lifespan of all public water system components.

The WIN has asked the federal government to provide \$57 billion in grants and loans to utilities through various programs during the next five years. Its report is posted at www.epa.gov.