

The State of the Industry Report

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In late-2006, the U.S. population reached 300 million people. In 1970, when Multi-Pure was founded, the population was 205 million. The opportunities available to us today are far greater than in 1970 or in 1982 when we introduced the Multi-Pure marketing program.

In 1970, Allen and I believed that the circumstances were favorable because people were unhappy with the quality of their water (mostly concerned about taste and odor at that time) and were buying bottled water. Today those same circumstances exist but consumers are not only dissatisfied with the aesthetic quality of their water, they also are concerned about unhealthy contaminants that are found in their drinking water -- contaminants that can make them ill. Today's circumstances present an excellent chance for advancement or progress in the drinking water treatment industry.

Human survival depends on air and water. You can live about ten minutes without air and only three to four days without water. These essential elements of life serve as the most common conduits for harmful contaminants to enter our bodies. Some of these contaminants are known to cause many human illnesses. Recently we have learned about people becoming ill from the food they eat and the water they drink. The first question one asks when in these situations is, "what is the cause of these mysterious illnesses?"

Recently a journalist for National Geographic, David Ewing Duncan, participated in a "human guinea-pig" experiment to learn more about the chemicals absorbed by the body that stay there for years, causing growing concerns about their health effects.

You may have seen the report on NBC's **TODAY Show** or read David Duncan's article titled "*The Pollution Within*" that appeared in the October, 2006 issue of **National Geographic**.

David had himself tested for 320 chemicals that he might have picked up from food, drink, the air, and the products that touch his skin -- the compounds he acquired by merely living. He submitted to a huge battery of blood and urine tests to detect traces of industrial chemicals,

dangerous metals, and pollutants he has picked up over a lifetime.

Duncan and the researchers were surprised by the findings -- 165 chemicals of the 320 tested were detected inside his body. Wanting to get to the bottom of the results of the testing, Duncan set out to learn, as best he could, where the toxins came from, i.e. where and how did they enter his body. His findings are rather interesting:

In the 1960s, David Duncan grew up in a community outside Kansas City where he spent many days playing with his buddies in a dump near the Kansas River. At that time, there were few rules and regulations on how landfills were managed. Companies and individuals in the area dumped thousands of pounds of material contaminated with toxic chemicals, metal tailings, and heavy metals in the landfill. Contaminants from the landfill leached into the Kansas River. The landfill is a half a mile upriver from

Tested	Compound	Detected
209	PCBs	97
40	PBDEs	25
28	Pesticides	16
17	Dioxins	10
7	Phthalates	7
13	PFA's	7
4	Metals	3
2	Bisphenols	0

source: National Geographic Magazine, October, 2006

a county water intake that supplied drinking water for the 45,000 households in his community. Many years later, after leaving Kansas, Duncan learned that the landfill had been declared an EPA superfund site. In addition to contaminants from the landfill, more contaminants were added by the industries that lined the river. Duncan wrote, "my blood contains traces of several chemicals now banned or restricted, including DDT and other pesticides such as chlordane and heptachlor. My childhood playing in the dump, drinking the water, and

breathing the polluted air could also explain some of the lead and dioxins in my blood."

In the late-1970s, Duncan went to college in Poughkeepsie, New York, about 140 miles downstream from the Hudson River. For about fifty years, General Electric released PCBs - more than 200 different PCBs, in the Hudson River. PCBs were banned in the US in 1976. In 1984, a 200 mile stretch of the Hudson River, from Hudson Falls to New York City, was declared a superfund site, and GE has spent \$300 million on the cleanup so far. GE is also working to stop the seepage of PCBs into the river from the factories in the area. To make matters worse, PCBs migrated into nearby community aquifers. Cleanup is difficult because PCBs settle in the river sediment and at the bottom of aquifers; they will continue to be released for decades to come. David Duncan was living in Poughkeepsie at the height of exposure to PCBs.

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Duncan now lives in San Francisco where he encounters a new generation of industrial chemicals -- compounds that are not banned. A few of the contaminants identified when David went on his toxic odyssey in San Francisco are:

Phthalates used in shampoos, lotions, PVC, vinyl, etc. Humans can swallow them or absorb them through the skin.

Dioxins which escape from paper mills, certain chemical plants, and incinerators. Dioxins settle on soil and in the water, then pass into the food chain.

Mercury, a neurotoxin that can permanently impair memory, learning centers and behavior. Coal-burning power plants are a major source of mercury, sending it out their stacks into the atmosphere where it disperses in the wind, falls in rain, and eventually washes into lakes, streams, or oceans.

PBDE (flame retardants) which saturate our world since they were introduced 30 years ago. Human health effects are still unknown; however, studies conducted at Indiana University found an exponential rise of PBDEs in people and animals, with the levels doubling every three to five years.

David Duncan reported that there are thousands of chemicals that were not included in his tests. Nor was he tested for "chemical cocktails" -- mixtures of chemicals that may do little harm on their own but act together to damage human cells. Mixed together, pesticides, PCBs, phthalates, and others "might have additive effects or they might be antagonistic," says James Pirkle of the CDC, "or they may do nothing. We don't know."

After receiving his test results Duncan consulted with his internist who confirmed that he is healthy, "as far as he can tell." David wrote, even though many health statistics have been improving over the past few decades, a few illnesses are rising mysteriously. **From the early 1980s through the late 1990s, autism increased tenfold; from the early 1970s through the mid-1990s, one type of leukemia was up 62%, male birth defects doubled, and childhood brain cancer was up 40%.** Some experts suspect a link to the man-made chemicals that pervade our food, water, and air. There's little firm evidence. But, over the years, one chemical after another that we thought to be harmless turned out otherwise once the facts were in.

State of the Industry

David Duncan's profound experiment and report confirm that the "state of the drinking water industry" has not changed much since Multi-Pure was established almost 37 years ago.

- ✓ The nation's drinking water is still polluted. And, the pollution is worse now than ever. There are **82,000 chemicals** in use in the U.S. today; however, been tested for toxicity. Each year, the USEPA reviews an average of 1,700 new compounds that industry is seeking introduce. The agency approves about 90% of the new compounds, many without any testing.
- ✓ The media continues to report on environmental pollution that shocks consumers.
- ✓ American's awareness of drinking water problems is heightened by reports they read or hear, causing them to seek alternatives.
- ✓ The opportunities available to Multi-Pure Distributors to help others solve a real quality of life problem are immeasurable.
- ✓ Multi-Pure Drinking Water Systems provide the best protection from water pollutants than any other product on the marketplace.
- ✓ Multi-Pure Distributors's potential for success is assured.

Drinking water pollution is on the rise. The problems are so large that the US Environmental Protection Agency (EPA) has acknowledged that the National Water Program has not met its 2006 goal of 90.9 percent of people receiving water that meets all health-based standards.

Everyday, reports of drinking water contamination appear in newspapers, magazines, and in television news. Here's a sampling of articles that have been published in the past few months:

HEADLINES

Study links ADHD cases to smoking, lead exposure

About one-third of attention deficit cases among U.S. children may be linked with tobacco smoke before birth or to lead exposure afterward. Even levels of lead that the government considers acceptable appeared to increase a child's risk of having attention deficit hyperactivity disorder, the study found. More importantly, the study bolsters suspicions that low-level lead exposure previously linked to behavior problems is associated with ADHD.



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California water infrastructure is cause for concern

Drinking water is among the top three infrastructure concerns for the state of California, according to a report recently issued by the American Society of Civil Engineers (ASCE). The report pointed out that drinking water infrastructure will require \$17.5 billion in improvements over the next two decades,

TCE-laden water linked to cancer

A National Academy of Sciences report suggests the most widespread industrial contaminant in drinking water — trichloroethylene (TCE), a solvent used in adhesives, paint and spot removers — can cause cancer in people.

Scientist: DBP (Disinfection By-products) research, rules need change

Current ways of studying and regulating disinfection by-products (DBPs) in drinking water need improvement, a top researcher in the field told the National Water Research Institute (NWRI). Dr. Philip C. Singer, a pioneer in DBP research said that the nation's 27-year-old DBP regulations are flawed and need to be corrected; he pointed out the need to regulate individual DBP species rather than the sum of all DBPs, to avoid misrepresenting risk and exposure to the public.

Study: Arsenic in water harmful at 50 ppb

A recent study has revealed that the risk for skin lesions is increased with low-dose exposure to arsenic in drinking water. In the US, the Environmental Protection Administration recently lowered the maximum contaminant level for arsenic in public water supplies from 50 ppb to 10 ppb. Many locales are not meeting the lower standard.

MTBE levels shut down water to 32,000 (Nassau County, NY)

MTBE has been used as a gasoline additive, but questions about its potential health risks have caused it to be banned in a number of states. Leaking underground fuel storage tanks are a common source of MTBE contamination of drinking water.

California officials: don't flush medication drop it off

California area agencies are asking residents to participate in a pharmaceutical drop-off, because flushing medications down the toilet has created worrisome contamination levels of the substances in rivers and streams. A US Geological Survey study showed that 48 of 200 streams sampled were found to contain trace amounts of acetaminophen, often sold as Tylenol. Although the full effects of pharmaceuticals in drinking water sources has yet to be studied, European officials believe feminization in fish is caused by trace pharmaceuticals in rivers and streams.

Pennsylvania will study drugs in water

A partnership with the state and federal government to study the amount of prescription and non-prescription chemicals in the drinking water sources of central Pennsylvania was announced. The goal of the study is to screen for pharmaceutical and antibiotic compounds present in streams and groundwater sources of drinking water in south-central Pennsylvania, and then to determine their concentrations.

Great Lakes restoration effort stalls

A five-year, \$20 billion restoration plan designed to slow the escalating environmental degradation of the Great Lakes is not likely to be approved by Congress before it adjourns this year.



Wide occurrence of VOCs in wells, USGS says

There is a "widespread occurrence" of volatile organic compounds (VOCs) in US aquifers and a "vulnerability of many of the Nation's aquifers to low-level VOC contamination," says a new study by the US Geological Survey (USGS). The study was based on water samples taken from 2,400 domestic wells and 1,100 public-supply wells distributed randomly across wide areas of the US.

USGS officials have said VOCs are an important group of contaminants to monitor and manage because they tend to persist in the environment, migrate to drinking water wells, are potential carcinogens, and can change the taste and odor of water.

VOCs include a wide variety of substances and products, from gasoline and its chemical components to solvents, plastics, paints and adhesives.

The most frequently detected VOCs included seven solvents, four types of trihalomethanes (such as chloroform), two refrigerants, one gasoline oxygenate (methyl tert-butyl ether, or MTBE) and one gasoline hydrocarbon (toluene), the study said.

It takes months, years, and sometimes decades to resolve water quality problems. Contamination problems that were reported to you twenty, even thirty years ago, continue to plague consumers today. And, new concerns surface every year.

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Americans drink more than 1 billion glasses of tap water per day, and many times consumers ask the question, “what is in my drinking water?” According to a survey conducted by Applied Research-West, Inc. for the Water Quality Association, 64% of Americans are concerned about the quality of their drinking water.

Sources of Information

Consumers often don't know where to go for information about the safety of their local drinking water. Although the annual Consumer Confidence Reports published by the water utilities provide some helpful information, they don't really tell consumers how safe is their drinking water. Here's why:

- Utilities monitor for only a handful of contaminants. Since 1986, the USEPA has established only **114 drinking water standards** for contaminants. That is only a drop in the lake when compared to the **82,000 contaminants found in the environment**.
- **Standards have not been established** for MTBE, Perchlorate, and other potentially hazardous contaminants; therefore, these contaminants may not be monitored and reported.
- **Standards are often set too high** and revised to a stronger limit years later (e.g. DBPs, Lead, etc.) The legal limit (referred to as the Maximum Contaminant Limit (MCL)) for a pollutant is set to balance cost and benefits and are often higher than health-based limits, i.e. it is the limit that public water utilities can meet at an acceptable cost.
- **Testing may be done only one to four times** based on annual average levels, discounting seasonal spikes.
- Contaminants **enter the water supply between the utility plant and your home** (DBPs, Lead, Asbestos).
- **Concern about the validity of the test data.** Every year we read reports about fraudulent reporting -- sometimes leading to prosecution of the employees who conceal information or present false information to the public.

Another great source for information about drinking water quality is an amazing report published online by the **Environmental Working Group (EWG)**. Titled “A National Assessment of Tap Water Quality” the report looks at over 140 contaminants without safety limits in U.S. drinking water. This very informative report provides details about water contaminants found at the state and even local level. Consumers can review this report from their home or office by simply going to the Environmental Working Group website.



There are two ways to find the EWG website.

Go to www.ewg.org/tapwater/findings.php, or

Go to Multi-Pure's website at www.multipure.com.

Click on WATER. Then scroll down and click on the link to the EWG report.

Let's look at how you and other consumers can use this web site to learn more about this remarkable study that was conducted over a 2 1/2 year period. EWG found that water suppliers across the U.S. detected 260 contaminants in water served to the public. One hundred forty-one (141) of these detected chemicals — more than half — are **unregulated**; public health officials have not set safety standards for these chemicals, even though millions of people drink them every day.

EWG's analysis also found over 90% compliance with enforceable health standards on the part of the nation's water utilities, showing a clear commitment to comply with safety standards once they are developed. The problem, however, is **EPA's failure to establish enforceable health standards and monitoring requirements for scores of widespread tap water contaminants**. Of the 260 contaminants detected in tap water from 42 states, EPA has set enforceable health limits (called Maximum Contaminant Levels, or MCLs) for only 114 contaminants, and for 5 others the Agency has set non-enforceable goals called secondary standards.

The 141 remaining chemicals without health-based limits contaminate water served to more than 195 million people in 22,614 communities in 42 states.

The EWG analysis covered only 260 contaminants. **Many additional contaminants, which are not regulated, could be found in every community analyzed.** The Environmental Working Group study provides a wealth of information that will help you educate your friends, neighbors, acquaintances, and family about water contamination. You do not need to become an expert in drinking water pollution -- you can simply point others to the EWG website where they can find, with the click of a mouse, lots of great information about their drinking water. Then check back with them to let them know how they can protect themselves from these pollutants as well as improve the taste and odor of their drinking water.

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Risk Assessment and Mitigation

We live in a dangerous world -- a world where we take risks everyday. Although we may consciously be aware of the risks we take, we push our concerns to our subconscious. In October, the EPA acknowledged that drinking water contaminated with TCE (trichloroethylene), the most widespread industrial contaminant in drinking water, is a risk -- it can cause cancer.

Alternatives to Tap Water

Many Americans concerned about the quality of their drinking water are seeking ways to mitigate the risks in their drinking water, and they have a high level of interest in the products that you sell. However, consumers need help understanding the types of products available on the market. As a Multi-Pure distributor, you have the opportunity, through person-to-person marketing, to educate consumers about the unique benefits of our products and how to choose the best drinking water system for their home.

Tastes and odors in drinking water are the primary source of consumer complaints that often lead to the purchase of bottled water or a drinking water treatment unit. The alternatives available to get better tasting and healthier water are as follows:

Bottled Water



Many consumers first choose bottled water as the alternative to tap water because they "think" it is an easy and fast solution. Bottled water can be purchased at many different locations, including convenience stores, grocery stores, big box stores, vending machines, etc.. Home delivery service is also available, but not as popular.

About 68% of consumers purchase bottled water -- especially when they are on the go. Although there sometimes is a perception that bottled water is "safer than tap water," the standards for bottled water, established by the Food and Drug Administration (FDA),

are very similar to the standards set by the USEPA, for tap water. In fact, about 25% of bottled water is actually tap water that has been processed and repackaged.

There is a growing concern about the safety of bottled water related to the "bromate issue." A number of processes are used to purify water for bottling, including treatment with ozone to kill bacteria. While this method is effective, ozonation can also convert bromide (Br⁻), a natural component of many waters, into bromate (BrO₃⁻), a carcinogen. The bromate issue presents a major technical and regulatory challenge for the bottled water industry.

Bottled water comes in many different sizes, ranging from 6 oz. to 24 oz. bottles in singles, 6-packs, 8-packs, and cases. Bottled water continues to be available in 3-gallon and 5-gallon bottles in stores as well as through a home delivery service. And, bottled water is sold in vending machines (a word of caution -- vended water can be very contaminated).

Consumers lug home multi-packs of bottled water where it is stored until consumed, and then they have to dispose of the small plastic bottles which takes years to biodegrade in landfills. Can you imagine how much plastic is dumped in a landfill if 750 gallons of bottled water is consumed in one year?

750 gallons of water would be equivalent to:

150 five-gallon bottles

8,000 twelve ounce bottles

12,000 eight ounce bottles

Bottled water is expensive. An analysis of bottled water costs at a national grocery chain, shows that prices average \$2.84 per gallon. At that rate, 750 gallons of bottled water would cost **\$2,132.82**. Compare that to **\$145** for a Multi-Pure replacement filter which customers purchase once a year!

Filtering your own water with a Multi-Pure Drinking Water System is certainly a more economical solution.

How many people do you know who would like to save more than \$2,000 a year by switching from bottled water to safer and more convenient Multi-Pure drinking water?

Other Alternatives to Tap Water Include:

Refrigerator filters through-the door water and ice dispensers

Filtration unit placement in the refrigerator makes filter replacement difficult. Water is stored in a plastic container in the refrigerator. Filtered water picks up "refrigerator odors." It is difficult to fill containers from most fridge dispensers. Refrigerator filters provide limited performance, and they are not convenient for food preparation.

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Pour-through Pitchers

Fill a pitcher, let the water trickle through filter and store in refrigerator. Limited performance. Frequent filter changes. Primarily used for aesthetic treatment. Not price effective. Need I say more.

Faucet Mount Filters

A bulky filter device attached to the faucet is always in the way at the kitchen sink. These filters provide limited performance and capacity. This is an expensive option due to the need to change filters often.

Mass Market / Wholesale Store brands

Countertop units and some below-the-sink models offer better performance than faucet mount models; however, performance is not comparable to Multi-Pure carbon block filters. Limited warranty. Low filter capacity requires frequent filter changes.

Multi-Pure Carbon Block Drinking Water Systems

Countertop and Below-the-Sink units provide the highest level of performance. Units are certified to reduce a broad range of contaminants of aesthetic and health concern. Filter replacement recommended only



once a year. High capacity of up to 1200 gallons. Convenient flow rate of 0.75 gpm. 25 year warranty on stainless steel housing; 5 year warranty on Aqua Dome plastic unit. Multi-Pure models also may be connected to an icemaker or other device. Below Sink units come with a stainless steel faucet that requires little space. Multi-Pure Systems are easy to install and easy to replace the filter.

Comparison of Performance

The superior quality of Multi-Pure's carbon block filters is very clear when one compares the performance, using NSF certification data, of these technologies. A side-by-side comparison of devices and technologies can be found on page 49.

NSF Standards and Testing

Interest in the products that you sell is higher than ever. Consumers concerned about the safety of their drinking water are seeking drinking water treatment devices that will allow them to control the quality of the water they drink. But, with thousands of water treatment systems to choose from, it's easy to understand why even the most savvy consumers have difficulty comparing one product to another.



Industry standards for drinking water systems that can reduce harmful contaminants were first established in 1982 by NSF International. NSF tests and certifies drinking water treatment devices to the standard appropriate for the technology of the product. For **filtration devices**, NSF may certify the product to improve the **aesthetics** of the water (Standard 42), the **health effects** of the water (Standard 53) or both. In addition NSF has developed testing standards and certification programs for **Reverse Osmosis** devices and **Distillation** units.

Only if a product is NSF Certified can the consumer be certain that the product meets strict standards for design and performance. Many products claim they are "tested to NSF Standards;" however, these products haven't passed the rigorous NSF testing and certification process.

The testing and **certification** of drinking water treatment devices **by NSF International gives listed products greater credibility**. Not all carbon block filters perform the same. Testing in accordance with industry standards by NSF provides assurance that the systems tested will in fact perform as claimed by the manufacturer. Filters certified to conform to material requirements only are those that have been tested to confirm that the filter does not add any harmful substances to the water.

By carefully reviewing NSF Listings -- see pages 47-48, consumers can determine the specific contaminants that the drinking water system is certified to reduce, removing the guesswork. Some systems are certified to reduce only one contaminant, and some are certified to reduce a few, while others have been NSF-tested to reduce many contaminants of aesthetic and health concern under Standards 42, 53, and 58.

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Multi-Pure Drinking Water Systems

Multi-Pure Drinking Water Systems effectively treat the age-old contaminants of yesteryear, such as lead, TCE, chlorine, mercury, as well as the "new" contaminants found in the nation's drinking water supplies today like MTBE, chloramines, and PCBs, and hopefully the contaminants that will continue to be found in drinking water supplies in the future such as antibiotics and other drugs. The effectiveness of Multi-Pure's solid carbon block filters in treating a broad spectrum of contaminants of health concern makes it the technology of choice by consumers.

David Duncan reports that there is nothing unusual about the chemicals found in his body. He was informed by a toxicologist that his results were no higher than the Center for Disease Control (CDC) mean levels for Americans. Let me add that David's experiment focused on only 320 contaminants. There could have been many more chemicals in his body, but the testing was limited to the 320. Also, some chemicals dissipate in a few days or a few weeks while others, as reported in Duncan's article, remain in the boy for many, many years.

So you might ask -- what's in you?



It would be inappropriate for us to state that Multi-Pure units will reduce any and all contaminants. However, you and I know that the effectiveness of Multi-Pure Drinking Water Systems to reduce one of the widest range of contaminants of health concern makes it the best choice for yourself, your friends, your neighbors, your co-workers, and your family.

This is an exciting time to be a part of the drinking water treatment industry. Demand for Multi-Pure Drinking Water Systems is high and growing because we lead the way in meeting the highest standards.

Multi-Pure was the first company to develop drinking water treatment devices using carbon filters that could meet industry testing standards for the reduction of:

Lead
Mercury
Cysts
PCBs
Chlordane
Toxaphene
1,1-Dichloroethane
Chloramine
Arsenic V



We want our customers to be satisfied and our distributors to be enthusiastic about Multi-Pure products and the Multi-Pure business opportunity. You are in this business because **you personally enjoy the benefits of drinking Multi-Pure water**, and you are successful in this business because **you share our vision of meeting the American people's needs for a high-performance drinking water system that gives them delicious water as well as peace of mind.**

As a Multi-Pure customer and distributor you have the peace of mind that comes from knowing that every day you are using the most effective drinking water treatment device available. You can appropriately and ethically **share your knowledge and experience with the people in your community.** Every day seize the opportunities that come your way to tell others that there **really is** a fabulous solution to the drinking water quality problem in your community. The **Multi-Pure Drinking Water System really is a product that you can offer that can make a difference in the lives of the people you know.**

What is opportunity?

(Webster's Dictionary)

1. A favorable juncture of circumstances
2. A good chance for advancement or progress

You have the **advantage of a dynamic market** and an **excellent business opportunity** that rewards you based on your performance.

Thank you for sharing our vision.

**TALK TO PEOPLE!
TALK TO PEOPLE!
TALK TO PEOPLE!**