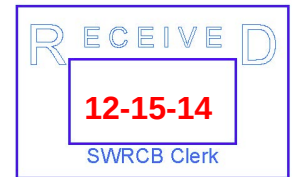




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December 12, 2014



Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814

Re: Comments regarding the Safe Drinking Water Plan for California

Dear Ms. Townsend:

Rural Community Assistance Corporation (RCAC) is a nonprofit organization that provides technical assistance, training, funding and advocacy to rural communities throughout the western U.S. We provide comprehensive managerial, financial and technical support so that rural utilities are developed and operated in a sustainable manner. We have a particular focus in Indian Country where we provide onsite technical assistance and training to Tribal water operators throughout California. Under a contract originally with CDPH we provide training to rural water operators, managers and boards so that they have the skills they need to successfully supply safe drinking water throughout rural California. We are extremely pleased to see such a substantial focus on the needs of disadvantaged rural communities in the proposed plan. We offer the following comments to further strengthen the proposed implementation plan. Thank you for the opportunity to comment; we hope these comments will provide a framework for further dialogue between our organizations.

Drought

Blanket mandates, especially if they are unfunded, may not be the best approach to tackling drought issues.

8-1 RCAC agrees that metering is very important for water conservation and for customers to better understand the true cost of water. However, RCAC suggests that SWRCB impose meter requirements on communities as they seek capital improvement funding for their systems. This more gradual process of bringing systems into compliance with the new legislation will prevent a work backlog for the board and would minimize the number of SRF applications small, poorly staffed systems would need to submit for meter installation costs. There may be systems that do not apply for capital improvement funding, so a way to also include them in this process must be developed.

3-3 Water source reliability is paramount, but if the legislature passes a bill mandating water supply reliability analysis, RCAC believes that most rural districts will consider this an unfunded state mandate and will not comply with the requirement. Most small systems do not have the resources to undertake the study, except as part of an infrastructure improvement program. We suggest it could be included as a task as systems seek capital improvement funding for system improvements and metering requirements. This data is important but small rural systems do not have the resources to collect it. RCAC suggests the State seek a consultant to propose a methodology to collect the data.

Affordable, Safe Drinking Water for Disadvantaged Communities

Providing the Human Right to Water, especially in DACs, is extremely complex and often expensive. The biggest hurdle is finding sustainable funding.

2-3 Developers already need to demonstrate that they have access to a sufficient, dependable supply of water for a new planning action to be approved. We think this mandate should be adequate to control this problem.

2-7 RCAC suggests the state increase the set-aside for DACs in the SRF program, and increase the funding for technical assistance to small DACs. The document is not clear on the types of activities that would be eligible for “Administration” funding. If “administration” refers to the managerial and financial capacity of the system to implement and operate these improvements, then significantly more TA could be needed to train DAC staff.

4-3 The water bond (Prop 1) is a down-payment on the long-term funding commitment to achieve the goals around Nitrates and other contaminants. RCAC recommends that the State continues to set aside a portion of future water bonds to meet this need. A substantial set-aside of SRF funding should be used to match the bond funding.

4-4 Although RCAC lauds the goal put forth in 4-4, we don’t think that the solution is straightforward. Much, if not most of the contamination is non-point source and the culprit(s) are not easily identified, or like large agriculture are politically protected. The real answer to this problem is prioritizing funding for those systems and groups affected by the contamination; requiring them to participate in the SRF program; and mandating a timeline to bring the system into compliance. If the party is a private for-profit entity, the state should consider condemnation or appointing a receiver to repair the health hazard or ensure that these entities are eligible for Prop 1 money as an alternative.

4-5 The idea of subsidizing the cost of treating water is very forward thinking, but no more sustainable than the operations without subsidy. If this subsidy is really going to be provided, the

funding should come with a mandate that the community develops a plan for consolidating with other local providers, such that the operations can become more affordable/sustainable. In other words, the operating subsidy should be seen as an interim solution to a longer term problem. We also suggest that a system would need to qualify for an operating subsidy by exceeding a certain rate threshold, i.e. 2% of MHI, to be able to receive subsidy.

8-4 As far as water affordability is concerned, any tax credit will need to be refundable to address the needs of the lowest income residents.

8-6 RCAC believes that the state should collaborate with EPA in an ongoing process to find new alternatives for providing safe, affordable drinking water. The Board should ensure that there is an annual appropriation of funds for this research.

8-7 RCAC agrees that the state should continue to provide emergency grant funding and continue to fund interim solutions, which have thus far proven to be very important and effective. Such funding should be processed and distributed in a timely manner.

Shared Solutions

Shared solutions and regional collaboration are one of the best options to provide safe, affordable drinking water to all Californians, but the complexity of this topic needs to be further defined, funding needs to be provided to make it possible and systems and community member alike need to be educated on and approve of these solutions for them to work over the long term.

We suggest that the board further define shared solutions and regional collaboration. Consolidation is one option, but communities may react adversely to this option. In RCAC's fairly extensive experience with shared solutions, we believe that there is no one-size-fits-all approach. We have facilitated regional projects that have resulted in the creation of umbrella organizations, Joint Powers Authorities, and simple MOUs between systems to create economies of scale. Sometimes they include infrastructure consolidation, but more importantly, they result in shared managerial, operator and/or treatment costs. Some communities fear that regional collaboration will require that they relinquish control of their system and will cause a loss of employment—education on the various forms of shared solutions and all of their complex implications is very important for these efforts to be successful.

Regional collaboration is a long and arduous process, and the feasibility assessment should assess the technical, managerial and financial aspects of consolidation. The board should work to develop sufficient funding for regional exploration and implementation, and the board should develop a flexible proven framework for communities to follow. "Mandating" consolidation may not be the best or most fair approach. Recommending consolidation and providing funding to

assist with the exploration of a regional solution to make sure it is the best, most sustainable fit, is a more successful, community friendly approach.

3-1 If the board wants to mandate consolidation, RCAC recommends that it must provide small systems with the economic means to connect to larger systems. The board could also mandate as part of any SRF project that a borrower must also be willing to provide service to smaller communities in its sphere of influence.

4-2 In RCAC's experience, a well-run, small water system using pristine groundwater can be sustainable, and it may be more cost effective to maintain the current situation than to mandate merger with a larger system with complex water treatment. However, in most cases, system consolidation should be the preferred alternative.

8-5 Annexation is not always the best alternative; any legislation should provide for some discretion as in the example above. The real mandate that is needed is that the larger system must annex the smaller system in its sphere of influence if it is the preferred alternative. Any mandate either on the larger or smaller system should only be tied to funding from the SRF or state bond funds, and should be included in all grant and loan agreements going forward. The state should provide grant funds to cover the capital costs of an annexation that exceed the capital costs of the most cost effective alternative.

Capacity Development

Capacity development is needed in most DACs and small systems across the state, including technical assistance and operator training. There are a number of barriers to improving these opportunities and more funding for these types of programs is needed. Special districts like those that are part of a Mobile Home Park and LAFCOs are especially complex and the Board needs to decide on the best strategy for these systems moving forward.

4-1 The Board should provide technical assistance to small communities on a performance basis. It should target the highest need communities, provide TA to bring the community into compliance, and once in compliance ensure that they stay in compliance for one year. The board should require TA providers to develop a plan and timeline to achieve compliance, and then make sure the plan is followed. If the TA provider is not making reasonable progress, the state should reserve the right to cancel the task order.

2-1 Privately owned Mobile Home Parks are not eligible for funding from the state. The state won't lend or grant funds unless public entities own facilities (mains and pumps); increased flexibility for MHPs would be very beneficial. When the State Board meets with DHCD, it should include the TA providers who address these issues on an ongoing basis.

2-2 RCAC questions what role LAFCOS should play in this instance. New legislation could prohibit all LAFCOs from creating any new water district that would serve less than 500 connections.

3-2 RCAC conducted more than 100 operator training courses last year under a contract funded through the SRF program. These sessions were both in person and online courses. We know how important it is to continue and expand training opportunities. We also recommend the SWRCB bring back the operator Expense Reimbursement Grant (ERG). This was hugely successful, and our trainers are often asked when it may come back. We know that some trainers took advantage of the program and made large amounts of money, but it is more appropriate to regulate the providers than eliminate the program.

Program Funding

Funding for technical assistance is necessary, but the means to having that funding available need to be re-considered.

2-6 The idea of requesting more money to fund technical assistance makes a lot of sense, but if the strategy is to raise the fees charged to inspect and oversee small PWS, RCAC does not believe it is the best approach. There is adequate flexibility in the SRF funding and in the Bond. The state should make use of these resources to the fullest extent possible. The state also should review the way that it funds contracts to ensure that TA is enhancing the small systems' outcomes.

Program Actions

Most board members of water systems are volunteer positions and many of them are unaware of their duties to the system and their customers. Receipt of the necessary training may increase their sense of responsibility and help smaller systems run more smoothly.

2-5 Currently in California only mutual water systems are required to fulfill board training. RCAC also works in the state of New Mexico, which requires that all directors of public water systems receive 8 hours of training on the requirements of the job. RCAC supports expanding the training requirement in California. RCAC currently provides both AB54 and AB1234 Ethics trainings for board members across California.

4-4 As noted earlier, although RCAC lauds the goal put forth in 4-4, we don't think that the solution is straightforward. Much, if not most of the contamination is non-point source and the culprit(s) are not easily identified, or like large agriculture are politically protected. The real

answer to this problem is prioritizing funding for those systems and groups affected by the contamination; requiring them to participate in the SRF program; and mandating a timeline to bring the system into compliance. If the party is a private for-profit entity, the state should consider condemnation or appointing a receiver to repair the health hazard or ensure that these entities are eligible for Prop 1 money as an alternative.

8-2 RCAC has managed 218 public education processes in the past, and we agree that there is a great need for this type of education. We would be happy to collaborate with SWRCB to develop materials for this purpose. Knowing how to communicate with rate payers and understanding the Prop 218 processes is a significant hurdle for many utility board members.

Treatment and Analytical Methods

Research into affordable and/or alternative treatment is vital to ensure that CA's water systems are in compliance and serving residents safe drinking water.

6-1 In RCAC's experience, emerging pathogens that survive in coliform-free waters are very rare and should not be the emphasis.

7-1 RCAC is very much in agreement for the need for funding for technology pilots. RCAC recently completed a comprehensive POU arsenic filtration pilot in Arvin, California which successfully demonstrated that POU arsenic media adsorption filters were extremely effective even past their recommended lifespan—in bringing arsenic levels down from 30ppb to less than 1ppb.

Also, the state should rely on scientific information to establish regulatory limits, not Hollywood movies such as “Erin Brockovich.” EPA finds it hard to agree with California's decision on Chrome 6 because of the lack of scientific data to back it up. RCAC believes that this new regulation with a maximum contaminant level of 10 ppb will have a huge negative impact on water rates for small systems and hundreds will be out of compliance.

Emergency Preparedness and Response

Systems large and small need to be prepared for any sort of water related emergency but a blanket mandate may not be the best solution. Mandating also requires increased enforcement.

3-3 RCAC does not agree that legislation is the best response to this issue—a mandate here may not work. RCAC recommends that the Board require this as part of every TA plan and to provide training to others as RCAC has been doing for the past year to encourage plan adoption. USDA requires ERP and vulnerability assessments in its loan agreements, and we suggest that the Board could tie it into its funding requirements. Currently, the SWRCB only requires systems to

provide a notification plan, not an ERP or VA. Requiring systems to have a plan in place and encouraging mutual aid agreements is a very good idea. RCAC has developed materials that meet these needs and requirements; and we have adapted the documents to include drought related assessments.

RCAC would like to thank you again for this opportunity to review this much needed update to the Drinking Water Plan and for your consideration of our comments.

Regards,

A handwritten signature in black ink, appearing to read 'Stan Keasling', with a stylized flourish at the end.

Stan Keasling

RCAC CEO