

**Exhibit A**  
**STATE WATER RESOURCE CONTROL BOARD'S (STATE WATER BOARD)**  
**CLEAN WATER AND DRINKING WATER CAPACITY DEVELOPMENT STRATEGY**

**Discussion**

Small and/or disadvantaged communities face specific challenges related to their drinking water and wastewater systems. Communities may lack the capital and economies of scale to repair, build and maintain adequate systems, or to pay fines and penalties associated with non-compliance. Often times they also have difficulty obtaining and retaining not only qualified operators but managers, board members and sometimes administrative staff as well.

This document contains the State Water Board's small and/or disadvantaged community strategy for wastewater and drinking water capacity development for the next three fiscal years, a time period that coincides with the federally required triennial capacity development report to the governor. The small community wastewater strategy has come before the State Water Board for five annual updates while the capacity development strategy, required by the U.S. Environmental Protection Agency (U.S. EPA), was previously produced by the California Department of Public Health (CDPH) Drinking Water Program. We consider the two strategies one coordinated effort now that both programs are under management of the State Water Board with the ultimate goal of improving sustainability of both wastewater treatment and drinking water supplies. Beginning with this update, we present these two strategies as one Capacity Development Strategy.

These strategies were developed and will be implemented by multiple offices, divisions and entities. The goals are consistent with the current Clean Water and Drinking Water Intended Use Plans and support the human right to water.

<b>Capacity Development Strategic Goals for Fiscal Years 2016 through 2018</b>	
<b>Small Communities Wastewater Strategic Goals</b>	<b>Drinking Water Strategic Goals</b>
1. Use available resources to continuously improve program(s)	1. Use available resources to continuously improve the program(s)
2. Identify systems with low Technical, Managerial, and Financial (TMF) capacity	2. Identify systems with low TMF capacity
3. Assist systems identified in Goal 2 to improve their capacity to operate and maintain their facilities	3. Assist water systems identified in Goal 2 to improve their TMF and if they are in violation, return to compliance
4. Explore opportunities for reducing the cost of regulatory compliance	4. Ensure all new systems, systems changing ownership and systems using public funds to construct projects have TMF to remain sustainable into the foreseeable future
5. Strengthen existing and foster new partnerships with federal, state, local governmental entities, environmental justice organizations, local non-profits and wastewater organizations	5. Strengthen existing and foster new partnerships with federal, state, local governmental entities, environmental justice organizations, local non-profits and drinking water organizations
6. Provide technical assistance to small and/or disadvantaged communities	6. Provide a system of technical assistance and training for operators, managers and board members to ensure that drinking water provided by public drinking water systems is consistently safe

## **SMALL COMMUNITY WASTEWATER STRATEGY**

The Small Community Wastewater Strategy is comprised of 6 strategic goals and associated elements used to support and guide program decisions. The program's efficacy is evaluated based on time to execute agreements and time to approve disbursements and reported on a triennial basis to the State Water Board.

### **Strategic Goal 1 – Use available resources to continuously improve the program**

- Ensure that the wastewater strategic goals are integrated into process and procedures of the Clean Water State Revolving Fund program.
- Continue to enhance CWSRF program marketing and outreach to ensure community leaders are aware of the benefits the CWSRF can provide, communicate successes, share new developments with new and potential borrower, educate the public and obtain input from the public about how to improve the program.

### **Strategic Goal 2 – Identify systems with low TMF capacity**

- Utilize third-party technical assistance services to conduct compliance audits, address permit violations and make operations more efficient.
- Release an online technical assistance form to allow systems to directly request assistance.

**Strategic Goal 3 – Assist systems identified in Goal 2 to improve their capacity to operate and maintain their facilities**

- Utilize third-party technical assistance (TA) and State Water Board staff to assist with applying for funding.
- Provide technical assistance through either Water Board staff or third-party TA.
- Increase coordination with other funding agencies and non-profits to leverage funding opportunities.
- Enhance available resources for small and/or disadvantaged communities.

**Strategic Goal 4 – Explore opportunities for reducing the cost of regulatory compliance**

- Continue working with Regional Water Quality Control Board staff and stakeholders to reduce the cost of compliance with National Pollutant Discharge Elimination System (NPDES) permits.

**Strategic Goal 5 – Strengthen existing and foster new partnerships with federal, state, local governmental entities, environmental justice organizations, local non-profits, and wastewater organizations**

- Participate in Small Systems Inter-Agency Committee.
- Participate in and give presentations at national and regional Environmental Protection Agency (EPA) sponsored Workshops and Conferences.
- Communicate regularly and collaborate with partners to identify areas of need and explore ways to address Human Right to Water issues.
- Actively seek input from environmental justice organizations.
- Enhance communication and collaboration with the Operator Certification Program (Op-Cert) and stakeholders to ensure that available training services meet operator training needs.

**Strategic Goal 6 – Provide technical assistance for small and/or disadvantaged communities**

- Provide technical assistance with funding applications, compliance issues and TMF capacity.
- Promote utility planning processes that support sustainable water infrastructure and communities.
- Collaborate with Division of Financial Assistance (DFA) marketing team to inform wastewater systems and the general public of the assistance programs available through the State Water Board.

**CAPACITY DEVELOPMENT STRATEGY**

The Safe Drinking Water Act (SDWA) requires the strategy to address the five elements identified below as SDWA 1 – 5. ([Handbook for Capacity Development](#))

<b>SDWA Element And Associated Goals for FYs 2016 Through 2018</b>
<b>1 - Methods or Criteria to prioritize systems (Goals 1, 2, 4)</b>
<b>2 – Factors that Encourage or Impair Capacity Development (Goals 2,5)</b>
<b>3 – How the State will use the Authority and Resources of the SDWA (Goals 1, 2, 3, 4, 5, 6)</b>
<b>4 – How the State will establish the Baseline and Measure Improvements (Goals 2, 4)</b>
<b>5 – Procedures to identify interested persons (Goals 5, 6)</b>

California's Capacity Development Program strategy is comprised of 6 strategic goals and associated EPA elements and is used to support and guide annual work plans.

**Strategic Goal 1 – Use available resources to continuously improve the program (SDWA 1, 3)**

- Integrate the Capacity Development Program strategic goals into processes and procedures of the Safe Drinking Water Program.
- Continue to coordinate with the Division of Drinking Water (DDW) to identify and assist small water systems with low TMF capacity.  
Reevaluate the TMF criteria in light of the current economy, the cost of producing and delivering water, conservation efforts, and the general condition of small water systems.
- Continue to enhance the Drinking Water State Revolving Fund (DWSRF) program marketing and outreach to ensure community leaders are aware of the benefits the DWSRF can provide, communicate successes, share new developments with new and potential borrower, educate the public and obtain input from the public about how to improve the program.

**Strategic Goal 2 – Identify systems with low TMF capacity (SDWA 1, 2, 3, 4)**

- Incorporate violation data from the U.S. EPA's Safe Drinking Water Information System (SDWIS) including data from the Enforcement Targeting Tool (ETT) as an indicator of TMF status. Future updates to OEHHA's Cal Enviro Screen tool may also help in identifying systems with low TMF.
- Identify water systems during sanitary surveys that have low TMF that are not currently in violation of Safe Drinking Water Standards, but have underlying problems that will likely lead to violations.
- For small water systems that are identified as having ongoing TMF capacity problems, the DDW will incorporate the self-evaluation TMF Tune-up process into the sanitary surveys of these specific systems.
- The DFA will continue to require the completion of a TMF Tune-up prior to receiving technical assistance to identify systems with low TMF capacity and to measure efficacy of the program.

**Strategic Goal 3 – Assist water systems identified in Goal 2 to improve their TMF and if they are in violation, return to compliance (SDWA 3)**

- Pursue consolidation where feasible, to improve TMF capacity and gain economy of scale. This will include physical as well as managerial/operational consolidation.
- Provide technical assistance to assist with funding applications.
- Provide technical assistance to return to compliance whether or not funding is required.
- Conduct TMF assessments and staff TMF reviews for new water systems, systems that have changed ownership and systems that are applying for funding.

- Conduct TMF assessments as part of compliance orders if required by DDW.
- Assist water systems identified as having low TMF capacity that are not yet out-of-compliance or applying for funding.

**Strategic Goal 4 – Ensure all new systems, systems changing ownership and systems using public funds to construct projects have TMF Capacity to remain sustainable into the foreseeable future (SDWA 1, 3, 4)**

- Conduct TMF Assessments and Staff Assessment Reviews for all new water systems, systems undergoing change of ownership and systems that are using public funds to construct projects.
- The DDW will continue to track compliance with permit conditions for all existing and new water systems and take appropriate enforcement actions.

**Strategic Goal 5 –Strengthen existing and foster new partnerships with federal, state, local governmental entities, environmental justice organizations, local non-profits and drinking water organizations (SDWA 2, 3, 5)**

- Enhance communication and collaboration with the Op-Cert and stakeholders to ensure that available training services meet operator training needs.
- Participate in and give presentations at national and regional EPA sponsored Capacity Development Workshops and Conferences.
- Participate in Small Systems Inter-Agency Committee.
- Support Local Primacy Agency Counties with training and assistance.
- Actively seek input from environmental justice organizations, governmental and nongovernmental stakeholders.

**Strategic Goal 6 – Provide a system of technical assistance and training for operators, managers and board members to ensure that drinking water provided by public drinking water systems is consistently safe (SWDA 3, 5)**

- Apply Drinking Water State Revolving Fund set-asides to support training.
- Poll operators for training needs to guide future topics.
- Use the Op-Cert test metrics to determine training needs.
- Collaborate with DFA marketing team to inform water systems and the general public of the programs available through the State Water Board.