

Office of the General Manager

December 15, 2014

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

Dear Ms. Townsend:

Safe Drinking Water Plan for California

The Metropolitan Water District of Southern California (Metropolitan) appreciates the opportunity to provide comments on the State Water Resources Control Board's (State Board's) draft Safe Drinking Water Plan for California (hereafter referred to as the Plan). Metropolitan, through its 26 member agencies, provides half of the water used by nearly 19 million residents of Southern California. Metropolitan supports efforts by the State Board's newly acquired Division of Drinking Water (formerly the Department of Public Health's Drinking Water Program) to provide safe, reliable and affordable water to the customers we serve. We believe the Plan and its implementation will help move the State towards better regulation of its drinking water supplies.

Metropolitan staff attended the State Board's workshop on the Plan in Los Angeles. Metropolitan supports the overall Plan, its goals, and the majority of recommendations. Our specific comments focus on several recommendations listed in Appendix 10 and repeated below.

I. <u>Expanded Program Funding to Ensure Drinking Water Regulation Compliance for All Community Water Systems</u>

- "2-6 The State Water Board recommends enactment of legislation to implement a funding strategy that will ensure that the program is adequately and consistently funded. That strategy should address the need for funding of activities that provide greater oversight of and technical assistance to small PWS particularly those that serve disadvantaged communities." (p. 267)
- "2-7 Funding should be provided for infrastructure improvements to PWS particularly small PWS serving disadvantaged communities that are not meeting safe drinking water quality requirements. Sufficient funding for administration should be included." (p. 265)

Metropolitan supports the State Board's efforts to ensure that all community water systems comply with drinking water standards. California's community water systems and the Drinking Water Program have worked together to provide safe drinking water to more than 98% of Californians. Addressing the remaining 2% of the population in community water systems that are out of compliance with drinking water standards will required significant additional resources and funds from the State.

Ms. Jeanine Townsend Page 2 December 15, 2014

Metropolitan emphasizes that the success of so many community water systems to date directly results from the partnerships, resources and attention provided by the Drinking Water Program. As the State Board correctly begins to focus on non-compliant systems, it is essential that the longstanding support of community water systems in compliance does not suffer. Therefore, Metropolitan recommends the State Board increase the size of the Drinking Water State Revolving Fund (DWSRF) and drinking water regulation compliance staff to support the co-equal goals of continued drinking water regulatory compliance for community water systems and increased help for smaller, disadvantaged systems to achieve regulatory compliance.

Metropolitan has previously commented on the DWSRF issue in our comment letter (dated October 6, 2014) to the State Board on its Drinking Water State Revolving Fund Policy Handbook. Metropolitan expressed concern with the long-term financial sustainability of the DWSRF, based on two fundamental issues: 1) the increased need for DWSRF funds to meet new or upcoming regulations; and 2) the potential for an increased incidence of projects for smaller, disadvantaged communities that would qualify for loan forgiveness criteria. Increasing the size of the DWSRF and the drinking water regulation compliance staff would help to address these concerns.

II. "Water Usage Fees" Are Not Appropriate for Community Water Systems

- "4-3 The most critical recommendation in the State Water Board's 2013 Report to the Legislature, "Recommendations Addressing Nitrate in Groundwater" was that a new funding source be established to help ensure that all Californians, including those in DACs, have access to safe drinking water, consistent with AB 685. A stable, long-term funding source should be provided for safe drinking water for small DACs. Funding sources could include a point-of-sale fee on agricultural commodities, a fee on nitrogen fertilizing materials, or a water use fee. Note that although the term "fee" was used throughout this report, it was beyond the scope of this report to assess whether the fee is a fee or tax under Proposition 26. The term was simply used for convenience and consistency." (p. 265; emphasis added)
- "4-4 Where the State Water Board has identified responsible parties that have contaminated local groundwater used as a drinking water source and has caused a PWS to be out of compliance with an MCL, the State Water Board will require those parties to cover the cost of mitigation including capital and treatment operation and maintenance costs. The Division of Drinking Water will coordinate its response with Regional Boards and the Office of Enforcement when issues are identified." (p. 266)

Metropolitan does not support any statewide water use fee or tax to provide a "stable, long-term funding source" for safe drinking water solutions, as stated in recommendation 4-3. The drinking water industry, including the American Water Works Association, the Association of California Water Agencies, and the California Water Association, has traditionally resisted the call for any type of water use fee. Metropolitan recommends that the State Board engage stakeholders in discussions to identify alternative viable, stable, long-term funding sources.

Ms. Jeanine Townsend Page 3 December 15, 2014

However, Metropolitan does support recommendation 4-4, which incorporates the "polluter pays" concept. This recommendation is consistent with Metropolitan's Board-adopted source water quality protection policy principles.

III. Reduced Barriers to Consolidation of Small and Larger Community Water Systems, Where Appropriate

"8-5 The State Water Board recommends enactment of legislation to mandate a requirement that a small public water system that is within the sphere of influence of a large system should be required to annex to the larger system. Any legal or financial barriers to such consolidations should be addressed and funding options to facilitate consolidation should be made available such as through changes to the SDWSRF and/or future water bonds. The State Water Board will use the Transition Advisory Group as a forum to address barriers to consolidation, and receive recommendations." (p. 267)

Metropolitan supports mutually agreed upon consolidation of community water systems, where appropriate. As such, Metropolitan supported Senate Bill 1130 (Roth) that facilitated the provision of safe water from a larger community water system to a very small (140 customer) private water system which suffered from nitrate contamination and inadequate fire flows. The bill balanced the benefit of quickly improving water service without transferring certain liabilities onto the larger systems during a defined transition period. Importantly, all parties in this instance supported the consolidation. Metropolitan is concerned that mandated consolidation may be unnecessarily confrontational and could delay the overall provision of safe water to communities throughout the state. Rather, consolidation should be based upon voluntary consent facilitated by policies which encourage consolidation.

Metropolitan supports the work of the State Board and its Drinking Water Program. The challenges of implementing this Plan will require careful strategies that we hope continue to include all of the drinking water stakeholders. Please contact me at (213) 217-6211 if you have any questions, or if I can provide additional information.

Very truly yours

General Manage

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