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Mark S. Krause, General Manager-Chief Engineer  
Best, Best & Krieger, General Counsel  
Krieger & Stewart, Consulting Engineers

Ms. Felicia Marcus, Chair  
State Water Resources Control Board

July 28, 2016

Re: Drinking Water Program Fees

**Public Comment**  
**Proposed Drinking Water Fee Regs**  
**Deadline: 7/29/16 by 5:00pm**

Dear Ms. Marcus,



Desert Water Agency (DWA) would like to thank the State Water Resources Control Board (State Water Board) for the opportunity to comment on the modifications to the proposed rulemaking and regulation text.

**Fee increase**

DWA supports the State Water Board's consideration of lowering the cost for additional connections to reflect the fact that fewer hours of work per connection are needed for larger agencies. In its current state, we do not believe that the amounts proposed for smaller systems, though higher per connection, reflect the time that will be needed to serve those systems. This framework appears to require medium and large agencies to subsidize the work performed for smaller agencies. This is unfair and does not encourage consolidation of small systems, which is a State Water Board priority. DWA would encourage the SWRCB to lower the fee paid for the highest tier of connections and increase the per connection fee for the smallest water systems.

We understand the need to raise program fees to generate sufficient revenue, but do not support such low fees for small systems. This change will result in the customers of large systems (even those disadvantaged customers) to subsidize the fees of customers of small systems. DWA believes strongly that this runs contrary to the constitutional requirement that fees imposed must be reasonably connected to service.

**Disadvantaged communities**

A significant portion of DWA's service area is classified as a disadvantaged community. We support the reduced fees for both severely disadvantaged (60% less than median household income) and disadvantaged communities (80% less than median household income). DWA would urge the State Water Board to give all agencies that serve a disadvantaged or severely disadvantaged community the reduction of fees. It should not be required that the community water system entirely overly a disadvantaged community. Because we cannot price discriminate with our water rates, higher fees would further drive costs up for disadvantaged customers. The language in the regulation should reflect this stipulation.

We share the SWRCB's goal of protecting water quality for our customers. We want to pay our fair share for the time needed by the SWRCB's DDW to verify that the water delivered to our customers is of the highest quality, dependable and potable.

Thank you,

Mark S. Krause  
General Manager-Chief Engineer