



CITY OF DALY CITY

Department of Water and Wastewater Resources

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Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
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RE: FFY 2019 CWSRF IUP

The City of Daly City, CA, appreciates the opportunity to submit comments to State Water Resources Control Board regarding the Draft Fiscal Year Clean Water State Revolving Loan Fund (CWSRF) Intended Use Plan (IUP).

General Issue 1: Definition of Small Severely Disadvantaged Communities (SDAC)s and Small Disadvantaged Communities (DAC)s

According to the November 28, 2018 Policy for Implementing the CWSRF, all eligible projects that qualify as small Severely Disadvantaged Communities (SDAC)s, or Small Disadvantaged Communities (DAC)s automatically get placed on the Fundable List. The current definition of SDAC's and DAC's is problematic and too restrictive and does not adequately reflect distress or disadvantage throughout California's diverse economic climate.

Under current guidance, qualifying as a SDAC or DAC is based on median household income (MHI) compared to the statewide MHI. Policy currently dictates that a disadvantaged community is defined by having an MHI of less than 80% of the statewide MHI and severely disadvantaged community is defined as having an MHI of less than 60% of the statewide MHI. Examining a community's economic distress or disadvantage solely based on comparing MHI's is not reflective of all the factors which influence per capita costs, ratepayer fees or affordability. For example, communities located in the San Francisco Bay have MHI's that greatly exceed that of the State's; however, the cost of living is exorbitantly higher. Under current policy, affordability of the region in which is served is not taken into consideration.

In addition, MHI is not considered to be an accurate or comprehensive measure of household affordability. For example, stakeholder groups have criticized the U.S. Environmental Protection Agency (USEPA) for its use of MHI as the sole indicator of affordability. As a result, the USEPA is currently in the process of evaluating new metrics for measuring affordability. The new metric will aim to reflect drinking water, wastewater and stormwater service costs; the households that are most economically challenged; and local costs of living. The State Water Resources Control Board should consult with the USEPA regarding ways that it can better measure household and community affordability.

Recommendation 1: Expanding the definition of what qualifies as a SDAC or DAC to include service costs, household income, poverty, unemployment, as well as local cost of living would create a fairer playing field for applicants.

General Issue 2: Automatically including SDAC's and DAC's on the Fundable List

Under current policy, all applications submitted by an SDAC or DAC is automatically included on the fundable list instead of going through the same rigorous review as other applicants is problematic. Daly City acknowledges that disadvantaged communities face barriers and challenges which impede delivery of water projects, however, these challenges should not preclude them from being evaluated the same way as other projects.

Recommendation 2: Instead of automatically adding SDAC's and DAC's to the Fundable List, award SDAC's or DAC's an extra "bonus point" when scoring their application. Daly City understands that distressed communities need assistance through the CWSRF. However, automatically included projects in these communities is not a fair way to evaluate projects. In order to account for the priority needs of distressed communities, the State Water Resources Control board should consider awarding one or two bonus points to such communities as opposed to automatically adding them to the Fundable List.

Project Specific Scoring Issue: Daly City's Vista Grande Drainage Basin Improvement Project (# 8502-110) was originally scored as a "Water Quality Control Plan or Permit Improvement" project, receiving 4 points under the primary score category. The City contends that its project extends beyond being classified as an "improvement" project but should be classified as a "preventative" project and receive a score of 6 under the primary score category.

Daly City's CWSRF application notes that the addition of stormwater will augment water surface levels and improve water quality in Lake Merced, which is consistent with conclusions reached by Dr. Alex Horne (University of California, Berkeley, Professor Emeritus) when assessing water quality. This project aspect is not just an improvement, but is also preventive in its scope. Under Primary Scope definitions, a Preventive Project must demonstrate that not completing the project is likely to result in a plan, policy or permit violation or exceedance in the near future. Lake Merced has been found by USEPA to be an impaired water body and is included under a Clean Water Act Section 303(d) listing for pH and DO based on current Basin Plan water quality objectives. As a listed body of water, Lake Merced is subject to the development of a TMDL. The project components associated with discharge of filtered stormwater into Lake Merced, construction of two adjacent wetlands, and an overflow pipe from the lake are engineered approaches to improve water quality and therefore avoid the need to develop and implement a TMDL to otherwise address the pH and DO impairments.

Further, this project component has been extensively reviewed with staff of the San Francisco Bay Regional Water Quality Control Board, who provided their support for this project in lieu of developing a TMDL in their regulatory approach concurrence letter of May 9, 2013. That regulatory concurrence stipulated implementation of the project's Lake Management Plan which is set forth as an appendix to the approved EIR/EIS along with a recommendation that Lake Merced be taken off the 303(d) list of impaired water bodies after project implementation and adoption of site-specific pH and DO provisions under a Basin Plan amendment. The project team is currently working with Regional Board staff to complete this proposed Basin Plan amendment concurrent with project implementation to address the 303(d) listing and avoid the need for a TMDL.

Project Specific Recommendation: Daly City respectfully requests reconsideration to reflect the preventive nature of the Vista Grande Drainage Basin Improvement Project with an amended Primary Score of 6.

The City thanks you in advance for your attention and consideration of our request and comments. Should you have any questions or require additional clarifications, please do not hesitate to contact us directly.

Sincerely,



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