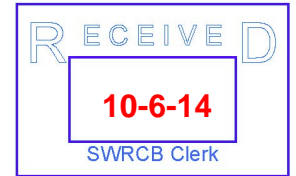




City Manager's Office
14177 Frederick Street
P. O. Box 88005
Moreno Valley CA 92552-0805
Telephone: 951.413.3020

October 6, 2014



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

RE: Comment Letter – October 21, 2014 Board Meeting – DWSRF Policy Handbook

Honorable Board Members:

The City of Moreno Valley seeks your consideration of an issue that is critical to the health and safety of the residents of the Edgemont neighborhood in the City of Moreno Valley. We hereby submit comments relevant to the adoption of the Policy for Implementing the Drinking Water State Revolving Fund (DWSRF Policy Handbook).

Previously, the California Department of Public Health (CDPH) administered the Drinking Water State Revolving Fund (DWSRF). Under that program, funding was only allocated to community water systems when there was a drinking water *quality* violation. Deficiencies in water *quantity* could not achieve ranking priority for funding, *even when funds were available and life safety hazards existed.*

Now that administrative changes to the DWSRF program require adoption of a new DWSRF Policy Handbook, the City of Moreno Valley proposes that the Project Ranking Criteria be amended to prioritize projects based on their readiness to proceed with solutions for water quality or water quantity deficiencies.

The community of Edgemont, located entirely within the City of Moreno Valley, relies on Box Springs Mutual Water Company ("the Mutual") for its water supply. The Mutual was formed in 1920 to serve a small, agriculturally-based hamlet. Over the years, the area has evolved into a community of families. The system now distributes water to a 430-acre area with approximately 600 connections. The 1920s-era system has deteriorated and water leaks abound throughout the well and pipelines. Additionally, the well that the Mutual relies on for drinking water is highly contaminated with nitrates.

The City of Moreno Valley has tried unsuccessfully for many years to access DWSRF funding for Box Springs Mutual Water Company. The primary barrier has been their lack of a drinking water quality violation, because the Mutual responsibly blends the contaminated well-water with imported water from Western Municipal Water District.

In order to serve its customers potable water, the Mutual established a small connection to Western Municipal Water District. The resulting blend of 80% well water and 20% imported water provides a short-term alternative to serving unhealthy water through household taps. However, it perpetuates substantial water leak losses and expands Southern California's dependence on imported water, while it does not improve one of the most pressing risks related to this obsolete water system... the inability to guarantee sufficient flow to support fire suppression.

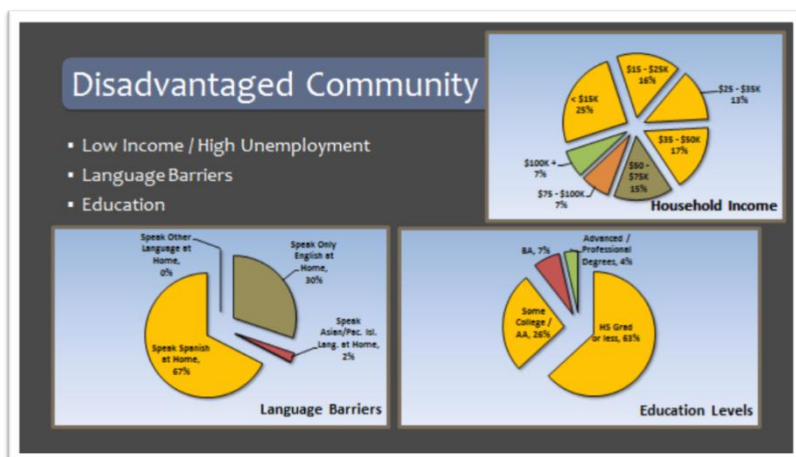


As more families have come to the area and the water pipes have further deteriorated, the Mutual's compliance with fire flow standards has declined. Fire hydrant testing was completed in January 2014 by Moreno Valley's Fire Prevention staff in accordance with National Fire Protection Association standards. Test results documented that 37 hydrants (47%) deliver substandard fire flows to Moreno Valley residential neighborhoods.

The City of Moreno Valley has been incrementally working toward finding a solution. A grant the City from the Environmental Protection Agency funded programmatic CEQA and NEPA environmental review and the adoption of a Mitigated Negative Declaration.

Technical needs assessments have been completed to inventory the Mutual's assets and estimate the funding gap. Depending on connection vs. well expansion options, cost estimates range from \$15 to \$22 million. Because of its small customer base, the Mutual water company is entirely unable to generate sufficient revenue to fund a system upgrade.

Residents of the community are severely disadvantaged. We understand the median household income threshold for the Disadvantaged Community designation is \$46,800 and the threshold is \$38,100 for the Severely Disadvantaged designation. Census data indicates that the neighborhood's median household income is \$26,875.



Education levels are also low, with only 11% attaining a bachelor's degree or higher. Approximately 63% have just a high school diploma or less. Resulting employment levels are also poor; the unemployment rate exceeds 27%. Residents are primarily Spanish speaking.

These population characteristics contribute to poor participation levels in the governance of the Mutual, which has contributed to abuses and a general disenfranchisement of the community's residents. In response, the City has engaged in a very successful public outreach program in the community of Edgemont.

The City of Moreno Valley is committed to helping the residents and property owners of Edgemont and the Box Springs Mutual Water Company find a permanent solution to this long-standing problem. At this time, the City Council is considering the substantial up-front expense of preparing preliminary (35%) design plans, to achieve "readiness-to-proceed" status for an engineering / design funding application.

Now that a new Policy for Implementing the Drinking Water State Revolving Fund is being established, the City of Moreno Valley proposes that the Project Ranking Criteria for Disadvantaged Communities be amended to prioritize projects based on their readiness to proceed with solutions for water quality or water quantity deficiencies.

This change in policy would permit DWSRF funding of mutual water companies according to alternative grant eligibility criteria. If adopted, mutual water companies in economically disadvantaged communities would be eligible and prioritized for funding based on readiness-to-proceed with solutions for water quality or water quantity deficiencies if:

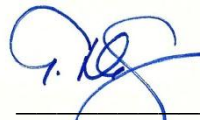
- The company's substandard fire flow rates jeopardize the safety of residents or endanger first responders or stymie development.
- The mutual must rely on dilution to mitigate water contamination.

The way to assure disadvantaged community residents of a safe and reliable source of water is to enable DWSRF to provide funding for desperately-needed repairs BEFORE a water quality deficiency exposes residents to contamination. Further, substandard fire flow rates that endanger residents of disadvantaged communities and the first responders that attempt to protect them in the event of a catastrophic fire event must be prioritized in grant eligibility criteria. The State Water Resources Control Board must be empowered to respond with funding that can be used to address fire flow inadequacies.

The City of Moreno Valley respectfully asks the State Water Board to adopt the proposed amendments to the Policy for Implementing the Drinking Water State Revolving Fund.

If you have any questions, please feel free to contact Michele Patterson, Assistant to the City Manager, by email at michelep@moval.org or by phone at 951.413.3030.

Cordially,



THOMAS M. DeSANTIS
Assistant City Manager

Cc: Mayor, Mayor Pro Tem and Council Members
Michelle Dawson, City Manager
John Terell, Community & Economic Development Director
Rick Teichert, Chief Financial Officer
Ahmad Ansari, Public Works Director
Michele Patterson, Assistant to the City Manager