



October 19, 2018

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



VIA EMAIL: commentletters@waterboards.ca.gov

Subject: Comment Letter – November 27, 2018 Board Meeting – CWSRF Policy Amendment

Ms. Townsend,

The Bay Area Clean Water Agencies (BACWA) appreciates the opportunity to comment on the proposed Clean Water State Revolving Fund Policy Amendment (proposed Policy Amendment). BACWA is a joint powers agency whose members own and operate publicly-owned treatment works (POTWs) and sanitary sewer systems that collectively provide sanitary services to over 7.1 million people in the nine-county San Francisco Bay Area. BACWA members are public agencies, governed by elected officials and managed by professionals who protect the environment and public health. BACWA supports a Recycled Water Committee with participants from both the water and wastewater sectors, who are interested in increasing recycled water in our Region.

BACWA would like to take this opportunity to address elements in the proposed Policy Amendments that may structurally penalize recycled water projects in our Region.

1. Primary Scoring should extend corrective and preventative actions points to recycled water projects

The proposed Policy amendment describes a scoring system to prioritize project eligibility for the Fundable List. The priority score is the sum of three components: primary score, secondary score and readiness score. Corrective and preventative actions provide the highest primary scores for each resource or impact. The proposed policy amendment does not provide scoring for water recycling projects that would provide corrective or preventative actions. As currently proposed, the highest primary score applicable to water recycling projects is 7.

As water recycling projects are permitted and regulated to protect the public health, drinking water sources, and the environment similar to other clean water projects, corrective and preventative scores should be made applicable to water recycling projects. SWRCB Order WQ 2016-0068-DDW states that water recycling projects are required to be in compliance with regulations related to recycled water in the California Code of Regulations, individual and general Water Reclamation Requirements, Uniform Statewide Recycling criteria,

applicable Salt and Nutrient Management Plan, WDRs or NPDES permits for recycled water production facilities, applicable water quality related CEQA mitigation measures, and the Recycled Water Policy. Water recycling projects would require preventative and corrective actions to meet permit and regulatory requirements; and should be eligible for the primary scoring criteria for corrective and preventative purpose. For example, water recycling projects could include replacement of treatment infrastructure necessary to prevent or correct permit violations. Tertiary filters may need replacement to meet turbidity requirements, or changes to the disinfection process may be needed to correct Title 22 violations.

2. Clarification of eligibility for public projects on private property is need

The proposed Policy Amendment includes eligibility for recycled water onsite user retrofits on publicly owned use sites, but does not specifically address the eligibility of privately owned properties. However, the Policy amendment includes eligible project types that would generally conform to the list of eligible project set forth in the Federal Water Pollution Control Act (FWPCA) that include privately owned property. The Policy amendment does specifically eliminate private sewer laterals from ineligibility; opening the argument for the eligibility of other privately owned facilities for funding. The Policy amendment should clarify and specifically include eligibility for recycled water onsite user retrofits on private property where a public utility is funding the project.

3. Funding should be structured to ensure that some funding reaches smaller projects

Using the draft policy's scoring system and available annual funding of \$1 billion, it's foreseeable that a small handful of big projects can be allocated all the available funding in a particular year, meaning that smaller projects would be cut off from funding for that year. Since most large projects are multi-year, BACWA recommends that larger project's funding be spread out over a few years to ensure that smaller project, mostly for smaller communities, have the opportunity to be funded. Additionally, with the anticipated passage of S. 3021 (America's Water infrastructure Act of 2018), BACWA recommends that the State consider using the "Innovative Financing for State Loan Funds" provision in this Act (Sec. 4201) to pursue additional financing for high-scoring, high-cost, large projects.

Please do not hesitate to contact Leah Walker, Co-Chair of BACWA's Recycled Water Committee, at lwalker@ci.petaluma.ca.us, if you would like to discuss these comments further.

Respectfully Submitted,

David R. Williams

David R. Williams
Executive Director
Bay Area Clean Water Agencies

cc: BACWA Executive Board
Stefanie Olson, BACWA Recycled Water Committee Co-Chair
Leah Walker, BACWA Recycled Water Committee Co-Chair