



May 18, 2018

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



Comments Submitted Electronically

Re: Comments on the draft 2018-2019 Drinking Water State Revolving Fund Intended Use Plan (DWSRF IUP)

Dear Ms. Townsend and State Water Board Members,

On behalf of Community Water Center, Leadership Counsel for Justice and Accountability, Clean Water Action, The Environmental Justice Coalition for Water, and California Food Policy Advocates we respectfully submit these comments on the draft 2018-2019 DWSRF IUP.

We commend the State Water Board for continuing your commitment to helping communities access the human right to water. However, additional measures to ease transparency and a focus on multiple benefit projects will allow for more efficient use of the limited funds available to the Board.

Comments on Highlights for SFY 2018-2019 IUP

2. Increase the Per Connection Threshold for Authorizing Principal Forgiveness/grant

We applaud the increase of per connection threshold for small community water systems that serve a DAC. Increased state funding will be necessary to help more communities struggling to access safe and affordable drinking water. Reducing the debt communities take on to solve their water problems will help issues with water affordability

4. Continue Grant/Principal Forgiveness Funding for Expanded Small Water Systems Serving Severely Disadvantaged Communities

Last year's change to allow projects that benefit larger SDACs to access principal forgiveness was a significant improvement to the DWSRF IUP and we appreciate the continued commitment of the Board to allow larger SDACs to apply for principal forgiveness to cover up to 50% of their project costs which will reduce the increase of water rates.

Comments on Prioritizing DWSRF Funds for Public Health Benefits

Short-term goals

1. Identify public health issues and evaluate solutions for SWSs, including technical assistance and consolidation where feasible.

Consolidations are an important tool to help small systems struggling to stay in compliance with the Safe Drinking Water Act, but do not have the adequate economies of scale to implement the necessary solutions. Even if these systems obtain funding to cover the capital infrastructure costs of a new well or treatment plant, the operations and maintenance costs can quickly become unaffordable for the system's rate payers. If a small system was required to pay for both the capital infrastructure and ongoing operation and maintenance costs, it would prevent many from completing consolidations. Thus, state funding and technical assistance is essential to ensure many consolidations do move forward in a way that benefits both the consolidating and receiving systems.

4. Reduce instances of noncompliance with drinking water standards by providing technical and consolidation assistance to SWSs with significant SDWA violations, including those PWSs that are violating the arsenic maximum contaminant level (MCL).

Ensuring that communities are served water which meets drinking water standards is essential to protect the public health. We agree with inclusion of this as one of the top priorities for the DWSRF.

Comments on Ensuring Perpetuity of the DWSRF Through Responsible Management **Short-term Goals**

1. Continue marketing and outreach efforts to PWSs, including application status reports, Spanish translation services, newsletters, and social media to advertise the availability of technical assistance to assist small, and disadvantaged communities as well as large PWSs.

We strongly support translation services in providing technical assistance to DACs and encourage the SWRCB to hire technical staff that speak Spanish and can interact directly with impacted communities. However, while Spanish is the second most prevalent language spoken in California, there are communities who speak other languages, including Hmong, which also need assistance. We would thus recommend that the Board increase outreach in additional languages.

Comments on Structure of the DWSRF/Prop 1 Drinking Water Program

B. TMF Capacity Assessment

While we understand the need for systems to be able show they have adequate TMF in order to ensure the funds are used effectively, more needs to be done to help systems achieve the necessary TMF. In too many small systems, lack of knowledgeable or overworked operators, lack of access to technical consultants, and lack of adequate economies of scale within the rate base can all contribute to or cause drinking water crises. Further, lack of these resources can prevent access to valuable funding sources

such as grants and principal forgiveness. One suggestion we propose is for staff to work on how to utilize the authority granted to the Board through SB 552 (2016) to help systems who are struggling with managerial or technical issues. Sometimes a good operator can improve or solve drinking water issues without large expenditures of capital. Additionally, should the Safe Affordable Drinking Water Fund pass during this legislative session there could be additional funds to cover managerial consolidations and additional TMF assistance for struggling water systems.

Comments on DWSRF and Prop 1 Financing Terms

One definition that is not included, and should be integrated into the IUP, is a “multiple benefit project.” While the IUP integrates the concept of “projects that provide regional benefits,” a project can have multiple benefits without being a region-wide project. We encourage staff to include both a definition of “multiple benefit project” as well as integrate the concept into the priority system.

Additional Comments

We would like the DWSRF IUP to include the option to pay for the cost of private laterals, which our experience has shown is one of the most significant financial barriers to small system consolidation. (Here, the term, "consolidation", includes annexation, line extension, etc.) For example, EJCW has several projects in the Salinas Valley, and the progress of which depends entirely on providing the low-income households who would benefit from that consolidation receiving direct financial support to make the otherwise private costs of the laterals affordable. The State has already invested considerable resources into these projects. In our view, it would be unsound policy to strand those investments and would systematically disadvantage already economically-disadvantaged communities, neighborhoods, and households, who cannot otherwise afford the cost of private laterals.

Thank you for the opportunity to comment on this year’s IUP.

Sincerely,



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