



Bighorn-Desert View Water Agency

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A Public Agency

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Via Email Only: commentletters@waterboards.ca.gov

RE: Public Comment Regarding State Water Resources Control Board Workshop on the Affordable, Safe Drinking Water Initiative (Low-Income Water Rate Assistance Program development)

To Whom It May Concern:

From the perspective of a small water agency in a rural disadvantaged community, this bill should be repealed because flies in the face of the spirit of the 2003 United Nations Resolution which was to bring safe, clean, affordable, accessible water to those who actually lack access to it (e.g. global water crisis). Isn't California one of the world's largest economies? In our view, this bill states that since it is too difficult for small rural communities to have affordable water then the folks should move to an area with cheaper water. However, that is probably a location where the same folks cannot afford the rent. That makes no sense.

The Bighorn-Desert View Water Agency understands that the State Water Resources Control Board (SWRCB) is holding a Workshop on February 8, 2017 regarding the Affordable, Safe Drinking Water Initiative and is seeking public comment for inclusion in the Workshop discussion. It is further understood that the concern revolves around Disadvantaged communities (DAC) and low-income residents of a water system. To that end, we appreciate the opportunity to provide input to the workshop.

Bighorn-Desert View Water Agency (BDVWA) is a small water system located in the high desert of southern California. BDVWA is classified as a Severely Disadvantaged Community (SDAC). A map depicting all the small water systems in the 4,200 mile service territory of the Mojave Water Agency can be found here: <http://www.smallwatersystems.org/maps.html>. BDVWA currently serves a population of approximately 4,000 in two water systems overseen by the SWRCB Division of Drinking Water, San Bernardino, CA (DDW). There are two distinct water systems because

BDVWA annexed a smaller, county operated water system, in 2015. The two systems are not physically interconnected hence they are operated under separate permits.

As an SDAC, BDVWA is not clear on what "Human Right to Water" actually means. While it is an honorable declaration, unless it means the state of California will start paying water bills for our customers, BDVWA doesn't understand what the State's true intention is going to be. For instance, the workshop notice states that certain measures have been implemented which are seen as "progress towards implementation of the Human Right to Water". One such law was SB 1263 (Wieckowski). From our perspective, this bill ELIMINATED the human right to water as it prohibits the use of hauled water for new construction. In some portions of our service territory bulk hauled water is the only available safe, clean, affordable and accessible water source. It is indisputable that these customers understand the value of water and they are among the most conservative users of all. With such low density, large lot size and vast quantities of federal unpatented lands scattered throughout our service territory it should be obvious the cost to distribute such a small quantity of water through miles of pipeline is cost prohibitive. Unless the DDW wants to provide the estimated \$50M to bring a pressurized water system to such portions of our service area then the local settlers are left to construct private water wells. However, as mentioned in the workshop notice many rural communities have high levels of naturally occurring arsenic, uranium, fluoride and Chromium-6 so while potable hauled water is now prohibited, no one seems to care that private water wells are being constructed in groundwater basins of known contamination and it is being consumed. The discussion ends there.

BDVWA would first like to review for the SWRCB the measures we have implemented to keep our costs down:

- Small staff: each employee has wide range of responsibilities.
- Charge all properties a basic monthly fee those connections that don't utilize water (ie. inactive meters)
- Monthly base charge that covers most operating expenses.
- Use of secured property tax liens and unsecured property tax liens to maximize collection of unpaid water bills.
- Annual budgets which project revenues exceeding expenses so that a reasonable surplus of money is generated for use on capital projects as well as non-routine replacement and refurbishment of major capital infrastructure.
- Participation in federal and state grant offerings using in-house resources. However, free money is not free and takes more resources to manage than non-grant funded projects. Very discouraging. Furthermore, the current "fast track" system for grant awards in California seems to be just as slow as the prior system. Our grant applications were submitted in mid-2015. One "shovel ready" construction project was denied after about a year and we are still awaiting a decision on a planning grant.
- We take advantage of resources available through California Rural Water Association (CRWA), Rural Community Assistance Corporation (RCAC) as well as the Mojave Water Agency, San Bernardino Local Area Formation Commission, California Special Districts Association and others.

- We partner with other water agencies in the Morongo Basin to provide the region education regarding water supply and conservation issues. We share resources and ideas at our quarterly management group meetings. Our teams participate in safety, contact hours, and emergency response training.
- We have developed a groundwater management strategy to sustainably manage the basin which is utilized by several municipal producers.

The following are issues which drive the cost of services up for our customers:

- Rising cost of power, medical insurance, unfunded pension liability, and annual fees for such things as DDW assistance, exorbitant annual rents charged by the Bureau of Land Management (BLM) for water lines supplying our rural community, permits for Air Quality Management District, etc.
- Unfunded state mandates that redirect staff resources from our core mission to provide safe, clean, affordable and accessible water. For instance, the "one size fits all" water conservation mandates, SB 854 (Public Works Contractor Registration Law), SB 415 Voter Participation and the like.
- Mandates such as SB 854 Public Works Contractor Registration Law requiring prevailing wage to be paid on all public works. First off, why should an SDAC be required to pay more than local contractors seek for their services? Secondly, if there are clearly stated prevailing wages for defined work, why are we competitively bidding projects at all? Don't they all cost the same? SDAC and DAC communities should be exempted from such requirements for obvious reasons. This mandate simply forces our customer to pay more than the going rate and limits the number of available contractors (those who chose not to engage in such work due to the reporting burdens) and that drives costs up even further.
- Continual lowering of drinking water standards. In some cases California standards are lower than federal standards forcing water treatment sooner than might be needed to actually protect human health. Is the purpose just to create an economy where there wasn't one previously?
- Our service area is zoned 2.5 acre or greater so by definition density is low. That means there is less population per square mile than in urban areas. Pipelines run at least 330 feet between properties and sometimes farther when having to pass by BLM properties. Service territories are huge; therefore, since the 1980's, as the population began to grow in remote portions of the service territory, hauled water has been made available as a safe and affordable alternative to pressurized/piped water systems which are extremely cost prohibitive given the low population, low land values and extent of unpatented BLM lands.

Having stated how we keep costs down and what affects costs we offer the following as solutions to implementing the ASDW Initiative if there is no political backbone to repeal it.

1. BDV service territory contains a huge amount of public lands (BLM managed/unpatented lands) that creates two issues:
 - a. BLM properties do not pay property tax. Therefore, BDV does not receive any general tax levy from these properties yet the water lines have to cross

the properties to reach private occupied lands. Thus low density, low population equals miles of waterline.

- b. BLM, in 2009, began charging BDV rent for allowing a public water line to cross their property even though the water lines are within a public road and the easement for utilities is reserved. In 2015 they increased the rents by 400%. We attempted to appeal the issue to the federal government but it is there belief that the Agency can just pass the charge to the residents through the rate structure. So in 2016, this fee, in part, caused BDV to raise water rates. Now, approximately 60% of the first months Basic Service Charge for properties within that Improvement District is collected just to pay for an easement that was free for the first 30-years.

Therefore, in order to make water more affordable to our customers, California should offer BDV monies to offset the property tax we are unable to collect from the parcels owned by the federal government and California should pay the rents on behalf of our SDAC. This would offset costs borne by the customer base through the monthly Basic Service Charge.

2. BDV is provided a very small portion of the 1% General Tax Levy for our operations.

Therefore, if California believes water is more of a human right than other services that utilize the general property tax revenue then it should require that a higher percentage of general tax levies be forwarded from the County of San Bernardino to BDV for operating expenses. This would offset costs borne by the customer base through the monthly Basic Service Charge.

3. The SWRCB indicates in the workshop memo that "many small systems in disadvantaged communities lack the technical, managerial and financial capacity to deliver safe drinking water at affordable rates. While larger systems have the financial resources to hire well-trained and technically competent water system operators".

We are unclear what the SWRCB believes to be "affordable rates" but, nonetheless we believe the SWRCB could thus consider a program whereby the "larger, well trained and technically competent water system" operators select a "DAC/SDAC Sister Agency" to share their knowledge. In other words, a Small Systems Mentoring Program. The larger system could send resources to the small systems and assist by reviewing all aspects of the operation and providing input to developing resources, data collection techniques, data analysis tools, training, reporting tools, etc. The office of the Board Secretary could also use such a program as well. In return the SWRCB would provide the necessary "credit" to the larger system for implementing a low-income assistance program and the certified operators of both entities could receive contact hours as well.

4. The SWRCB indicates in the workshop notice that "many water systems are incurring costs to pay for treatment systems to address naturally-occurring sources

of contaminants". Further stating that DAC's lack the rate base to pay for operations and maintenance of treatment systems.

Therefore, whenever the system exceeds a drinking water standard, especially when a drinking water standard is set lower than a federal standard, the SWRCB should fund all of the capital as well as the long-term operations and maintenance costs for treatment systems.

5. Should the SRWCB desire to focus on rebates or some other type of monetary incentive then that resource should be provided to the customer in the form of a voucher or EBT card for payment towards the water bill.
6. Grants available through state of California are not flowing as fast as the SRWCB indicated they would when the Department of Public Health was transferred to the SWRCB. Therefore, now is as good a time as any to point out that the "FAAST" system is not very fast. We are still waiting some kind of response since applying in mid-2015 for a planning grant. This causes project costs to rise and delays the agency's ability to implement needed capital, replacement and refurbishment projects while we wait years for a determination.

Thank you for the opportunity to comment. We hope that these ideas provide meaningful advice to those seeking to implement low-income or DAC water assistance programs aimed at making water "more affordable".

Should you have any questions or seek further clarification, please do not hesitate to contact the Agency at 760-364-2315.

Sincerely,



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DDW Certified D5 and T2
Vice Chair MWA Small Water Systems Committee
General Manager

CC Via Email Only

Hon. Senator Jean Fuller, 16th Senate District
Hon. Assemblyman Chad Mayes, 42nd Assembly District
Hon. Assemblyman Olberholte, 33rd Assembly District
Mr. Matthew Howard, MWA Water Resources Supervisor

