



Update on California's Drinking Water Regulatory Program

Engineering and Operations Committee

Item 6a

May 9, 2016

Drinking Water Program

- Regulates public drinking water systems
 - Sets and enforces drinking water standards
 - Establishes water recycling criteria
 - Provides technical assistance for compliance
 - 24/7 support for emergencies
- Transferred from Dept. of Public Health to State Water Board in July 2014
- Transition Advisory Group formed to advise Water Board

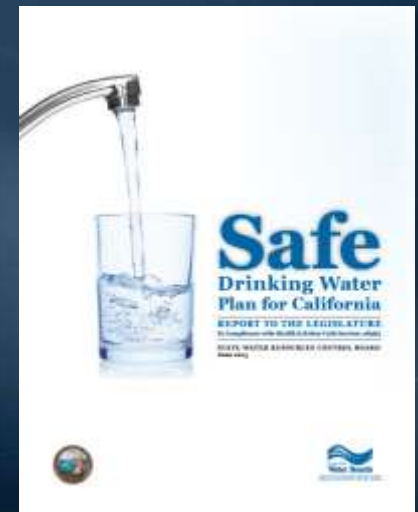


Transition Advisory Group

- Advisory group includes many stakeholders
 - Water industry groups (ACWA, AWWA, CMUA, California Water Association, WaterReuse)
 - Public water systems, including Metropolitan
 - Environmental justice advocates
 - Local health officers
 - Technical assistance providers
- Provides input to Drinking Water Program
 - Small system issues
 - Regulation development
 - Public water system compliance
 - Funding programs and fees

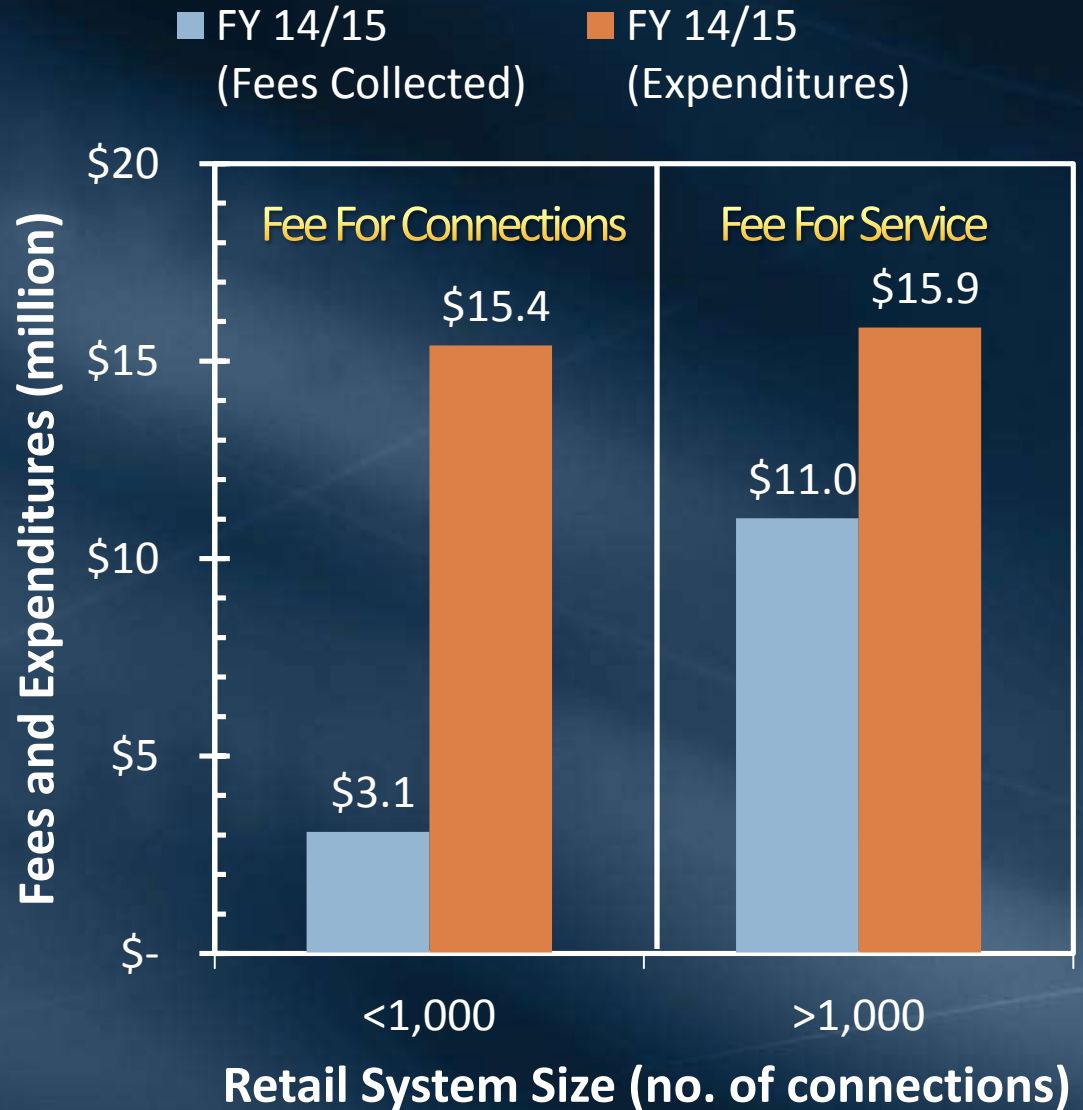
Drinking Water Program Activities

- Transferred all functions to State Water Board
 - Seamless transfer from water system perspective
 - Provides emergency assistance during natural disasters
- Completed Safe Drinking Water Plan
 - Focused on small systems
 - Established roadmap to improve access to safe drinking water
- Began issuing mandatory consolidation orders
- Implemented new maximum contaminant level for chromium 6
- Transferred grant/SRF activities into “one-stop shop” at State Water Board’s Division of Financial Assistance



Drinking Water Program Funding

- Funded by fees
- Program needs increasing
 - Largely driven by need to support small systems
 - Dependent on non-guaranteed federal funds for 55% of program costs
- SB 83 deemed fee structure inoperative on July 1, 2016



New Fee Structure for FY 2016/17

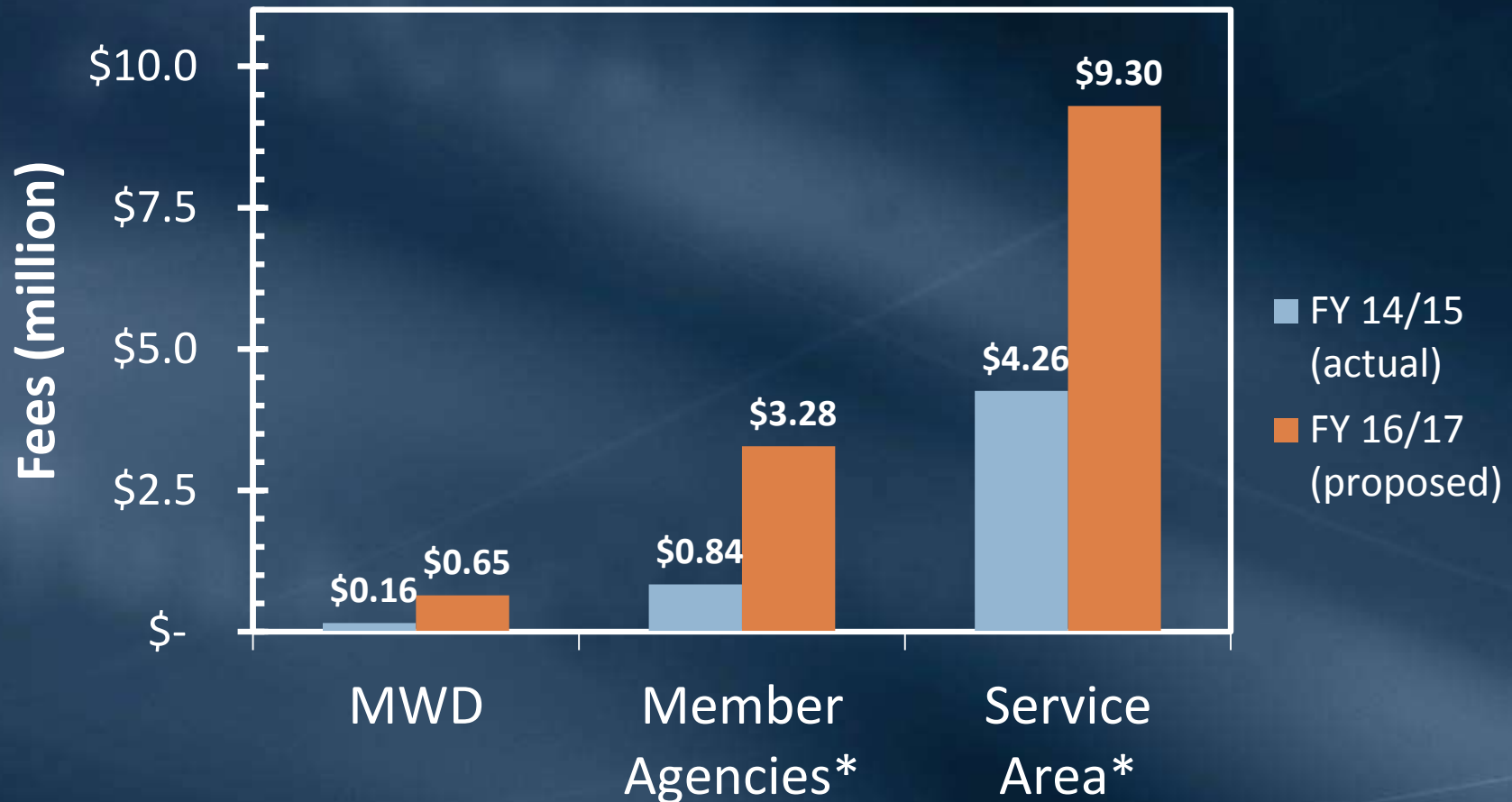
Proposed on April 29, 2016

System Type	No.	Existing	Proposed*
Small systems (<1,000 connections)	1,270	\$6/connection (\$250 min.)	\$4/connection (\$200 max for <100 conn.)
Large systems (>1,000 connections)	680	Actual labor billed at \$153/hr. (fee-for-service)	\$4,000 + \$2/service connection above 1,000 connections
Wholesale systems	44		\$6,000 + \$1.36/million gallons (based on 3-year average)

*50% discount for severely disadvantaged communities

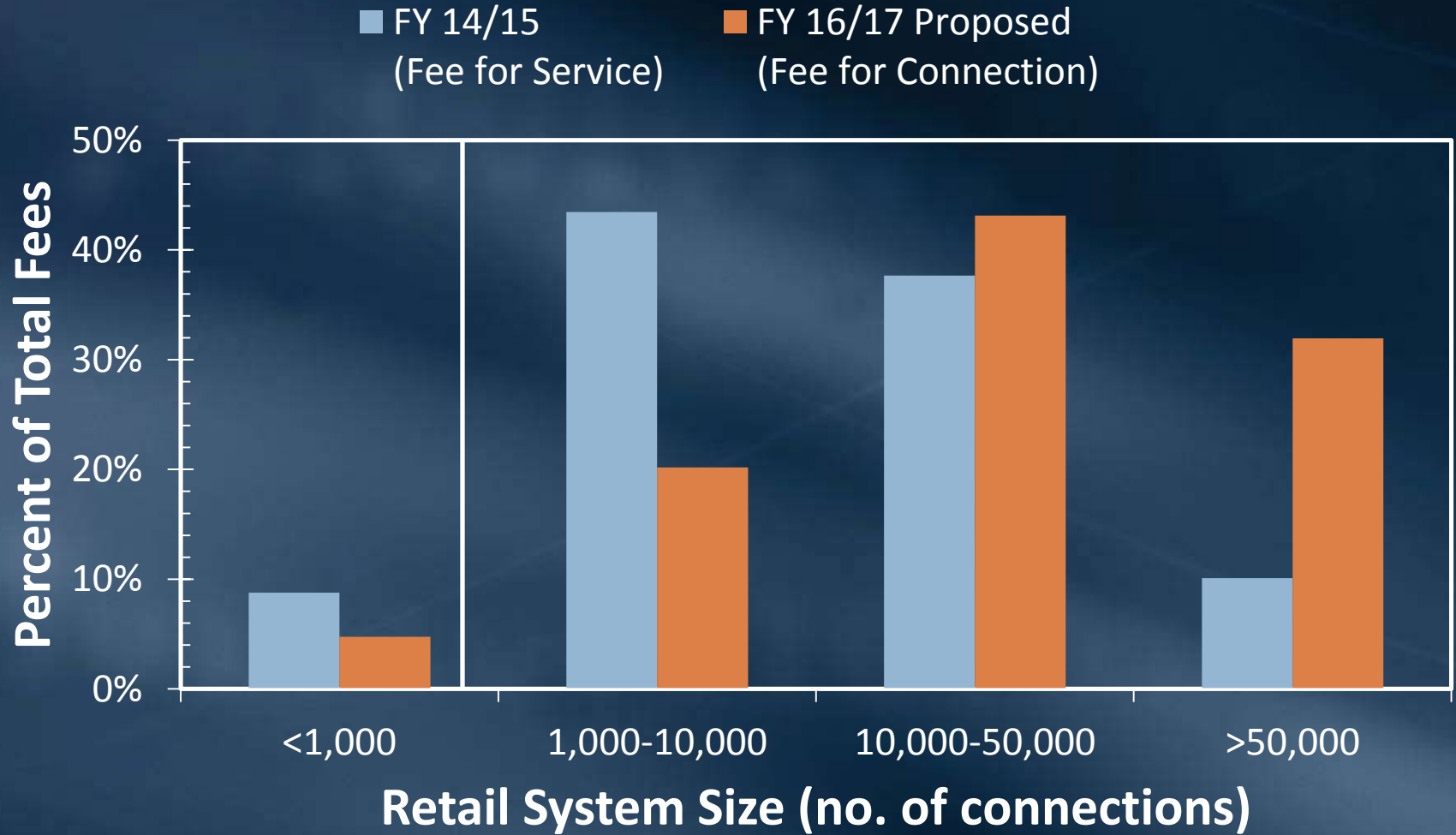
Drinking Water Program Funding

Substantial Fee Increases in Service Area



*Retail agencies only

Drinking Water Program Funding



Water Community Perspective

- Drinking water program currently underfunded to support all water systems
- Fee structure should acknowledge economies of scale for large systems and wholesalers
 - Investment in water quality & internal compliance
 - Fee structure should not “double charge” for wholesale and retail systems
- Program support for each system must remain transparent & accountable

Moving Forward

- State Water Board activities
 - Written comments due June 22
 - Hearing scheduled on same date
- Metropolitan activities
 - Provide outreach to Member Agencies
 - Coordinate with water industry groups
 - Submit oral comments at hearing
 - Submit written comments

