

**State Water Resources Control Board**  
Division of Drinking Water

September 22, 2016

Board of Directors  
Black Rascal Water Company  
2160 Teak Avenue  
Merced, CA 95340

Dear Board of Directors:

State Water Resources Control Board Notice Regarding Mandatory Consolidation

Effective June 24, 2015, Senate Bill 88 (Statutes 2015, Chapter 27) added Sections 116680 – 116684 to California Health & Safety Code, addressing consolidation of public water systems.

Records at the State Water Resources Control Board's – Division of Drinking Water (Division) indicate that the water delivered by the Black Rascal Water Company public water system (System) is inadequate to meet the demands of the current customers. The Merced County Environmental Health Department (EHD) notified the Division that the Company had applied for a well drilling permit to drill a new domestic supply well given the failure of Well No. 1. The EHD indicated that they would not issue a permit to drill a new well given that the Company is located within the City of Merced's sphere of influence. As such, the Company has no means of increasing its source capacity than a consolidation with the City of Merced. In addition, the Black Rascal Water Company has been non-responsive to request for information from the Division and is operating in violation of the water supply permit (No. 03-11-15P-100) that was issued in December 2015. It is the Division's understanding that the Company's service area and distribution system are within about 25 feet of the City's boundary and distribution system.

The Division issued a pre-consolidation letter dated May 5, 2016, (enclosed) encouraging the Company and the City to work out a voluntary consolidation of their public water systems. The City responded favorably to the pre-consolidation letter indicating that the City is willing to work towards consolidation with the Black Rascal Water Company. However, the Division has not received any indication from the Company indicating willingness to proceed with a consolidation of the public water systems. The State Water Resources Control Board (State Water Board) strongly encourages the Company and the City to work out voluntary consolidation of their public water systems. If a voluntary consolidation is not timely achieved, the State Water Board intends to take action pursuant to Health & Safety Code section 116682, subdivision (a) for consolidation of the Company's public water system with the City's public water system. Please note that as used in the applicable statutory authority, the City is hereby identified as the potentially receiving water system and the Black Rascal Water Company's Water System is identified as the potentially subsumed water system.

FELICIA MARCUS, CHAIR | THOMAS HOWARD, EXECUTIVE DIRECTOR

265 West Bullard Avenue, Suite 101, Fresno, CA 93704 | [www.waterboards.ca.gov](http://www.waterboards.ca.gov)

This letter serves as official notification that, pursuant to Health & Safety Code section 116682, subdivision (b) (6), the Black Rascal Water Company Water System, the potentially subsumed water system, is directed to negotiate consolidation with the City, the potentially receiving water system. The Black Rascal Water Company is further directed to complete such negotiations and report the outcome to the State Water Board Division of Drinking Water - Merced District Office not later than six (6) months following the date of this letter.

The State Water Board acknowledges that consolidation is a complex process and stands ready to assist you so that you are successful in delivering safe, affordable and accessible drinking water in a cost-effective manner. Pursuant to Health & Safety Code section 116682, subdivision (b) (6) (A), during the six month negotiation period, the State Water Board will provide technical assistance and work with the Black Rascal Water Company and the City of Merced to develop an appropriate and necessary financing package. Technical assistance will be available from the State Water Board Division of Drinking Water (DDW) and Division of Financial Assistance (DFA).

Please provide a written response to this letter indicating your willingness to work with the City on a voluntary consolidation by October 15, 2016. The letter should include the contact information for the representative from the Black Rascal Water Company that will be responsible for communicating with the City of Merced. The Division would like to set up a meeting between the Division, the City and the representatives from the Black Rascal Water Company in the near future.

If you have any questions regarding this matter, please contact Mrs. Kassy Chauhan, Merced District Engineer for the State Water Board's DDW, at (559) 447-3316, or me at (559) 447-3132. For funding related questions, please contact the State Water Board's Division of Financial Assistance at (916) 341-5700.

Sincerely,



Carl L. Carlucci, P.E.  
Supervising Sanitary Engineer  
Central California Section  
SOUTHERN CALIFORNIA BRANCH  
DRINKING WATER FIELD OPERATIONS

Enclosure

cc: Mr. Dean Andreessen, President, Black Rascal Water Company  
Mr. Stan Thurston, Mayor, City of Merced  
Mr. Ken Elwin, Public Works Director, City of Merced  
Mr. Johnnie Baptista, Water Division Manager, City of Merced  
City Council, City of Merced  
Mr. Ron Rowe, Environmental Health Director - Merced County Environmental Health  
Mr. Bill Nicholson, Executive Officer, Merced LAFCO



EDMUND G. BROWN JR.  
GOVERNOR



MATTHEW RODRIGUEZ  
SECRETARY FOR  
ENVIRONMENTAL PROTECTION

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**State Water Resources Control Board**  
Division of Drinking Water

May 5, 2016

System No. 2400046

Mr. David Hamm, General Manager  
Black Rascal Water Company  
2160 Teak Avenue  
Merced, CA 95340

Dear Mr. Hamm:

Effective June 24, 2015, Senate Bill 88 (Statutes 2015, Chapter 27) added Sections 116680 – 116684 to California Health & Safety Code, addressing consolidation of public water systems.

Records at the State Water Resources Control Board's – Division of Drinking Water (Division) indicate that the water delivered by the Black Rascal Water Company public water system (System) is inadequate to meet the demands of the current customers. The Merced County Environmental Health Department (EHD) notified the Division that the Company had applied for a well drilling permit to drill a new domestic supply well given the failure of Well No. 1. The EHD indicated that they would not issue a permit to drill a new well given that the Company is located within the City of Merced's sphere of influence. As such, the Company has no means of increasing its source capacity than a consolidation with the City of Merced. In addition, the Black Rascal Water Company has been non-responsive to request for information from the Division and is operating in violation of the water supply permit (No. 03-11-15P-100) that was issued in December 2015. It is the Division's understanding that the Company's service area and distribution system are within about 25 feet of the City's boundary and distribution system.

The State Water Resources Control Board (Board) strongly encourages the Black Rascal Water Company and the City of Merced to work towards a voluntary consolidation of their public water systems. However, if a voluntary consolidation is not achieved in a timely manner, the Board may make the decision to exercise its authority pursuant to Health & Safety Code section 116682, subdivision (a) to achieve consolidation of the Black Rascal Water Company with the City of Merced's public water system.

The Board acknowledges that consolidation is a complex process and stands ready to assist you so that you are successful in delivering safe, affordable and accessible drinking water to your community in a cost-effective manner. The Board will provide technical assistance and work with the City and the County to develop an appropriate and necessary financing package. Technical assistance will be available from the State Water Board's Division of Drinking Water (DDW) and Division of Financial Assistance (DFA).

FELICIA MARCIUS, CHAIR | THOMAS HOWARD, EXECUTIVE DIRECTOR

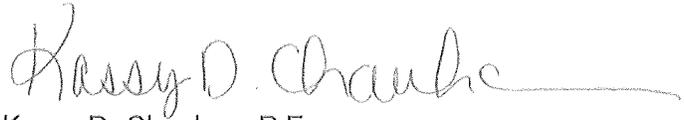
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1001 I Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, CA 95812-0100 | [www.waterboards.ca.gov](http://www.waterboards.ca.gov)

Mr. Hamm  
May 5, 2016  
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If you have any questions regarding this matter, please contact me at (559) 447-3316.

Sincerely,

A handwritten signature in cursive script that reads "Kassy D. Chauhan". The signature is written in black ink and extends to the right with a long horizontal flourish.

Kassy D. Chauhan, P.E.  
Senior Sanitary Engineer  
Merced District  
SOUTHERN CALIFORNIA BRANCH  
DRINKING WATER FIELD OPERATIONS

CC: Mr. Dean Andressen, President – Black Rascal Water Company  
Mr. Ken Elwin, Public Works Director – City of Merced  
Mr. Johnnie Baptista, Water Division Supervisor – City of Merced  
Mr. Bill Nicholson, Executive Director - Merced County LAFCO  
Mr. Brian Guerrero, Merced County Planning Department