
State Water Resources Control Board
Division of Drinking Water

Administrator Policy Frequently Asked Questions (FAQ)

The following are frequently asked questions and answers about the Administrator Policy and the implementation of this authority by the Division of Drinking Water. The questions below are linked to the corresponding answer.

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Answers:

General

Question 1: What is an “Administrator”, and who can be an administrator?

Response 1: Administrator Definitions:

‘Administrator’ means a person or entity whom the state board has determined is competent to perform the administrative and managerial services of a public water system. Administrators may be individual persons, businesses such as engineering firms, non-profit organizations, local agencies, and other entities. An administrator can serve in a limited or full scope capacity.

‘Limited-scope administrator’ is defined as an administrator who is not appointed and/or authorized to exercise total and complete managerial control over all aspects of the designated water system, but rather is appointed for the specific purposes and only with the authorities granted in the appointing order.

‘Full-scope administrator’ is defined as an administrator who is appointed and/or authorized to exercise total and complete managerial control over a designated water system.

Question 2: How is a water system designated for an administrator?

Response 2: Designation Definitions:

A *‘Designated Water System’* means a public water system or state small water system that has been ordered to consolidate pursuant to Section 116682 or that serves a disadvantaged community, and that the State Water Board finds consistently fails to

provide an adequate supply of affordable, safe drinking water. SB 552 became effective September 28, 2016.

A 'DAC' is defined as a community with an annual median household income less than 80 percent of the Statewide annual median household income (Water Code §79702.(j) which cross references to Water Code §79505.5).

Question 3: Can a water system be assigned two or more administrators at the same time?

Response 3: No, only one administrator may be assigned to provide service to a given designated water system. However, an administrator may provide administrative and managerial services to more than one designated water system.

Authority

Question 4: What authority does the State Water Board have to contract with an administrator and to order the designated public water system to accept an administrator?

Response 4: Senate Bill 552 ([SB 552](#)) authorizes the State Water Board to contract with, or provide grants to, an administrator to provide administrative, technical, operations, or managerial services, or any combination of those services, to a designated water system to assist the designated water system with the provision of an adequate supply of affordable, safe drinking water.

In addition, Assembly Bill 2501 ([AB 2501](#)) amended Health and Safety Code section 116686 to require the State Water Board to develop standards, terms and procedures for the management of the designated water system by the administrator. This bill went to effect on September 28, 2018.

Question 5: What authority does an administrator have over a designated water system?

Response 5: An administrator has authority to provide administrative, technical, operational, or managerial services, or any combination of those services to a designated water system. Pursuant to subdivision (a) of HSC § 116686, the authority may include, but shall not be limited to:

- Expend available moneys for capital infrastructure improvements that the designated water system needs to provide an adequate supply of affordable, safe drinking water.
- Set and collect user water rates and fees, subject to approval by the state board. The State Water Board shall consider affordability when approving water rates and fees.
- Expend available moneys for operation and maintenance costs of the designated water system.

Question 6: Does the State Water Board have any guidelines on the administrator implementation?

Response 6: The State Water Board adopted an [Administrator Policy Handbook](#) in September 2019 to provide further direction to State Water Resources Control Board (State Water Board) staff and persons and entities considering becoming or are appointed as administrators of designated water systems.

Administrators may be assigned broad duties, such as overseeing all activities of a designated water system and acting as its general manager, or specific duties, such as managing an infrastructure improvement project on behalf of the designated water system.

Administrators may be individual persons, businesses, non-profit organizations, local agencies, and other entities. Although only one person or entity may be appointed as an administrator for a particular designated water system, an administrator may utilize other service providers, such as forensic accountants, human resources professionals, attorneys, engineers, certified operators, or administrative staff, as necessary.

Question 7: Can an administrator be appointed without all the required certifications/licenses but hire/contract for/employ people with those licenses and certifications?

Response 7: An administrator shall have experience and required competencies in carrying out the assigned duties at the time of appointment. Although only one person or entity may be appointed as an administrator for a particular designated water system, an administrator may utilize other service providers, such as forensic accountants, human resources professionals, attorneys, engineers and other operators, and administrative staff, as necessary to fulfill the assigned administrator's duties.

Funding

Question 8: What is the funding source for administrators?

Response 8: Senate Bill 200 ([SB 200](#)) became effective July 24, 2019 creating the Safe and Affordable Drinking Water Fund (Fund) to help water systems provide an adequate and affordable supply of safe drinking water in both the near and long terms. Beginning in the 2020–21 fiscal year, 5% of the annual proceeds of the Greenhouse Gas Reduction Fund, up to the sum of \$130,000,000, will be deposited into the Fund. In the 2023–24 fiscal year and until June 30, 2030 an annual transfer will come from the general fund if the annual proceeds of the Greenhouse Gas Reduction Fund are less than \$130,000,000 to equal a total transfer of \$130,000,000 into the Fund. The fund will be utilized for administrators, technical assistance (TA), interim and long-term solutions,

emergencies, operation and maintenance (O&M) for public water systems. state smalls, and households supplied by domestic wells.

Question 9: How is an administrator paid?

Response 9: An administrator that is appointed will enter into a funding agreement with the State Water Board, Division of Financial Assistance (DFA). The administrator will work with DDW and DFA to develop the necessary administrator tasks that will be eligible to receive reimbursement from DFA. After executing the funding agreement, the administrator can submit claims to DFA to be reimbursed for eligible costs that are incurred while acting in the capacity for which they are appointed.

Question 10: If an administrator applies for funding through the State Water Board, who is responsible?

Response 10: The administrator would be acting as the authorized representative; however, the funding agreement would be to the water system with the administrator acting on their behalf. This means that the water system, not the administrator, would be holding the funding agreement. The administrator would have full authority to sign and manage the funding agreement.

Question 11: Is the administrator responsible for funding infrastructure upgrades or other costs related to the water system?

Response 11: The administrator will be responsible for assessing the status and needs of the water system and identifying opportunities to increase efficiency and accelerate implementation of capital projects. In order to fund infrastructure upgrades the administrator can utilize available system funds and can also apply for funding on behalf of the water system. The water fees payed by customers of the system through their water bills should still be collected and should be used for the ongoing operation of the system functions. The funding received by the administrator can not to be used to fund the day to day operations or other costs related to the water system.

Question 12: Will the State Water Board be supplying all costs related to the water system?

Response 12: No. The funding for an administrator is intended to be separate from the costs related to operations of the water system. DFA can pay the administrators salary. The water fees payed by customers of the system through their water bills should still be collected and should be used for the ongoing operation of the water system.

Plans and Records

Question 13: Can an administrator maintain electronic copy of records, in lieu of hard copies, on a website for public access?

Response 13: In lieu of hard copies, the administrator can keep electronic copy of documents as long as the documents are accessible to the public upon request. The electronic documents could be placed on the designated water system's website or the administrator's website. The administrator shall provide adequate notices to the community as how to access documents.

Question 14: What is the Community Accountability and Engagement Plan, and how it is funded?

Response 14: The Community Accountability and Engagement Plan (CAEP) is a plan that the administrator will develop within 90 days of appointment. As part of funded administrator agreement paid by the State Water Board, the administrator is responsible to develop and implement the CAEP in coordination with the State Water Board and/or TA providers. The CAEP contains the following information:

- Description of the actions and activities the administrator shall undertake to meaningfully engage with the community regarding the administrator's duties
- Description of how the administrator will incorporate input from the community in the provision of services to designated water system
- Description of means of communication the administrator will utilize to engage with the community
- Timeline for implementing the Community Accountability and Engagement Plan

Question 15: What is the Post- Administrator Drinking Water Service Plan?

Response 15: The Post Administrator Drinking Water Service Plan is a plan prepared by the administrator within 12 months of appointment. The Plan is subject to the State Water Board review and must include the following elements:

- Identification and evaluation of the current technical, managerial, and financial issues
- Identification and evaluation of significant future issues
- A detailed plan for developing the necessary technical, managerial, and financial competencies
- The additional resources that will be needed to implement the Plan
- An evaluation of the feasibility of long-term public governance or community ownership options for the designated water system
- An evaluation of the feasibility of connecting to or consolidating the designated water system with another public water system

Question 16: Will a Technical Assistance provider help an administrator in preparing a Post-Administrator Drinking Water Service Plan? How is this Plan funded?

Response 16: The administrators are expected to have required competencies and experience in carrying out the administrator's duties and assignments. One of the assignments is preparation of the Draft Post-Administrator Drinking Water Service Plan within twelve months of commencing duties. The administrator is paid by the State Water Board to complete this assignment.

Accessibility

Question 17: What records shall be accessible to the public by an administrator?

Response 17: Administrators are required to maintain a copy of the following documents, if available, and make them accessible for review and copying by the public during regular business hours:

- The current operating budget
- An organization chart of all designated water system employees and management
- Ownership information for the designated water system
- Any reports by auditors or other financial professionals regarding the budget or finances of the designated water system
- Any current contracts for professional services
- All complaints regarding water system service to customers
- Any approved Post-Administrator Drinking Water Plan.

Question 18: When is an administrator required to provide a translation services to the community? Is funding available to provide these services?

Response 18:

Communications: All written communications shall be provided in a language other than English if it is known that more than ten percent (10%) of the community speaks that language. Language services in oral communications, such as public meetings, should be provided in Spanish or other languages spoken in the communities upon request or when more than ten percent (10%) of the community speaks that language.

Public Meetings: Required public meetings held by the administrators are funded through the State Water Board administrator funding agreement. Translation/interpretation services shall be provided by a professional language provider. State Water Board, Office of Public Participation (OPP) has a contract with a professional "live" interpretation service provider that could be utilized for the public meeting. Contact the State Water Board project manager for availability of service.

Conflict of Interest

Question 19: Can a receiving water system that is consolidating with another water system act as an administrator of the subsumed system until the consolidation is complete?

Response 19: Yes. A water system that is serving as the receiving water system in a consolidation may also serve as an administrator for the subsumed system until the consolidation is completed.

Administrator Liability

Questions 20: What kind of liability protection is available for entities that serve as an administrator.

Response 20: Although there is currently no statutory liability protection for administrators, the State Water Board will consider funding reasonable costs of liability insurance for administrators. Additionally, the grant funding agreement and associated administrator order will clearly identify the nature of the administrator's responsibilities and duties.