California Department of Health Services
Safe Drinking Water State Revolving Fund

Annual Capacity Development Program Implementation Report
to the
United States
Environmental Protection Agency

State Fiscal Year 2004-2005

September 30, 2005
# TABLE OF CONTENTS

## I. State Capacity Development Program Annual Reporting Criteria

A. New Systems Program Annual Reporting Criteria ........................................2
   1. Change in California’s Legal Authority ...............................................2
   2. California’s Control Points ..........................................................2

B. Existing System Strategy ........................................................................4
   1. Existing Technical, Managerial, and Financial Capacity in Public Water Systems ....................................................4
   2. Identification of Need for Capacity Development Assistance in Existing Public Water Systems ........................................11
   3. California’s Approach for Providing Capacity Development Assistance ..........................................................15
   5. Modification to the Existing System Strategy ....................................17

## II. Reporting Period and Submittal Dates ..................................................17
I. State Capacity Development Program Annual Reporting Criteria

A. New Systems Program Annual Reporting Criteria

1. Change in California’s Legal Authority

   The California Health and Safety Code (HSC) Section 116525 requires any new water system to apply for and receive a water permit from the California Department of Health Services (DHS) before it begins operation. HSC Section 116540 provides authority to the DHS to issue or deny permits to operate new public water systems (PWS). To aid in implementation of this authority DHS has developed a Capacity Development Strategy. This authority has not changed during the State fiscal year (SFY) 2004-05.

2. California’s Control Points

   As a component of the capacity development strategy in 2000 California identified the water supply permit as the control point to prevent the formation of new non-viable PWSs. New PWSs must satisfy the mandatory technical, managerial, and financial (TMF) elements prior to the issuance of a permit to operate. Unresolved necessary TMF elements are listed on the water supply permit with completion dates as enforceable permit conditions. Compliance with recommended TMF elements is encouraged but not required. However, if specific concerns arise with a particular water system, the TMF elements can be raised to a mandatory or necessary higher rank.

   California HSC Section 116540(a) states, “No public water system that was not in existence on January 1, 1998, shall be granted a permit unless the system demonstrates to the department that the water supplier possesses adequate financial, managerial, and technical capability to assure the delivery of pure, wholesome, and potable drinking water. This section shall also apply to any change of ownership of a public water system that occurs after January 1, 1998.” No change has occurred to this process during the SFY 2004-05.

A database is maintained for TMF assessments that have been submitted and reviewed at DHS headquarters. The following new PWSs listed by water system number and name have been issued a new permit within the past three years between July 1, 2002 and June 30, 2005. None of these water systems are on the United States Environmental Protection Agency’s Significant Noncompliers List:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Water System Number</th>
<th>Water System Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>1600605</td>
<td>Baker Commodities</td>
</tr>
<tr>
<td></td>
<td>2000150</td>
<td>Liberty High School</td>
</tr>
<tr>
<td></td>
<td>2701166</td>
<td>Arroyo Seco Park WS</td>
</tr>
<tr>
<td></td>
<td>2702566</td>
<td>Coronet Foods WS</td>
</tr>
<tr>
<td></td>
<td>2702572</td>
<td>ALBA WS</td>
</tr>
<tr>
<td></td>
<td>2702576</td>
<td>Pure Pacific Organics</td>
</tr>
<tr>
<td></td>
<td>3205011</td>
<td>Bucks Lake Marina WS</td>
</tr>
<tr>
<td></td>
<td>3310082</td>
<td>McCanna Ranch WS</td>
</tr>
<tr>
<td></td>
<td>3500917</td>
<td>Pride of San Juan</td>
</tr>
<tr>
<td></td>
<td>3601006</td>
<td>Joshua Tree</td>
</tr>
<tr>
<td></td>
<td>3901402</td>
<td>Calvary Bible Church</td>
</tr>
<tr>
<td></td>
<td>3901403</td>
<td>Bear Creek Community</td>
</tr>
<tr>
<td></td>
<td>3901409</td>
<td>Valpico Industrial Park</td>
</tr>
<tr>
<td></td>
<td>3910027</td>
<td>Mountain House CSP</td>
</tr>
<tr>
<td></td>
<td>4300922</td>
<td>Golden Heights Mutual</td>
</tr>
<tr>
<td></td>
<td>5403111</td>
<td>Farmhouse Goods</td>
</tr>
<tr>
<td></td>
<td>5403112</td>
<td>Terra Bella Partnership</td>
</tr>
<tr>
<td></td>
<td>5403116</td>
<td>Kern River Golden Trout</td>
</tr>
<tr>
<td></td>
<td>5403117</td>
<td>The Cabin</td>
</tr>
<tr>
<td></td>
<td>5403118</td>
<td>Tulare Cultured</td>
</tr>
<tr>
<td></td>
<td>5601725</td>
<td>Smith Fork WS</td>
</tr>
<tr>
<td>2003-04</td>
<td>2702165</td>
<td>Orchard Lane Water</td>
</tr>
<tr>
<td></td>
<td>2702542</td>
<td>Lanoak Road WS/Rio</td>
</tr>
<tr>
<td></td>
<td>2702584</td>
<td>Hitchcock Road WS</td>
</tr>
<tr>
<td></td>
<td>4000802</td>
<td>Santa Ysabel Ranch</td>
</tr>
<tr>
<td></td>
<td>4500326</td>
<td>Camp Lateize</td>
</tr>
</tbody>
</table>
B. Existing Public Water System Strategy

1. Technical, Managerial, and Financial Capacity in Existing Public Water Systems

During the formative years of the California capacity development program DHS received input from field staff, PWSs, and interested organizations and agencies in the creation of 16 TMF capacity criteria that reflect a PWS's capacity to sustain viability. The TMF elements include System Description, Technical Evaluation, Certified Operators, Source Capacity Assessment, Operations Plans, Training, Ownership, Organization, Water Rights, Planning, Emergency/Disaster Response Plan, Policies, Budget Projection, Budget Control, Capital Improvement Plan (CIP), and Reserves. In California TMF assessments are required for all new, SRF projects, and changes of ownership in order to help assure that these PWSs have the capacity to provide sufficient and compliant drinking water to their customers for years to come.

The TMF elements are divided into mandatory, necessary, and recommended categories for each of the designated areas including new PWSs, SRF projects, and changes of ownership. Mandatory TMF
elements must be completed prior to the issuance of the water supply permit. Unresolved necessary TMF elements are designated as permit conditions to be completed within an enforceable specified time frame. Recommended TMF elements are considered good practice and are encouraged but are not required.

All of the current TMF assessment documents are posted on the DHS Drinking Water Program web page for easy reference by PWS personnel, regulators, and other interested parties. In past years the Water Supply Permit Policy and Procedures Manual and the Policy and Procedures Manual for the State Revolving Fund Programs have been updated to include TMF procedures for new PWSs, SRF projects, and changes of ownership for PWSs. DHS and Local Primacy Agency (LPA) field staff receives periodic training and guidance regarding the implementation of the TMF requirements.

In general, the larger PWSs in California have the resources to sustain compliant operations. However, studies in the past have demonstrated that many small water systems (SWS) have difficulty complying with the numerous new drinking water standards and requirements due to the lack of sufficient financial resources. In addition to the compliance needs, systems also face the need to improve their source water capacity and treatment plants, replace old or inadequate pipelines and equipment, and improve their managerial and technical capability. California’s capacity development program is designed to help meet the needs of these struggling smaller water systems.

California’s approved existing systems strategy assists existing PWSs in achieving and maintaining TMF capacity with a number of programs that are targeted primarily to SWS sustainability. In many cases DHS relies on third-party contractors for these programs to provide personnel with specialized SWS expertise. Activities that are designed to increase the TMF capacity of SWSs include:

a. **Training Workshops:** Under the direction of DHS, the Rural Community Assistance Corporation (RCAC) develops and presents free workshops throughout California. The goal of these workshops is to provide information to help small rural water systems deliver safe, reliable drinking water to their customers and to demonstrate how to properly manage a water system for long-term viability. Seven different workshops address the 16 TMF elements and are offered in central locations as well as far-reaching rural areas of the state. The content and presentation of the workshops have been updated
frequently and the titles of the workshops have been changed slightly over time for interest, but the TMF focus of the workshops remains constant.

During the SFY 2004-05 RCAC presented a total of 40 workshops. Two of the seven workshop topics covered financial issues such as budgets, rate setting, asset management, reserves, and CIPs. Other topics included system description, emergency/disaster response planning, monitoring, and source capacity assessment as well as owner and board responsibilities that covered water rights, policies, planning, and organization. Two new workshops were developed this fiscal year that specifically targeted the needs of operators entitled Distribution System Operations and Maintenance and Surface Water Treatment. Water treatment and distribution operators can receive continuing education credits toward their certifications upon completion of any of these free workshops.

The success of these workshops is evidenced both by the increasing attendance and the evaluations and comments provided by the participants. The first year of the program in SFY 2002-03 had an average of 12 participants per training. Last SFY 2003-04 the average was 20 participants per training. In the last six months of this SFY 2004-05 the average was 34 participants per training for 19 workshops. This is nearly a three-fold increase in attendance over the three years these workshops have been offered. Other measures of the impacts that these workshops provide to water systems include the evaluations and comments from the participants. Evaluations consistently rate the workshops in the Excellent and Very Good range. A sampling of the comments provided with the evaluations are: “The best training I have been to in years; opportunities to interact with other participants; I will start taking disinfection levels more serious; a lot of good information I will use on the job; worth time away from work; I will recommend it to others.”

b. Technical Assistance: Direct technical assistance (TA) is provided to SWSs that need assistance in completing the SRF application, improving overall TMF capacity, and complying with primary drinking water standards. TA is provided by DHS and LPA field staff in conjunction with their regulatory oversight, by third-party contractor program specialists, and by DHS headquarters staff.

Third-party TA is provided by California Rural Water Association (CRWA) and RCAC. These groups utilize skilled program specialists who are certified operators or financial and managerial experts with years of experience
working in water systems. CRWA program specialists generally are referred to water systems that have been placed on the Assistance Referral List (ARL) by DHS and LPA field staff for assistance in completing SRF applications or TMF assessments, complying with drinking water standards, determining appropriate rate schedules and reserves, meeting with water system customers to promote necessary rate increases, or solving other TMF needs. The water system also may ask its regulator to be placed on the ARL.

For this SFY 2004-05 CRWA has provided assistance to 194 water systems. The assistance has included such activities as helping SWSs with TMF assessments and SRF applications, calibrating monitoring equipment, determining the locations of leaks, disinfecting distribution systems following bacteriological failures, and assisting water systems comply with permit conditions and drinking water standards. Additionally, CRWA staff has presented valuable information at board meetings for a number of water systems related to water rate setting, system operations, and system management.

RCAC program specialists can provide TA at the request of a water system that has attended one of the RCAC workshops. This provision of the RCAC contract allows a water system to be proactive about requesting and receiving TA even if they have not yet reached critical levels of noncompliance or infrastructure needs. During this fiscal year most of the TA provided by RCAC has been to PWSs in need of financial assistance. The RCAC program specialists have met with water system managers to review their budgets, rate structures, and assets. RCAC staff then has helped the managers develop CIPs that will generate adequate rates for operations as well as reserves for infrastructure replacements and newly required treatment facilities. Often RCAC staff attends public water system board meetings to explain the resulting necessary rate increases that will enable the water system to sustain viability. Rate increases have been the result of all of the financial TA provided.

c. **Training Materials**: California State University, Sacramento (CSUS) maintained two contracts with the DHS drinking water program during the SFY 2004-05 to develop a variety of training materials directed toward prospective certified operators as well as providing continuing education for existing water treatment or water distribution certified operators. During this period CSUS has developed a(n):
(1) Internet-based self-study continuing education course for certified operators that is tailored to meet the needs of SWS operators. It will enable operators in rural areas to improve their water system’s technical capacity with operations and maintenance training. In addition, it will enable them to obtain contact hours required for operator certification renewal without the necessity of travel. This 15-hour internet-based course addresses a need of operators for SWSs in remote areas who find it difficult to leave the local area for training that may be many miles away. This on-line course has been implemented and is available through CSUS at www.owp.csus.edu. Upon successful completion of the examinations, CSUS will issue certificates of completion to the participant. Additionally, CSUS will maintain a list of participants and the success rate of the course.

(2) Basic operator certification preparation course that is written for individuals who have not graduated from high school or have not received a general education diploma but would be interested in becoming drinking water certified operators. This course has been designed to help fill a need created by a large number of older certified operators throughout the state who are expected to retire in the next five to ten years by increasing the pool of prospective operators. By the end of this SFY 2004-05 the course had been written but was still undergoing readability revisions. It is expected that the course will be available for production during the next fiscal year.

(3) Video series entitled Water Systems Operation and Maintenance. This seven video set with learning booklet provides operators with information on a variety of topics:

(a) Wellhead Protection: Provides information needed to inspect, protect, and maintain wellheads.

(b) Hypochlorination: Provides information needed to safely operate, maintain, and troubleshoot hypochlorination systems.

(c) Water Storage Tanks: Provides information needed to inspect, protect, operate, and maintain water storage tanks.

(d) Sampling and Testing: Provides information needed to conduct sampling and testing.
(e) Inspecting a Pump Station: Provides information needed to safely inspect and troubleshoot pump station performance.

(f) Distribution Systems: Provides information needed to inspect, protect, operate, and maintain water distribution systems.

(g) Approaches to Compliance with Standards. Provides information needed to maintain water systems in compliance with drinking water standards.

DVD reproductions of the video series are under development. The 100 video sets and 500 DVDs will be distributed during the upcoming fiscal year to DHS and LPA field offices, third-party contractors, colleges with water programs, and other interested entities. The recipients will be encouraged to present the videos at water system trainings as well as to offer them to water systems on a check out basis for water system personnel to use for training their own staff.

If desired, an operator may enroll in a home study course with CSUS using this series to view the videos or DVDs, read the learning booklet, and answer the objective test questions associated with each topic. Upon successful completion of the test, CSUS will award contact hours for operator recertification.

d. Department of Health Services, Drinking Water Web Site: The DHS web site offers a plethora of information regarding the capacity development program. All of the current TMF documents are provided including the TMF assessment and staff evaluation forms for SRF projects, new PWSs, and changes of ownership for both community and noncommunity water systems. TMF guidance criteria and checklists are also provided. Additional tools useful in completing the TMF assessment and operating a water system are provided including the five-year budget plan worksheet, model water operations plan elements, sample emergency notification letters, and the currently recommended emergency/disaster response plan template that includes information regarding bioterrorism concerns. Links to the web sites for the CRWA, RCAC, and CSUS third-party contractors are provided including a refined link to the current RCAC group training schedule. The DHS drinking
water web site address with the capacity development information is:

http://www.dhs.ca.gov/ps/ddwem/technical/dwp/tmf/TMF_INDEX.HTM

e. Expense Reimbursement Grant: Cooperative Personnel Services (CPS) manages the expense reimbursement grant program for DHS that reimburses operators who work at community or nontransient noncommunity SWSs serving populations of 3,300 or less for costs relating to obtaining drinking water operator certification. This grant program will reimburse individuals for expenses incurred while obtaining operator certification including the cost of the specialized training courses, exam and certification fees, continuing education, and mileage to attend these activities for up to 100 miles. Third-party contractors promote this program in their contacts with SWSs. This grant program assists SWS operators who could have difficulty meeting the operator certification requirements.

f. Advisory Groups: Throughout the creation of the capacity development program, DHS has relied on the input of interested stakeholder groups including the CRWA, RCAC, American Water Works Association, Small System Interagency Outreach Committee, California Technical Assistance Providers (Cal-TAP), and Cal-TAP Workgroup. Contact with these groups continued throughout this SFY 2004-05 with participation in regular meetings as well as attendance at conferences sponsored by these groups. Presentations regarding TMF criteria and other pertinent topics have been offered that target the SWS participants of these conferences. Participation in the activities of these organizations allows the capacity development program to remain cognizant of problems that SWSs encounter and to work collaboratively with these interested groups in developing solutions.

DHS holds monthly SRF policy committee meetings consisting of the Branch Chiefs, Regional Engineers (RE), Department of Water Resources representatives, DHS legal and headquarters staff, and other affected personnel. In addition, the SWS Committee consisting of representatives of the REs, District Engineers, LPAs, and DHS headquarters staff meets quarterly. These regular meetings afford the capacity development staff an opportunity to obtain input from the field staff regarding the effectiveness of the third-party TA contractors and the impact they have had with individual SWSs. This information is used to more effectively satisfy the needs of SWSs by adjusting procedures within the capacity development program that include improving the lines of communication between TA contractors and field staff.
as well as identifying potential training topics at specific locations throughout the state.

In addition, DHS staff has participated in presentations at each of the six 2005 Funding Fairs throughout the state which enabled PWS personnel to attend a one-stop shop to obtain information about various infrastructure funding sources including drinking water SRF. This is especially helpful for water systems whose projects are too large or do not meet SRF criteria since it is possible to use funding from more than one source for a project.

g. TMF Training Modules: DHS has received draft contract deliverables for review from RCAC of 16 training modules representing the TMF elements. These modules are designed to be self-contained training tools that regulators or water system personnel can use for water system staff training. They will be distributed to DHS and LPA field offices, third-party contractors, and other interested entities. The recipients will be encouraged to use the modules in presentations at water system trainings as well as offer them to water systems on a check out basis for water system personnel to use for assistance in completing the TMF assessment or for training their own staff. It is expected that during the SFY 2005-06 the DHS review of the TMF modules will be completed, and the modules will be distributed.

Each module is contained in a binder and consists of sections entitled Criteria and Guidance, Presentation Notes, Worksheets and Documents, and References and Resources. A compact disc (CD) will be enclosed with each module that includes a PowerPoint presentation for each module topic. Also on the CD will be specific worksheets and templates pertinent to particular modules such as a five-year calculating budget worksheet, an equipment life expectancy list to be used in calculating reserves for the CIP, an emergency/disaster response plan template, a variety of sample operations plans for different types of water systems, and other useful materials. Electronic links also will be included on the CD to the DHS web site as well as colleges, vendors, organizations, and other entities knowledgeable about water systems.

2. Identification of Need for Capacity Development Assistance in Existing Public Water Systems

California identifies PWSs in need of capacity development assistance with the following tools:
a. **Assistance Referral List:** The primary system that California uses to address the need for capacity development in existing PWSs is the ARL. Assignments for CRWA program specialists to provide TA are derived from this prioritized list. This list of PWSs is generated by the DHS District Engineers with input from DHS and LPA field staff based upon compliance concerns that regulators have determined from field inspections, monitoring reports, SRF projects, changes of address, or other issues. The ARL identifies five main concerns:

a. Serious health deficiencies  
b. SRF application  
c. Noncompliance with drinking water standards  
d. TMF deficiencies  
e. Waterworks standards  

b. **TMF Assessment:** Over 50 TMF assessments have been completed during this SFY 2004-05 for new PWSs, SRF projects, changes of ownership, and as otherwise required for water supply permit conditions. This valuable tool assists the capacity development program in identifying needs of PWSs in a number of modes:

(1) DHS and LPA regulators can use this tool to assist existing PWSs that have been identified with a compliance deficiency. When a PWS has demonstrated a need for assistance because it has not been able to consistently meet drinking water standards, the completion of the TMF assessment can be written into the permit as a dated permit condition with enforceable consequences. In this situation the PWS could be placed on the ARL and receive TA from the third-party contractors on a prioritized basis.

(2) The TMF assessment tool is also used to evaluate the capacity of PWSs that are changing ownership. By California law mandatory elements of the TMF assessment must be completed for existing
PWSs that change ownership prior to the issuance of a water supply permit to operate. This procedure helps ensure that existing PWSs that change ownership have the capacity to viably operate on a sustained basis. Unresolved necessary TMF elements are listed on the permit with completion dates as enforceable permit conditions.

(3) Field regulators can identify PWSs in a particular area that have common needs and can request group assistance. For example, if a LPA identifies that a number of its water systems need to complete their change of ownership TMF assessments, a date and location can be arranged for representatives of the water systems, regulators, third-party TA contractors, and headquarters staff to meet. This affords the setting for completing the mandatory components of the TMF assessments for multiple water systems and thus allows water supply permits to be issued with necessary TMF elements as permit conditions. In addition, this setting provides a hands-on training and refresher venue for new and existing third-party contractor staff as well as LPA staff. This type of TMF meeting results in a very efficient use of time and resources for all parties.

(4) The mandatory elements of the TMF assessments and staff evaluations for SRF projects and new PWSs are sent to DHS headquarters for review by the capacity development coordinator for completeness and consistency. A statewide database is maintained for the TMF assessments that tracks the number, type, and locations of those completed. The review of these assessments provides headquarters staff with information that can be used to determine the topics and locations for offering the third-party contractor trainings and TA. The review also can identify areas of need for LPA and other staff training as for example in the areas of budgets and CIPs.

c. Median Household Income Surveys: DHS recognizes that SWSs from low income areas could be at a disadvantage in acquiring SRF funding. For this reason DHS utilizes a third-party contractor to perform median household income (MHI) surveys for the area included in a prospective disadvantaged community SRF project. If this survey determines that the MHI is under the established threshold, then the proposed project will rank higher on the SRF
project priority list and the SWS could qualify for a reduced interest rate and an extended total loan period. These considerations would reduce the repayment installments and would better enable such SWSs to meet the financial requirements of the SRF loans.

d. Local Primacy Agency Meeting: In April 2005, DHS sponsored a two-day LPA meeting in which the capacity development program was discussed. Information was presented regarding the TMF assessments as well as the ARL procedure for requesting TA for SWSs. LPAs were also encouraged to disseminate information to SWS managers and operators about the free workshops that would be offered in their local areas. DHS capacity development staff also offered to provide more in depth TMF training to LPAs that request it.

e. Baseline Assessment of TMF Capacity: DHS contacted the University of California, Davis (UCD) to determine the feasibility of developing an on-line baseline assessment tool that will provide a guide for measuring the present status of TMF capacity for PWSs and for tracking improvement over time in that capacity. In addition, it will assess the large group of SWSs that currently may be in compliance with drinking water standards but could benefit from education regarding potential refinements in their procedures. Managers and board members of SWSs often do not view the water system as a business with assets that must be replaced at the end of their useful lives. These water systems fail to plan for infrastructure replacement or to set water rates necessary to support their actual costs. This baseline assessment tool will identify weak components of a water system’s TMF elements as for example budget projection or operator certification and will provide suggestions for training, TA, and other resources to aid in improving their capacities.

In order to remove regulatory connotations from the baseline assessment and to persuade water systems to be more willing to complete it, we have named it the TMF Tuneup. It consists of about 45 questions relating to the 16 TMF elements including inquiries regarding the type of ownership, organization, policies, water rights, system description, source water and production, monitoring, treatment, training, operator certification, operations plans, emergency/disaster response plans, budgets, rates, CIPs, infrastructure reserves, and the age and condition of wells, storage tanks, and distribution systems.
During this SFY 2004-05 DHS completed the initial development of the assessment tool, offered it for comment to DHS field and headquarters staff, conducted initial field testing with water system personnel, and wrote a scope of work for SFY 2005-06 for a third-party contractor to format the tool for internet access and immediate user evaluation. Initial meetings were conducted with UCD to determine the feasibility of the placing this tool on the internet.

The intent of the TMF Tuneup is to collate the responses of each water system and develop a relative capacity score for that water system as well as a score for each of the broad TMF categories. By identifying needs in these given areas DHS can direct the water system to the resources currently available to address their specific needs such as trainings, TA, videos, vendors, colleges, and links to organizations specializing in drinking water that will help strengthen the capacity of the water systems in the identified areas.

In addition, the information gained from the TMF Tuneup will enhance the ability of DHS to more accurately determine the effectiveness of its capacity development activities by detecting and recording changes in the management and operation of SWSs. It will enable DHS to better plan future capacity development strategies and assistance to target systems with significant TMF capacity risk factors.

3. California’s Approach for Providing Capacity Development Assistance

California has identified a number of approaches to identifying statewide PWS capacity concerns and capacity development needs.

a. CHALLENGE: Increase the number of SRF applications completed by SWSs.

DHS recognizes that the majority of PWSs with viability concerns are the SWSs. DHS has been very successful in having SWSs complete the SRF application process. We have exceeded our goal of SWSs receiving 15% of the total SRF funding. However, DHS wants to increase the amount of SRF funding provided to SWSs even more. DHS has developed a procedure to elevate SWSs who have returned a SRF Statement of Intent to a high position on the ARL. This allows the third-party TA contractors to assist these SWSs in completing their
SRF applications as well as the mandatory elements of their TMF assessments.

b. CHALLENGE: Assist water system personnel in understanding the process of acquiring SRF assistance.

During the planning stages of the CSUS video series, the intent originally was to provide a video that addressed the upcoming nitrate and arsenic requirements. Upon further discussion it was decided to broaden the scope of the program to provide PWSs with a tool that would enable them to proceed more quickly in satisfying the requirements of the SRF funding process. The ultimate video program provides advice about hiring engineers and working with the regulatory personnel to reach agreement regarding a project. This video is a tool for PWSs designed to help DHS increase the efficiency of releasing SRF funding by moving the applications more quickly.

c. CHALLENGE: Increase and promote the availability of training workshops in remote areas throughout the state.

The RCAC schedule for free group trainings is designed to provide sessions in the remote areas of the state as well as the more centrally located areas. Particular attention is given to ensuring that budgeting and owner responsibilities classes are offered at a variety of locations. The challenge for these classes is that the target audience is not the certified operator who enjoys the continuing education contact hours generated by the trainings for recertification. Instead, the targets for these classes are the water system general managers or governing boards who often are under time constraints or who simply do not yet recognize the importance of their responsibilities or of fiscal planning that will allow them to replace infrastructure without accepting indebtedness. Our continual direction is to develop training notification systems to promote these trainings that reach our intended audiences.

d. CHALLENGE: Increase the accessibility for water system governing board member trainings regarding board responsibilities and water system management.

DHS has recognized the need to provide training to elected, appointed, and returning water board personnel as soon as possible after assuming office. One solution that is still in the planning phase is to provide an on-line type of webcast. A PowerPoint presentation about an hour long will be emailed to the
participants prior to the appointed time. At the time of the training the participants will call the instructor on a conference line. The instructor then will present the PowerPoint slides, and the participants will be able to ask questions as needed. The intent of this type of training is to easily reach a large number of participants in a short amount of time with little overhead cost. The need is great to inform elected and appointed officials of the important responsibility they have assumed in the governance of PWSs.

e. CHALLENGE: Ensure that the third-party contractors from different organizations are imparting consistent information to PWSs.

In order to help standardize the information that the third-party contractors are presenting to SWSs in group workshops as well as onsite TA, the Cal-TAP Workgroup scheduled a meeting in August 2005 to include all of the program specialists from RCAC and CRWA. RCAC would present the training materials that they use in the workshops and that they will provide in the forthcoming TMF modules including budget and CIP calculating worksheets, equipment life expectancy lists, emergency/disaster response template, and various operations plans. The meeting would also provide a venue for discussion between CRWA, RCAC, and the DHS capacity development staff of common SWS needs and potential solutions.

4. Review of the Implementation of the Existing System Strategy

During the SFY 2004-05 DHS began a review of the implementation of the existing system strategy to assist PWSs in acquiring and maintaining TMF capacity. DHS expects to complete this review in SFY 2005-06.

5. Modification to the Existing System Strategy

During the SFY 2004-05 DHS has not made any modifications to the existing system strategy based on a review of the strategy. On-going capacity development program activities have been discussed earlier in this report.

II. Reporting Period and Submittal Dates

The annual implementation reporting period reflects the SFY July 1, 2004 to June 30, 2005. This report will be submitted the United States Environmental Protection Agency Region IX by September 30, 2005.