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SECRETARY FOR
ENVIRONMENTAL PROTECTION

State Water Resources Control Board

January 12, 2026

Water System No. 3400130

Scott Hutcheson, Principal Engineer
10151 Florin Road
Sacramento, CA 95829

Dear Mr. Scott Hutcheson:

This letter concerns the current and future operations of Magnolia Mutual Water (Magnolia). The State Water Resources Control Board's (State Water Board), Division of Drinking Water (Division) has serious concerns regarding Magnolia's historic and ongoing deficiencies and its ability to reliably provide an adequate, safe, and affordable supply of drinking water to its customers.

As explained below, the Division is initiating the statutory process that may result in an order directing consolidation of Magnolia Mutual Water with Sacramento County Water Agency (SCWA). The first step in this process is to provide a six-month period for the parties to negotiate a voluntary consolidation, pursuant to Section 116682 of the California Health and Safety Code (CHSC). This letter serves as official notification that pursuant to CHSC Section 116682(b), Magnolia is to negotiate with SCWA.

Background

Magnolia is classified as a community public water system serving approximately 90 residents through 34 service connections and serves a disadvantaged community as defined by applicable median household income criteria. Magnolia is regulated by Sacramento County Environmental Management Department and provides groundwater to its customers. As documented in the following findings, Magnolia has consistently failed to provide an adequate supply of safe drinking water.

- 1. Arsenic Maximum Contaminant Level (MCL) Violations (Citation No. 64_24_R_036 and Citation No. 64_25_C_006)**
Sacramento County Environmental Management Department issued Citation No. 64_24_R_036 on August 28, 2024 and Citation No. 64_25_C_006 on August 6, 2025. These Enforcement Actions were issued for Arsenic Maximum Contaminant Level (MCL) Violations. Samples collected from the system's sole well (Primary Station Code 3400130-001) between April, 2023 and April 2025 yielded a two-year running annual average for arsenic of 10.8 µg/L. This

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exceeded the primary MCL for arsenic of 10 µg/L. Magnolia failed to comply with primary drinking water standards for arsenic pursuant to California Health and Safety Code (CHSC) Sections 116555 and California Code of Regulations (CCR), Title 22, Section 64431.

Thirteen previous Compliance Orders were issued from 2008 to 2019 for Arsenic MCL Violations. These violations were resolved by testing results dropping back below the MCL; however, no long-term measures were implemented to ensure avoidance of future arsenic exceedances. These repeated exceedances demonstrate a pattern of noncompliance and the absence of sustainable corrective measures sufficient to ensure long-term compliance with primary drinking water standards.

2. Infrastructure Deficiencies

Magnolia's sole wellhead is currently located below grade. Pursuant to California Code of Regulations, Title 22, Section 64560, wellheads are required to extend a minimum of 18 inches above finished grade. In addition, the system's water storage tank is not accessible for inspection. Magnolia has a documented history of Total Coliform Rule violations associated with deficiencies in the storage tank.

Six Month Period for Voluntary Consolidation

Because Magnolia serves a disadvantaged community and has consistently failed to provide an adequate supply of safe drinking water, the State Water Board has authority under CHSC Section 116682(a)(1)(A) to order consolidation.

Prior to issuing an order directing Magnolia to consolidate with SCWA, CHSC Section 116682, subd. (b)(1) requires the State Water Board to encourage voluntary consolidation. Section 116682, subd. (b)(8)(A) also requires the State Water Board to notify both Magnolia and SCWA to establish a deadline of no less than six months, unless a shorter period is justified, to negotiate consolidation.

This letter serves as official notification that pursuant to CHSC Section 116682(b), Magnolia is to negotiate with SCWA regarding consolidation of Magnolia with SCWA. The deadline for completion of this negotiation is July 12, 2026.

The State Water Board requests that the parties report the outcome of the negotiations no later than two weeks following the deadline. The report shall include any agreed-upon milestones and a proposed timeline for completion of consolidation. If the parties reach agreement, the report shall also include a letter signed by the Magnolia Board confirming its intent to proceed with voluntary consolidation consistent with the agreed-upon milestones and timelines.

If a voluntary consolidation is not negotiated within the required timeframe, the State Water Board will initiate the public meeting process and may exercise its authority under CHSC Section 116682(a) to order consolidation.

The State Water Board acknowledges that consolidation is a complex process and stands ready to assist Magnolia and SCWA. Pursuant to CHSC Section 116682, subdivision (b)(8)(B), and in order to assist with the negotiation process, the State Water Board will provide technical assistance and work with both Magnolia and SCWA to develop a financing package that benefits both parties. This assistance will be provided by both the Division and the State Water Board's Division of Financial Assistance. Please contact Daniel Ocasio (Daniel.Ocasio@waterboards.ca.gov) with any questions you may have.

Sincerely,

Original document signed by Andrew Altevogt

Andrew Altevogt, P.E., PhD
Assistant Deputy Director
State Water Resources Control Board, Division of Drinking Water

cc:

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