



State Water Resources Control Board

April 16, 2026

Water System No. 4310006

James Sylvain, Deputy Director of Utility
City of Morgan Hill
100 Edes Ct
Morgan Hill, CA 95037

Dear Mr. James Sylvain:

This letter concerns the current and future operations of Foothill Mutual Water Company (Foothill). The State Water Resources Control Board's (State Water Board), Division of Drinking Water (Division) has serious concerns regarding Foothill'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 Foothill Mutual Water Company with the City of Morgan Hill (City). 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), Foothill is to negotiate with the City.

Background

Foothill is classified as a community public water system with a population of 36 residents, served through 9 service connections and serves a disadvantaged community as defined by applicable median household income criteria. Foothill operates under permit no. 02-05-95P-4300630 and permit amendment no. 2. and provides groundwater to its customers. As documented in the following findings, Foothill has consistently failed to provide an adequate supply of safe drinking water.

1. Nitrate Maximum Contaminant Level (MCL) Violation and Associated Reporting Failures (Citation No. 02_17_23J_001)

The Division issued Compliance Order No. 02_17_23J_001 on November 30, 2023. This Enforcement Action was issued for a Nitrate Maximum Contaminant Level (MCL) Violation for October 2023, along with a failure to collect and analyze a confirmation nitrate sample and a failure to notify. A sample collected

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from the South Well (Primary Station Code 4300630_002_002) on October 18, 2023, showed a nitrate concentration of 11 mg/L. This exceeded the primary MCL for nitrate (as nitrogen) of 10 mg/L. Foothill MWC failed to comply with primary drinking water standards for nitrate pursuant to California Health and Safety Code (CHSC) Section 116555 and California Code of Regulations (CCR), Title 22, Section 64431.

Foothill MWC also failed to comply with regulations regarding follow-up procedures after the nitrate MCL exceedance. The system failed to collect and analyze a confirmation sample for nitrate (CCR, Title 22, Section 64432.1 outlines these requirements). The system also failed to issue a Tier 1 Public Notice within 24 hours of notification of the MCL exceedance. (CCR, Title 22, Section 64463.1).

Previous Compliance Orders were issued in 2004, 2015, and 2019 for Nitrate MCL Violations. These violations were resolved by the system disconnecting from the affected well (North Well); the existing violation stems from the remaining well (South Well) now exceeding the nitrate MCL.

Six Month Period for Voluntary Consolidation

Because Foothill 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 Foothill to consolidate with the City, 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 Foothill and the City and 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), Foothill is to negotiate with the City regarding consolidation of Foothill with the City. The deadline for completion of this negotiation is October 16, 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 Foothill 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 Foothill and the City. Pursuant to CHSC Section 116682, subdivision (b)(7)(B), and in order to assist with the negotiation process, the State Water Board will provide technical assistance and work with both Foothill and the City 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,

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

cc:

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