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Public Comment
Proposed Drinking Water Fee Regs
Deadline: February 8, 2017 12 noon

February 7, 2017

Ms. Jeanine Townsend, Clerk of the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814



Sent via ELECTRONIC MAIL to commentletters@waterboards.ca.gov

Subject: "Comment Letter – Proposed Drinking Water Fee Regulations"

Dear Chair Marcus and Commissioners of State Water Resources Control Board:

Thank you for the opportunity to provide comments on this important matter. As noted in the previous correspondence of June 22, 2016, Rincon del Diablo Municipal Water District (Rincon Water) is not in concurrence with the methodology and results of the drinking water fee regulations. This is a significant shift in the way the SWRCB and its' Regional Boards will collect Public Water System fees as a result of SB 83 (2015), and Rincon Water understands that the State Water Board has to generate a certain amount through fees, however, Rincon Water feels that smaller and medium size agencies are being penalized in this process and determination.

Rincon Water did not agree with the ACWA proposal, which seems to have been adopted in the proposed fee structure going forward. As previously submitted, Rincon Water supports adequately funding the Drinking Water Program, and actually proposed an alternative fee schedule that was more equitable and structured to not penalize smaller and medium sized agencies.

Overall, the proposed fee schedule is an unequitable fee structure. Rincon Water understands that small systems and DACs often have limited resources, but in fairness and in compliance with state Constitution, Proposition 218, and other cost allocation requirements, smaller and medium sized water agencies should not be subsidizing the costs for very small PWS'. Everyone should bear a fair share to receive the services of DDW, as being proposed. If there should be any funds used to subsidize DACs, it should come out of the general fund or most recently approved Prop 1 funds.

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- According to the State Boards own database, there are almost 700 water systems with under 100 connections that would only pay around \$200/yr under the new SWRCB proposed fee program, even though approximately 400 of them are charged \$250/yr under the current fee for service system. Why is the Water Board proposing to reduce their costs, and those of 300 more, when they pay little to no costs under the current system, yet may receive preponderance of effort as compared to larger systems?
- Interesting too that several of these small systems are mutual water companies, for profit companies, or federal agencies, who should not be subsidized in the least just because they have under 100 connections. In fact, some of these under 100 connection PWS' need greater vigilance due to propensity to affect travelers or sizable populations such as visitors (wineries, parks, farms, military installations, etc).

Given that our District serves several disadvantaged communities, will Rincon Water use the disadvantaged community fee schedule? Further, given that there is much discussion on making water affordable to disadvantaged communities, the proposed fee structure will actually increase costs to our disadvantaged customer, as the District will have to incorporate the higher fees in rates, as well as pass on the wholesale providers increased costs. In fact, Rincon Water's annual PWS fees will significantly increase from last year by over 200 percent! The following cost information is provided:

<u>Year</u>	<u>"ID-1" System</u>	<u>"ID-A" System</u>	<u>Total</u>	<u>Remarks</u>
2014-2015	\$12304.26	\$9334.53	\$21638.79	PWS costs charged.
This included extra effort for boil water alert.				
2015-2016	\$ 6056.82	\$2762.76	\$ 8819.58	
Proposed	\$ 22618	\$ 6164	\$ 28782	

As you can see from above, our fees will increase almost 250 percent as compared to 2015-2016 fees, which are the normal cost range for this agency. 2014 was an anomaly in costs, as we had a boil water alert that impacted the total 2014-2015 fees. These amounts do not include all the other fees we pay to the SWRCB and/or RWQCB related to NPDES, recycled water, etc. The fee structure as proposed is a significant cost increase based on the level of service we receive, and even more worrisome, is that the regulations state any additional efforts provided by the SWRCB will result in fee-for-service charges. This has the potential to further increase our annual costs.

Thank you for the opportunity to provide comments on the proposed fee schedule. Rincon Water highly encourages that the Board review the fee structure and alternate approach, as well as

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ensuring openness, transparency, and accountability in the management of the fee program once established.

If you have any questions regarding this matter, please contact me at 760-745-5522, ext 606 or gthomas@rinconwater.org.

Sincerely,



Greg Thomas
General Manager

cc: The Honorable Felicia Marcus, Chair
The Honorable Dorene D'Adamo, Member
The Honorable Tam M. Doduc, Member
The Honorable Frances Spivy-Weber, Member
The Honorable Steven Moore, Member
Mr. Tom Howard, Executive Director
Mr. Eric Oppenheimer, Chief Deputy Director

