



1400 N. Harbor Blvd., Suite 510, Fullerton, CA 92835 | 714-449-8403

Ms. Jeanine Townsend, Clerk to the Board  
California State Water Resources Control Board  
P.O. Box 100  
Sacramento, CA 95812-0100

Dear Ms. Townsend:

**SUBJECT: COMMENTS BY THE CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES REGARDING DRAFT REGULATIONS FOR DRINKING WATER PROGRAM FEES**

We are submitting these supplemental comments on the revised schedule of fees to support the Safe Drinking Water Program on behalf of the California Association of Mutual Water Companies (“CalMutuals”) which represents 400 mutual water companies and other small systems across California.

CalMutuals supports the State Water Resources Control Board’s (“the Board”) efforts to fully fund the safe drinking water program. We appreciate that the Board has expanded the definition of disadvantaged communities as doing so, increases the number of disadvantaged communities, at most scales of service connections, that would be eligible for the lower fee amounts. Notwithstanding this factor, some mutual water companies with more than 6,000 connections may see a 100% increase in fees, with some larger mutual water companies in the Central Valley reporting as much as a 350% increase in the proposed fee schedule. Overall, our members are ready to accept these increases for the sake of funding the safe drinking water program, provided that the fees are justified by the services provided.

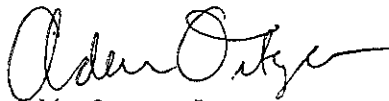
As private not for profit entities, mutual water companies may only charge for the cost of service. Thus, mutual water companies have a legal obligation to assess fees based on the service provided. For example, systems with under 200 connections must be able to relay to shareholders that the value of fees paid to the state are directly connected to services rendered by counties in monitoring for drinking water standards. This also applies to larger mutual water companies with more than 200 connections.

CalMutuals respectfully urges the board to implement a 1-year review period to determine whether or not the revised fees are: (1) adequately funding the Safe Drinking Water Program; and (2) fulfilling the mission of the program in terms of value to those paying the fees. We would also like clarification on whether or not the new fees represent all of the costs associated with the Safe Drinking Water Program, or if additional fees or charges are to be expected.

We would also like to recommend that the Board consider the degree to which the proposed fee schedule accounts for the regulatory cost driven by California's constituent standards that may be revised every five years. Once the Office of Environmental Health Hazards Assessments (OEHHA) revises a public health goal (PHG), the Division of Drinking Water (DDW) must set a maximum contaminant level (MCL).

We truly appreciate your consideration of our comments and efforts to bring about stable funding for the Safe Drinking Water Program.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Adán Ortega, Jr.", with a long horizontal flourish extending to the right.

Adán Ortega, Jr.  
Executive Director  
California Association of Mutual Water Companies

Cc: Members of the Board