



**California Association of
Environmental Health
Administrators**

(6/22/16) Public Hearing
Drinking Water Fee
Deadline: 6/22/16 by 5:00pm



June 22, 2016

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

DAS-DrinkingWaterFees@waterboards.ca.gov

SUBJECT: COMMENTS REGARDING PROPOSED DRINKING WATER FEE REGULATIONS

The California Association of Environmental Health Administrators (CAEHA) represents all 62 local environmental health departments and the thirty Local Primacy Agencies (LPAs) that oversee the small public drinking water program. Over the years the LPAs have played a pivotal role in ensuring that these small public water systems provide safe drinking water to communities across the state. Today LPAs provide this oversight for approximately 1,600 community water systems and 3,900 non-community water systems.

CAEHA is acutely aware of the difficulties many of these small water systems face in meeting the primary drinking water standards and supports the State Water Resources Control Board's near-term goal of increasing compliance from 93% to 95% by ensuring that the 183 non-compliant systems have the requisite technical, managerial and financial resources. CAEHA supports reducing oversight fees for the smaller systems, particularly those that serve disadvantaged communities and recognize that some revisions to the current drinking water fee structure are necessary to achieve this.

However, while the new drinking water fee schedule proposed in these regulations may be adequate for the State-run non-LPA program, it will have serious negative impacts on the locally run programs. As with virtually all local environmental health programs in California, the LPA programs are predominantly, if not exclusively, fee supported. The true costs for providing currently-mandated safe drinking water oversight services for small and severely disadvantaged communities are estimated to be up to 10 times higher than the proposed subsidized fees. Mandated services currently include inspections, permitting, monitoring, surveillance, water quality evaluation, and data management, with new service mandates and associated costs added each year. The true program costs are reflected by both the current SWR fee structure and the various fees for service charged by LPA counties. As proposed, the reduced permit fee for a disadvantaged community in a non-LPA county serving fewer than 100 service connections would be \$100. A similar 50 service connection, disadvantaged community system in other counties would range from \$500 to \$800 or more.

Our concern rests with the fact that the state's proposed fee structure appears to be set at a level significantly lower than the actual cost of services that are far less than the state's cost of providing these mandated oversight services for small public water systems, whether or not they are serving disadvantaged communities. This may be accomplished through tapping into the reserves from the Safe Drinking Water Account and by spreading some of the costs across the entire fee-base – including the very large systems – which the LPAs do not regulate.

We know that implementation of delegated environmental health responsibilities such as the LPA program can – and are – administered as cost effectively if not more cost effectively than centralized state programs and we traditionally support the right of the individual localities to set their own fees based on their unique administrative structures. However, it is unrealistic to expect local jurisdictions to have to set their fees at ten or twenty times the rate established by the State with these regulations. Unless additional resources are made available to the LPAs at a rate commensurate with the level of "subsidy" that the non-LPA programs are receiving, these regulations will have a significantly negative impact on approximately half of the small drinking water systems in California.

Given the significant disparity between these state-supported non-LPA fees and the fees each of the LPA counties will have to charge to cover their costs, LPA counties will be faced with two undesirable choices: imposing fees that do not cover actual costs of providing the service and risking being unable to provide adequate oversight of surrendering their program to the State.

CAEHA believes that neither of these options best serves our communities.

While we restate our support for the SWRCB's efforts to upgrade our public water systems and to reduce regulatory costs on the smaller systems, we must insist that this be done with a fee formula that works for both State and LPA programs. We need to adopt a fee structure that does not inadvertently force the LPAs into this Hobson's choice.

CAEHA looks forwards to discussing options for meeting our collective goals and responsibilities.

Sincerely,



Justin Malan
Executive Director

Cc: CHEAC
HOAC
RCRC