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Craig A. Ewing, Director



Mark S. Krause, General Manager-Chief Engineer
Best, Best & Krieger, General Counsel
Krieger & Stewart, Consulting Engineers

Ms. Felicia Marcus, Chair
State Water Resources Control Board



Dear Ms. Marcus,

Desert Water Agency (DWA) would like to urge the State Water Resources Control Board (State Water Board) to consider retaining its fee-for-service (hourly charge) model to fund the Drinking Water Program run by the Division of Drinking Water (DDW). The new system based on connections places unfair financial burdens on communities served by large systems.

This change would more than double the cost that we pay into the program, while rendering no additional benefit to our customers. This change is a jump from \$153 to about \$220 per hour for DWA. Our agency only serves about 23,000 connections – larger agencies would be even further impacted. At the same time, smaller systems will actually see their costs decrease under this change.

Paying double (about \$25,000 more per year) for these services means either our customers will be asked to pay more or we will have to cut from the essential services that we provide them. We do not believe that there is justification to require this.

We understand the need to raise program fees to generate sufficient revenue, but do not support a systemic change to the way fees are levied. This change would require the customers of large systems to subsidize the fees of customers of small systems. DWA believes strongly that this runs contrary to the constitutional requirement that fees imposed must be reasonably connected to service.

Because DDW staff will still be tracking their time applied to each agency, the change to a per connection fee charge will not save time. Desert Water Agency asks that the hourly rate be raised to cover the costs of adequately funding the program. We believe that use of an hourly rate is more cost-effective and less burdensome, while still effectively implementing statutory requirements.

We share the SWRCB's goal of protecting water quality for our customers. We want to pay our fair share for the time needed by the SWRCB's DDW to verify that the water delivered to our customers is of the highest quality, dependable and potable.

Thank you,

A handwritten signature in black ink that reads "Mark A. Krause".

Mark Krause
General Manager-Chief Engineer
Desert Water Agency