



June 6, 2019

[Sent Via Email: commentletters@waterboards.ca.gov]



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

Re: Comments on the Draft 2019-2020 Drinking Water State Revolving Fund Intended Use Plan (DWSRF IUP)

Dear Ms. Townsend and State Water Board Members:

On behalf of the Community Water Center, Leadership Counsel for Justice and Accountability and Clean Water Action, we respectfully submit these comments on the draft 2019-2020 DWSRF IUP.

We commend the State Water Board for continuing your commitment to turning the Human Right to Water into a reality for all Californians. However, as we discuss in more detail below, we believe additional measures to enhance transparency and efficiency will improve the use of the limited funds available to the Board.

In general, we have noted a move away from specific metrics and performance measures in recent plans. We appreciate that the financial aspects of the IUP are critically important and are happy to see DFA's commitment to ensuring that funds are fully utilized. However, we would appreciate an equivalent accounting of the non-fiscal goals of the program.

Comment on Set-Aside Activities

While we appreciate the interest of staff to streamline the Intended Use Plan, we do not support the proposal to include specific objectives and plan deliverables in a workplan that will be provided to US EPA. The practice significantly reduces the transparency of the funding program and makes it difficult to provide public accountability as the workplans are not made readily accessible on the DFA website or made otherwise available for public review or comment. Moreover, our assumption is that those workplans refer only to that portion of the plan funded

through the DWSRF. At a minimum, the Plan should contain performance measures which the workplan is expected to fulfill.

The Technical Assistance set-aside does not even promise a workplan. Instead, it provides a laundry list of eligible activities and a link for technical assistance providers to apply for funding. While we appreciate that technical assistance takes a different form for every community, performance measures should still be established for the set-aside. For example, does the Office of Sustainable Water Solutions have a target time to respond to, then fulfill, requests for technical assistance? Is the Office able to timely handle requests from all parts of the state?

Comment on Financing and Programmatic Requirements

A. Technical Managerial and Financial (TMF) Capacity (pg. 35)

While we understand the need for systems to be able show they have adequate TMF in order to ensure the funds are used effectively, more needs to be done to help systems achieve the necessary TMF capacity to run effectively. In too many small systems, lack of knowledgeable or overworked operators, lack of access to technical consultants, and lack of adequate economies of scale within the rate base can all contribute to or cause drinking water crises. Further, lack of these resources can prevent access to valuable funding sources such as grants and principal forgiveness.

One suggestion we propose is for staff to develop criteria for when and how to utilize the authority granted to the Board through SB 552 (2016) to help systems that are struggling with managerial or technical issues. For example, there could be potential for administrators authorized through SB 552 to improve or address drinking water issues and TMF compliance in a more cost-effective manner..

Additionally, should the Safe Affordable Drinking Water Fund pass during this legislative session there will be additional funds to cover managerial consolidations and additional TMF assistance for struggling water systems, which will need to be clearly coordinated to augment existing State Water Board funds and authorities.

3. Proposition 1, Proposition 68, and Other Appropriated State Funds

b. Drinking Water Small Community Emergency Grant (DWSCEG)

We appreciate the stated intent to use the in-lieu of interest fee to subsidize the needs of DAC/SDAC communities. It would be helpful for this Plan to be more specific about the funding target for this fee and whether it will be assessed on any new loans in the 2019-2020 FYI.

Comment on Manage The DWSRF Responsibility to Ensure its Perpetuity

Short Term Goals (pg. 45)

We strongly support translation services in providing technical assistance to DACs and encourage the SWRCB to hire technical staff that speak Spanish and can interact directly with impacted communities. However, while Spanish is the second most prevalent language spoken in California, there are communities who speak other languages, including Hmong and Tagalog which also need assistance. In order to truly address these language access gaps, the State Water Board must be more intentional about both recruitment and retention of bilingual staff who speak a variety of languages. Duty statements for job postings must integrate the Board's goal to expand access of Board services to a variety of populations, regardless of languages spoken.

Comment on Outcomes, Goals, Activities, and Measures

Given the stated priority of the IUP to fund DAC/SDAC projects - and the need for technical assistance in most cases to ensure that those projects move forward - we recommend adding a section to this chapter providing metrics for technical assistance as well as for the activities of the Office of Sustainable Water Solutions. Suggestion for metrics could include: ensuring initial provision of technical assistance within 90 days of contacting the Office; setting timelines for developing TMF analyses; completing funding applications and moving from planning to construction; or identifying a minimum number of communities that will receive assistance in the 2019/2020 fiscal year.

Another metric we'd like to see articulated in this plan is the creation of a multi-year funding plan for DACs/SDACs that identifies where communities are in the funding process and when each is expected to achieve sustainability. If we had a better understanding of the expected timeline, we could then work to shorten that timeline or identify communities that fall through the cracks.

Comment on Consolidation Incentive

We are strongly supportive of efforts to consolidate water systems in order to deliver safe and affordable drinking water to communities. This effort should include both actions to encourage and incentivize voluntary consolidations, as well as a willingness to use tools to require consolidation and extension of service. We are thus supportive of the \$10 million interest free loan incentive for systems willing to voluntarily consolidate or extend service to disadvantaged communities. However, we are informed that no system has yet taken advantage of this incentive. As a result, we ask that the Board consider other incentives for voluntary consolidation or extension of service, including but not limited to grant incentives. Further, it may be that the Board needs to increase outreach to communities to ensure they are aware of the incentive and the terms associated with accepting the interest free loan.

Timing of Funding Allocations

While we recognize that funding allocations were slow to be released this past year due to the transition to the State's new billing system Fi\$Cal, it is essential that funding, especially grant

funding to SDACs and DACs, is dispersed in a timely and efficient manner. We appreciate that that staff have a plan for returning to the same schedule before the billing system change and look forward to continuing to work with staff on ensuring funding gets to those most in need of assistance.

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Thank you for the opportunity to comment on this year's IUP. Please do not hesitate to reach out if you have questions or would like to discuss these matters further.

Sincerely,

Best Regards,



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Clean Water Action



Debi Ores
Senior Attorney
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Michael Claiborne
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