California Department of Public Health
Safe Drinking Water State Revolving Fund

Annual Capacity Development Program Implementation Report

to the
United States
Environmental Protection Agency

State Fiscal Year 2011 - 2012

September 30, 2012

TABLE OF CONTENTS

I. State Capacity Development Program Annual Reporting Criteria ---------- 1

A. New Systems Program Annual Reporting Criteria ---------- 1

1. Legal Authority ---------- 1

2. Control Points ---------- 1

3. New Public Water Systems in the California Department of Public Health Technical, Managerial, and Financial Assessment Database and on the Enforcement Tracking Tool List 1-3

4. Modification of the New Systems Program ---------- 3

5. Internal Review of the New Systems Program ---------- 3

B. Existing System Strategy ---------- 3

1. Technical, Managerial, and Financial Capacity in Existing Public Water Systems ---------- 3

2. Identification of Need for Capacity Development Assistance in Existing Public Water Systems ---------- 7

3. Approach for Providing Capacity Development Assistance ---------- 8

4. Review of the Implementation of the Existing System Strategy ---------- 9

5. Measuring and Reporting Improvements in Technical, Managerial, and Financial Capacity ---------- 9

6. Modification to the Existing System Strategy ---------- 9

II. Reporting Period and Submittal Dates ---------- 10

ED_005173_00003101-00002

I. State Capacity Development Program Annual Reporting Criteria

A. New Systems Program Annual Reporting Criteria

1. Legal Authority

California's legal authority is set forth in the California Health and Safety Code through the permitting process. No changes to this authority occurred during the State Fiscal Year (SFY) 2011-2012.

2. Control Points

The California Department of Public Health (CDPH) uses the water supply permit as the control point for capacity development requirements. No change has occurred to this process during the SFY 2011-2012.

3. New Public Water Systems in the California Department of Public Health Technical, Managerial, and Financial Assessment Database and on the Enforcement Tracking Tool List

Listed below are the community and nontransient noncommunity public water systems that were identified by the regulators or listed in the CDPH Permits, Inspections, Compliance, Monitoring and Enforcement database or in the Safe Drinking Water Information System database as newly permitted water systems for the last three SFYs between July 1, 2009 and June 30, 2012. A database is maintained for technical, managerial, and financial (TMF) assessments and staff evaluations that have been submitted and reviewed at CDPH.

Three systems below have been listed on the Enforcement Tracking Tool (ETT) list and are marked with an asterisk (*) on the new system list below. Dunlap Academy, 1000577, appeared on the July 2012 ETT list with a score of 13 for 2 nitrate monitoring and reporting violations over 3 years. PG & E Water System, 3901476, appeared on the July and October 2010 ETT lists with a score of 12 for Total Coliform Rule (TCR) maximum contaminant level (MCL) violations for 2 years but since has returned to compliance. Monarch Nut Company, 5403140, appeared on the January 2011 ETT list with a score of 16 for 3 TCR MCL violations but since has returned to compliance.

SFY	Number	Public Water System Name
2009-2010		
	1000566	Foster Farms – Cedar Hatchery
	1000571	Northeast World Harvest Church
	1000575	Poindexter Nut Company
	1000577	*Dunlap Academy
	1000584	True Organic Products
	1000585	Murietta Hernandez Farms
	1503653	M&L Cold Storage, LLC
	2210941	Acorn Cooperative Preschool
	2400226	Gold Hills Nut Company
	3205006	Grizzly Ranch CSD
	3301122	Lisa J Mails Elementary School
	3710036	Borrego Water District
	3901476	* PG & E Water System
	3901480	Roadway Express Water System
	4000814	Wallace Water Systems
	4000815	Las Ventanas Ranch
	5000563	Elks Lodge 1282
	5000584	Mesa Verde Elementary School
	5603302	Lloyd Butler Mutual Water Company
2010-2011		
	0710011	CCWD/ City of Brentwood WTP
	1000551	FCSA $43/ Raisin City
	1502744	60th Street Association Water System
	1503662	Alta Wind Project O&M Facility Water System
	1510802	Kern Valley State Prison
	1700717	Legacy School
	1805009	West Patton Village CSD
	1910255	Newhall CWD – Tesoro Del Valle
	2210937	Mariposa County Public Works Department
	2800012	Long Meadow Ranch
	2800015	Somerton Winery
	2800112	Professional Center of St. Helena
	3301133	Doug Jones Water
	3601159	California Steel Ind., Inc.
	3705068	Rough Acres Ranch

4301004	Emerald Valley MWC
4500341	Hill Country Community Health and Wellness Center
4901366	Laura Chenel's Chevre
4901368	Sonoma Wine Company
5403138	Brandt Farms
5403140	*Monarch Nut Company
5403141	Hellwig Products Company
5603117	Santa Clara Resources

2011-2012

1503536	Glennville Mutual Water Company
1503657	Kimberlina Housing Unit
3301141	Aguanga Market Water System
4200962	Windset Farms
5700768	Calwest Investors

4. Modification of the New Systems Program

   No changes have been made to the New Systems Program.

5. Internal Review of the New Systems Program

   No internal review of the New Systems Program has been conducted.

B. Existing Public Water System Strategy

1. Technical, Managerial, and Financial Capacity in Existing Public Water Systems

   California's approved strategy assists existing public water systems in achieving and maintaining TMF capacity through use of the following activities:

   a. TMF Assessments

      The TMF assessments are completed for all new public water systems, applicants of the Safe Drinking Water State Revolving Fund (SRF), and public water systems that are undergoing a change of ownership.

Based upon the TMF assessment, SRF funding or the domestic water supply permit may be denied. In some cases conditions are placed in the domestic water supply permit as a result of the TMF assessment. Technical assistance services are provided to existing public water systems that lack TMF capacities as determined from the TMF assessment.

All of the current TMF assessment documents including forms and guidance are posted on the CDPH capacity development web page for easy reference by public water system personnel, regulators, and other interested parties at [HYPERLINK "http://www.cdph.ca.gov/certlic/drinkingwater/pages/tmf.aspx"]. The completed TMF assessments and TMF staff evaluations for SRF projects and for new community and nontransient noncommunity systems are reviewed by CDPH headquarters staff for completeness and statewide consistency. During the past year CDPH staff reviewed the required TMF documents for 20 SRF projects and 5 new systems. A new statewide database used for tracking TMF assessments and TMF staff evaluations has been created and is in the process of being populated and refined.

b. Training Workshops

Rural Community Assistance Corporation (RCAC) develops and conducts statewide classroom and online training workshops that focus on building the TMF capacity of public water systems. In addition, they develop and present California Technical Assistance Providers (CalTAP) Fairs that showcase the free services and materials of organizations with interagency agreements or contracts through the SRF program. During SFY 2011-2012 RCAC presented a total of 36 onsite and 51 online workshops and 2 CalTAP Fairs. The workshop training events averaged 33 attendees per workshop while the CalTAP Fairs averaged 119 attendees. Staff and operators from 465 individual water systems participated in these events during this time period. Of the 2101 responses to RCAC's Performance Assessment Rating Tool 1935 reported that the classes fulfilled their needs, 165 reported neutral responses, and 1 reported negative responses.

c. Technical Assistance

Direct technical assistance is provided to public water systems by CDPH staff as well as by third party providers that include RCAC, California Rural Water Association (CRWA), Self-Help Enterprises (SHE), and the University of California, Davis (UCD).

During SFY 2011-2012 CDPH staff provided technical assistance to 2356 public water systems. This number was derived from the CDPH Time Accounting System database which tracks the following general activities:

1) Recommendations to water system staff during inspections and sanitary surveys.
2) Education about the regulatory requirements specific to individual water systems.
3) Consultation regarding water system upgrades and potential funding projects.
4) Evaluation of TMF assessments.
5) Review of permit amendments following construction projects.
6) Assistance in leak detection and water conservation.
7) Review and creation of financial and capital improvement plans.
8) Assistance in establishing operations plans, strategic planning, emergency response plans, and various policies.

During SFY 2011-2012 CRWA staff provided direct technical assistance to 263 small public water systems that were placed on a prioritized Assistance Referral Request (ARR) list by CDPH based on information which CDPH received that indicated the water systems lacked TMF capacity. CRWA activities included:

1) Resolving compliance issues for those water systems with significant violations or other deficiencies that had or could lead to failures of primary drinking water standards.
2) Completing public water system applications and required TMF assessments for SRF and other CDPH funding programs.
3) Improving the overall TMF capacity of small public water systems by completing:
   a) TMF Tune-ups
   b) Five-year budget projections and capital improvement plans

c) Water system technical evaluations
d) Operations plans
e) Emergency response plans

During SFY 2011-2012 SHE provided direct technical assistance to water systems that had or should have applied for CDPH funding in the counties of Stanislaus, Merced, Mariposa, Madera, Fresno, Kings, Tulare, and Kern. Often this assistance consisted of community outreach in which SHE worked closely with water system decision makers and constituents to facilitate the acquisition of funding. SHE also provided assistance in completing the required TMF assessments and other documents for CDPH funding. During this reporting period SHE provided direct technical assistance to 35 small public water systems.

During SFY 2011-2012 RCAC provided direct technical assistance to 7 small public water systems. RCAC offered on-site guidance and demonstrations to small public water systems for budget development, capital improvement plans and also provided presentations to water system constituents and management staff regarding the need for a plan to develop increased sources of revenues. Under their technical assistance component RCAC assisted small public water systems in implementing the Check Up Program for Small Systems also known as CUPSS.

During 2011-2012 UCD provided the following types of services:

1) Performed file reviews for SRF projects.
2) Performed research and studies regarding rapid column testing, nitrate contamination of water supplies and suitable nitrate treatment technologies, hexavalent chromium removal in drinking water, prediction of disinfection by-product levels after filtration, and fluoridation data evaluation.
3) Updated the Loan and Grant Tracking System database for CDPH funding programs.
4) Provided evaluation of planning and construction project cost trends for CDPH funding programs.
5) Provided groundwater geographic information system support.
6) Provided engineering support as needed for small public water systems.

2. Identification of Need for Capacity Development Assistance in Existing Public Water Systems

   CDPH identifies public water systems in need of capacity development assistance through use of the following tools:

   a. The ARR database is the primary system that CDPH uses to address the need for capacity development in existing public water systems. Technical assistance assignments for CRWA program specialists are derived from this list. The ARR is generated with input from CDPH and Local Primacy Agency (LPA) staff and identifies five main concerns:
      1) Serious health deficiencies
      2) Noncompliance with drinking water standards
      3) Funding applications
      4) TMF deficiencies
      5) Waterworks standards.

   b. California's baseline assessment is known as the TMF Tune-up and has been developed under contract with UCD. The link for the TMF Tune-up is [HYPERLINK "http://neien.des.ucdavis.edu/tmf/"] and requires a public water system number to access it. During SFY 2011-2012 134 public water systems have completed the TMF Tune-up bringing the total to 913 systems since its inception. CDPH requires water systems to complete TMF Tune-ups prior to receiving technical assistance. Systems that have low scores are assigned to technical assistance providers to improve the weak areas. CDPH will continue encouraging all LPAs and districts to have water systems complete TMF Tune-ups in addition to the TMF assessments prior to issuing permits and completing funding applications.

   c. A list of 168 small community public water systems that are in violation of at least one primary drinking water standard has been developed during this SFY by CDPH using information from the ETT, various internal tracking databases, and input from field offices. The CDPH goal is to bring 63 of these systems into compliance by the end of 2014 and to develop their TMF capacity to a level that will that will ensure sustainability into the future.

3. Approach for Providing Capacity Development Assistance

CDPH has identified a number of approaches for identifying statewide public water system capacity concerns and providing for public water system capacity development needs:

a. Summary of Training Courses Provided

   See Section IB1b above for a description of the TMF training workshops that are provided under CDPH contract with RCAC as well as the attendance totals and the participant feedback. A complete listing and description of the current RCAC training offerings can be found at [HYPERLINK "http://www.rcac.org"].

b. Summary of Technical Assistance Provided

   See Section IB1c above for a description of the technical assistance services that are provided to small public water systems by CDPH, CRWA, SHE, RCAC, and UCD.

c. The CDPH capacity development website at [HYPERLINK "http://www.cdph.ca.gov/certlic/drinkingwater/Pages/TMF.aspx"] provides tools for water systems to use that will assist them in developing their TMF capacities. These tools include the current TMF documents, various budget templates including the capital improvement plan, an equipment life expectancy chart, sample emergency notification letters, and operations plan and emergency response plan templates. In addition, links to the websites of organizations that provide services for small water systems are provided.

d. The CDPH Small Water Systems Unit staff provides support to the LPAs and drinking water field offices that regulate small water systems. The unit staff provides ongoing consultation and oversight to assist the regulators to maintain small water systems in compliance with all standards and also assists, when requested by the district engineers, with the annual LPA evaluations. Additionally, this unit helps ensure that the LPA data is submitted in an accurate and timely manner to State and federal databases.

e. CalTAP is the stakeholder advisory committee that is comprised of all the organizations who have contracts with CDPH to provide trainings

and technical assistance under the SRF program as well as the CDPH district engineers and LPA representatives. The CalTAP organizations include CRWA, RCAC, SHE, and UCD. The CalTAP Workgroup is a subcommittee that does not include the regulators. CalTAP affords these entities a forum to discuss drinking water issues and to work together toward solving mutual concerns.

f. CDPH staff has presented drinking water program funding information at the five California Financing Coordinating Committee Funding Fairs offered throughout the state in 2011-2012. These events enable public water system personnel to obtain information about various infrastructure funding sources including the SRF and other CDPH funding programs. These Funding Fairs are especially helpful for water systems whose projects are large or do not meet California funding program criteria as they are able to learn about additional funding sources for their project outside of CDPH.

4. Review of the Implementation of the Existing System Strategy

CDPH has hired new staff in the Small Water System Unit to support its Capacity Development Strategy. While some program procedures have been reviewed and updated, staff will continue to evaluate the implementation strategy during SFY 2011-2012.

5. Measuring and Reporting Improvements in Technical, Managerial, and Financial Capacity

The TMF Tune-up is the Capacity Development Program's baseline assessment tool. Reporting models are in the process of being developed that will illustrate changes in TMF capacity over time.

6. Modification to the Existing System Strategy

During SFY 2011-2012 based on a review of the strategy CDPH did not make modifications to the overall existing system strategy.

ED_005173_00003101-00011

II. Reporting Period and Submittal Dates

The annual implementation reporting period reflects SFY July 1, 2010, to June 30, 2011. This report will be submitted to the United States Environmental Protection Agency Region IX.

Note that no revisions to the TMF documents or to the Capacity Development Strategy have been made during SFY 2011-2012, so there is no Appendix to this report.

ED_005173_00003101-00012