



California
Water
Association



CMUA
CALIFORNIA MUNICIPAL UTILITIES
ASSOCIATION

May 15, 2020

Submitted via email: commentletters@waterboards.ca.gov

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

RE: Comment Letter – White Paper Discussion on Economic Feasibility Analysis in Consideration of a Hexavalent Chromium MCL

Dear Ms. Townsend:

The Association of California Water Agencies (ACWA), California Municipal Utilities Association (CMUA), and California Water Association (CWA) appreciate the opportunity to provide comments on the State Water Resources Control Board's (State Water Board) White Paper Discussion on Economic Feasibility Analysis in Consideration of a Hexavalent Chromium MCL (White Paper). Collectively our associations represent over 500 public and regulated water systems that deliver over 90% of the water used for residential, commercial and agricultural purposes in California, and the economic feasibility of new drinking water standards is an issue of great importance to our members.

First and foremost, our members that purvey drinking water are dedicated to delivering safe drinking water to the millions of Californians that they serve. This includes meeting drinking water standards set by both the State Water Board and the U.S. Environmental Protection Agency. In meeting these standards, water systems must incur costs related to treatment, including, but not limited to, expenditures to install and operate contaminant removal technologies, costs related to potential changes in source water, costs for monitoring and analyzing water samples, and costs for ongoing management and oversight costs. While we appreciate the State Water Board's efforts to consider economic feasibility as it relates to a proposed Hexavalent Chromium MCL, the White Paper fails to provide a standardized framework for assessing the economic feasibility of a proposed Maximum Contaminant Level (MCL). As alluded to in the Board's White Paper, economic feasibility is a complex, multi-faceted issue that requires consideration of a range of analytic tools and associated metrics. We agree with the point that the State Water Board raises in the White Paper that no single method or metric is sufficient to determine economic feasibility. However, an approach that may vary appreciably across potential rulemakings is not a sound methodology for establishing prudent standards to protect public health. ***Rather, we believe that the State Water Board needs to develop a systematic and consistent framework, using multiple methods and metrics, for evaluating the economic feasibility of future potential drinking water standards.***

ACWA and a coalition of water agencies have been working with the consulting firm, Corona Environmental Consulting, to study the various factors that impact the economic feasibility of proposed MCLs. While the work of Corona Environmental is not complete, it has identified several areas that

should be considered when determining the economic feasibility of an MCL. While the coalition recognizes that the final determination of an MCL is a policy decision and not a strict calculation of cancer risks avoided versus the compliance costs incurred, a formalized framework for evaluating economic feasibility across various proposed MCLs would provide a more consistent approach, transparency and a higher degree of certainty to the public and water agencies and other stakeholders.

Benefit/Cost Analysis, One Metric Among Several

The coalition agrees with the White Paper's statement that a benefit cost analysis should not be the sole factor in determining whether an MCL is economically feasible. Instead a benefit cost analysis can help address the core question of whether the costs associated with complying with a potential MCL appear to be a worthwhile investment of the public's monies. This approach should first consider the quantifiable public health benefits that would be gained, such as cancer cases avoided, compared to the costs of achieving the proposed MCL. Then if the public health benefits are deemed to warrant the identified costs, the impact on affordability as a result of complying with an MCL should be determined, also based on a variety of factors.

We are also concerned that the White Paper fails to mention the Office of Environmental Health Hazard Assessment's (OEHHA) ongoing review of the hexavalent chromium Public Health Goal (PHG) initiated in 2016. As explained in ACWA's March 31, 2020 letter to OEHHA and the State Water Board Chair, the cost benefit analysis used to support the proposed MCL needs to be based on an updated PHG review and the newly available science that triggered this review. The White Paper should describe the process used to ensure the proposed MCL will be coordinated with OEHHA's ongoing PHG review.

Affordability Across Systems

Our coalition is actively engaged in ongoing efforts to develop affordability metrics for water service. While the White Paper does not attempt to set metrics for affordability, we agree that there are multiple methods for assessing affordability across systems. We recommend that the State Water Board apply a range of relevant metrics that together, can indicate the extent to which affordability is a concern for the proposed standard. Metrics should be applied to individual communities and across system sizes. Affordability considerations should also be evaluated across viable treatment technologies and other applicable compliance strategies and should not be limited to the best available technology (BAT). Instances when use of the BAT will not be feasible for a system should be identified. Costs for feasible point-of-use treatment, non-treatment options (system consolidation, water source blending, well deepening, etc.), and extended compliance periods should be considered alongside BAT treatment costs to identify when alternative approaches can be used to significantly reduce compliance costs.

While difficult to quantify, the State Water Board should also consider the ability of the system to raise rates considering other regulatory burdens and public sentiment. For example, a system that has a significant source of its existing water supply impacted by perfluoroalkyl substances may have recently increased rates to enhance treatment or acquire new supplies and may be unable to increase rates further due to public concerns.

Economic Feasibility Framework

While economic feasibility will be assessed for each new MCL proposed by the State Water Board, ACWA, CMUA, and CWA believe that it is critical that the State Water Board develop a standardized framework that can be used across drinking water standards.

We are committed to continuing to work with the State Water Board staff and **urge the State Water Board members to discuss this issue at their next scheduled public meeting.**

Sincerely,



Adam Quiñonez
State Legislative Director
Association of California
Water Agencies



Jonathan Young
Senior Regulatory Advocate
California Municipal Utilities
Association



Jennifer Capitolo
Executive Director
California Water Association

cc: The Honorable E. Joaquin Esquivel, Chair, State Water Resources Control Board
The Honorable Dorene D'Adamo, Vice Chair, State Water Resources Control Board
The Honorable Tam Dudoc, State Water Resources Control Board
The Honorable Sean Maguire, State Water Resources Control Board
The Honorable Laurel Firestone, State Water Resources Control Board
Ms. Eileen Sobeck, Executive Director, State Water Resources Control Board
Mr. Darrin Polhemus, Deputy Director, Division of Drinking Water, State Water Resources Control Board