



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **March 21, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

**SUBJECT: Review and Possible Action Concerning CASA  
Outreach Opposing SB 332.**

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Senate Bill 332 was introduced by Senators Hertzberg and Wiener would mandate a reduction of ocean discharge by 50% by 2030 and 95% by 2040. The bill aims to maximize the use of recycled water. However, a one size fits all approach for the various agencies in California with many different circumstances is questionable. The approach doesn't take local circumstances and technical realities into consideration, like the availability to distribute and use recycled water and could result in huge cost burdens to some agencies, like MWSD.

The California Association of Sanitation Agencies (CASA) is suggesting to oppose the bill.

## RECOMMENDATION:

Authorize the General Manager to submit an opposition letter to SB 332

Attachment



**CMUA**  
CALIFORNIA MUNICIPAL UTILITIES  
ASSOCIATION



March 11, 2019

The Honorable Ben Allen, Chair  
Senate Environmental Quality Committee  
State Capitol, Room 2205  
Sacramento, CA 95814

**RE: SB 332 (Hertzberg & Wiener): Oppose**

Dear Senator Allen:

The coalition of undersigned associations respectfully opposes SB 332 (Hertzberg). As introduced, this measure would mandate wastewater treatment agencies that discharge treated effluent to saline waters, oceans, bays and estuaries to reduce their discharges by 50% of baseline volume by January 1, 2030, and by 95% of baseline volume by January 1, 2040. The bill would also declare that discharge from ocean outfalls is a “waste and unreasonable use” of water and impose penalties of \$2,000/acre-foot of water discharged above the reduction requirement.

Our coalition strongly supports maximizing water recycling and represents virtually all of the agencies at the forefront of advanced water treatment and reuse in the state. The provisions proposed in SB 332 could significantly disrupt existing efforts to promote recycled water production and use, as well as innovative reuse projects currently being planned and implemented. As a community we are fully supportive of recycled water projects where they are financially viable, where there are opportunities for beneficial use, and where watershed conditions are present to maximize supplies of this water.

California has a significant number of wastewater ocean and bay dischargers, and they vary dramatically in terms of treatment capacity, discharge, and the amount of recycling that occurs. Each watershed, region, treatment facility, and outfall is different, and the capability to beneficially reuse wastewater varies widely as well. Reliable and feasible end uses for recycled water are not always available and depend on factors other than simply the discharger’s technical ability to supply recycled water.

For this reason, a mandate on every ocean and bay discharger in the state is simply unworkable. In many circumstances, regional demand may not exist to reuse 95 percent of an agency’s ocean discharge. In addition, recharge and reuse options may be unavailable or infeasible for a variety of reasons, such as geographical or legal constraints in the watershed. Furthermore, distribution can require complex arrangements between water recyclers and water purveyors, brine management may present significant issues in some areas, and public acceptance of beneficial reuse of wastewater remains an obstacle. These challenges exist and require a regional approach to the management of recycled water supplies.

There are also a host of other considerations and decisions that agencies must make when prioritizing capital expenditures, including projects critical to public health and environmental protection, not all of which can or should be delayed at the expense of trying to meet a mandate to reuse all treated wastewater.

As of today, the regulatory framework necessary for agencies to plan and implement projects to manage the massive volumes of water contemplated in SB 332 does not exist. Existing beneficial reuse options are limited and could not be utilized to manage such a vast quantity of water. Instead, every agency would necessarily need to implement large scale potable reuse projects. The State Water Board is charged with developing regulations for Direct Potable Reuse by 2023. Until that regulatory scheme has been developed it will be nearly impossible for agencies to plan for, let alone implement, projects to meet the mandate deadlines in SB 332. If the regulations are completed on schedule, agencies would then have a seven year window to plan, approve, execute and operate new infrastructure that would dramatically shift their day to day operations. To put this in perspective, some of the most ambitious recycling projects underway in the state currently have 20 to 30 year project schedules, and when fully operational will still not meet the discharge mandate proposed in the bill. Furthermore, no consideration is being given to these ambitious projects in the development of baseline discharge metrics, nor to other innovative project components such as stormwater capture and treatment.

California is already aggressively pursuing maximized water recycling as a regulatory priority. The State Water Board recently adopted revisions to its Recycled Water Policy that, for the first time, require wastewater treatment plants and recycled water producers to report the volume of wastewater treated and discharged, specify the level of treatment, and identify the volume of recycled water produced. The policy also requires annual reporting of monthly volume of treated wastewater discharged to the environment, which will be used to estimate the amount of wastewater that may be available to recycle.

There are numerous technical realities in the wastewater treatment and management processes that have not been considered in SB 332. The bill lacks consideration of major operational issues surrounding brine management, wet weather influent management, existing regulatory constraints relative to minimum flows, and other real and substantive conflicts with how wastewater agencies function in their communities. These technical issues are vast, far reaching, and vary based on the regional watershed and individual permitting levels.

It is important to note that some of California's most ambitious policy goals are not accounted for in SB 332, and we believe the implementation of the proposed mandate would have far reaching impacts that are contrary to those goals. For example, California is a leader on climate change mitigation and adaptation and has taken several steps in recent years to curb emissions and transition to a more sustainable future. SB 332 could adversely impact those efforts by increasing the emissions associated with advanced wastewater treatment and the associated energy demand required to move the high volumes of water over or across a variety of geographical settings.

California is simultaneously pursuing policies to make living more affordable for all residents of the state. Unfortunately, SB 332 makes no consideration of the impacts that the massive proposed infrastructure would have on rate increases in the immediate future for a significant portion of the state's population, including some of the most disadvantaged communities in California. The proposed mandate would require rate increases in the order of hundreds of dollars per month per household in the impacted communities. The rate implications would likely have a trickle-down effect of impacting housing affordability as well, as connection fees and ongoing rates would necessarily increase living expenses and the cost of new development in impacted areas.

Finally, as California grapples with how to provide safe, affordable, clean drinking water for all, this bill would unnecessarily create additional strain on the limited resources available to fund clean water projects. To the extent that coastal agencies seeking to meet this mandate would be expected to apply for and absorb the limited existing grant and loan opportunities available to them, this would inevitably draw funds away from numerous inland areas (such as the Central Valley) where there are so many urgent drinking water and clean water priorities in need of funding.

Our initial estimate is that implementing the mandate in SB 332 is expected to cost local water and wastewater agencies across the state more than \$20 billion to comply. That burden would necessarily be borne by ratepayers, and the magnitude of the rate impacts to individual households and businesses in impacted communities would be staggering.

As stated above, our organizations are at the forefront of water recycling innovation, and we share the goal of maximizing recycled water to the fullest extent feasible in California. Unfortunately, SB 332 does not provide a workable pathway toward achieving that goal, so we must respectfully oppose the bill. Thank you for your consideration of our concerns.

Sincerely,



Jessica Gauger  
California Association of Sanitation Agencies



Danielle Blacet  
California Municipal Utilities Association



Rylan Gervase  
California Special Districts Association