

2. Request by EJ stakeholders to discuss the addition of the following language to the revisions (pertaining to the requirements of Management Zone Implementation Plans): Management Zone Implementation Plans must also address costs of providing drinking water, including costs for operations and maintenance, related to nitrate contamination.

Eligibility for subsidized operations and maintenance costs related to nitrate contamination, and the amount of such subsidy, should be determined by considering the following nonexclusive factors:

- a. Any relevant affordability thresholds adopted by the State Water Board;
- b. The size and financial capacity of the water system;
- c. Whether, and the extent to which, the water system serves a disadvantaged community or disadvantaged communities;
- d. The extent to which the portion of the increased costs related to nitrate contamination can be quantified; and
- e. Whether there was an available and implementable solution to nitrate contamination.

The issues here are difficult: when should dischargers contribute to increased operations and maintenance costs caused by nitrate discharges, and what should the amount of subsidy be? During discussions between stakeholders prior to adoption of the CV SALTS BPAs, we identified the problem but did not identify language edits that would resolve the issue and were agreed upon by all parties. We continue to believe that the above language strikes a reasonable balance that will prevent dischargers subsidizing large water systems that have the financial capacity address nitrate impacts without raising water rates to the point of unaffordability, while ensuring that systems that acted proactively to address nitrate exceedances are able to provide affordable water. We would welcome a conversation about whether these are the right factors, or if there is another more bright-line approach.

3. Process for Central Valley Water Board to modify Management Zone boundaries

a. Issue: State Board's resolution directed the revisions to include an alternative process for the Central Valley Water Board to modify a Management Zone's boundaries if it determines that the proposed Management Zone inappropriately excludes portions of basins with nitrate concentrations exceeding 10 mg/L.

b. Strawman Proposal: If the Central Valley Water Board makes the determination that a proposed Management Zone boundary is inappropriately excluding portions of the basin with nitrate concentrations exceeding 10 mg/L, the Management Zone boundary will default to the applicable DWR basin delineated in Figure N-1 of the Nitrate Control Program.

We are comfortable with the strawman proposal, which is clear, easy to apply, and should encourage management zones to coordinate and propose boundaries that do not leave out impacted communities and households. We are also open to consideration of more flexible approaches as long as they meet the goal of ensuring that all communities that should be in a management zone are in fact included.