

AMENDED IN SENATE MAY 2, 2012  
AMENDED IN SENATE APRIL 18, 2012

**SENATE BILL**

**No. 962**

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**Introduced by Senators Anderson and Rubio**  
**(Coauthors: Senators Dutton, Fuller, and Gaines)**  
(Coauthors: Assembly Members Bill Berryhill, Garrick, Jeffries, Logue,  
Nielsen, Olsen, Portantino, and Valadao)

January 11, 2012

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An act to amend ~~Section~~ *Sections 116380 and 116552* of the Health and Safety Code, relating to drinking water.

LEGISLATIVE COUNSEL'S DIGEST

SB 962, as amended, Anderson. Public water systems: point-of-use treatment.

Existing law, the California Safe Drinking Water Act, provides for the operation of public water systems, and requires the State Department of Public Health to adopt regulations for these purposes. Under existing law, regulations adopted by the department are required to include requirements governing the use of point-of-entry and point-of-use treatment by public water systems in lieu of centralized treatment, where feasible. Existing law requires the department to adopt emergency regulations governing the permitted use of point-of-entry and point-of-use treatment by public water systems in lieu of centralized treatment and requires that these emergency regulations remain in effect until the earlier of January 1, 2014, or the effective date of the required nonemergency regulations. Existing law limits these regulations to public water systems with less than 200 service connections.

This bill would, instead, limit these regulations to public water systems with less than ~~2,500~~ 500 service connections, and would require the

emergency regulations to remain in effect until the earlier of January 1, 2016, or the effective date of the required nonemergency regulations.

*Existing law prohibits the department from issuing a permit to a public water system to allow the use of point-of-use treatment, unless the department makes specified determinations.*

*This bill would additionally prohibit the department from issuing a permit to a public water system to allow the use of point-of-entry treatment, unless the department makes specified determinations. The bill would require that prior to the approval of a permit allowing installation of point-of-use or point-of-entry treatment devices, that a water system submit a capital outlay plan outlining the plan for construction of centralized treatment, as specified. The bill also would require the department to conduct a full audit of the water system's finances.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) California's public water systems are required to provide
- 4 clean water to their residents.
- 5 (b) For the smallest of these water systems, especially in small
- 6 isolated communities, such as those in the central valley, the Sierra
- 7 Nevada Mountains, and the desert areas, the question of
- 8 affordability of new central treatment is foremost, especially for
- 9 systems serving customers of modest means.
- 10 (c) Many small public water systems are faced with the prospect
- 11 of heavy or insurmountable capital costs to comply with the new
- 12 rules and the need to provide safe and clean drinking water to their
- 13 customers.
- 14 (d) Many of these small systems are challenged by having to
- 15 provide clean water to widely dispersed rural residents, often in
- 16 areas with a population of 2,500 or less.
- 17 (e) Even though the federal and state environmental regulators
- 18 give extensions for compliance with maximum contaminant level
- 19 mandates, and some grant or loan money if available, some small
- 20 systems struggle to move forward and meet the ever-changing
- 21 maximum contaminant level mandates.

1 (f) Recently, the Australian Cooperative Research Centre for  
2 Water Quality and Treatment published a report that concluded  
3 that “commercially available equipment can produce safe drinking  
4 water generally at a lower cost per household than centralized  
5 treatment if a distribution per household network is in place.”

6 (g) The report identified a significant cost savings for small  
7 towns and showed that point-of-use or point-of-entry treatment  
8 devices were highly effective at producing safe and clean water,  
9 even with poor quality source waters.

10 (h) Point-of-use and point-of-entry water treatment devices can  
11 help bridge the compliance gap for these small systems and are a  
12 cost-effective way to provide safe and clean drinking water.

13 (i) Point-of-use or point-of-entry treatment devices may be  
14 employed where the drinking water enters the house or building,  
15 for the purpose of reducing contaminants in the drinking water  
16 distributed throughout the house or building.

17 (j) Point-of-use or point-of-entry treatment devices may be  
18 employed at a single faucet or tap and used for the purpose of  
19 reducing contaminants in drinking water at that one outlet. They  
20 are typically installed at the kitchen faucet.

21 (k) These devices must be certified according to product  
22 standards of the American National Standards Institute and other  
23 third-party testing organizations.

24 (l) According to United States Environmental Protection Agency  
25 and California health regulations, point-of-use or point-of-entry  
26 treatment devices shall be owned, controlled, or maintained by the  
27 public water system or by a person or company under contract  
28 with the public water system in order to ensure proper operation  
29 and maintenance and to ensure compliance with the maximum  
30 contaminant levels or treatment techniques.

31 (m) The State Department of Public Health adopted emergency  
32 regulations that became effective on December 21, 2010, in  
33 response to the passage of Assembly Bill 2515 (Chapter 601 of  
34 the Statutes of 2010), which govern the permitted use of  
35 point-of-use or point-of-entry treatment devices by public water  
36 systems in lieu of centralized treatment if certain conditions are  
37 met.

38 (n) These emergency regulations limit the use of point-of-use  
39 or point-of-entry treatment devices to public water systems with  
40 fewer than 200 service connections in lieu of centralized treatment

1 for compliance with one or more maximum contaminant levels or  
2 treatment techniques, other than for microbial contaminants,  
3 volatile organic chemicals, or radon *for three years or until funding*  
4 *is available, whichever occurs first.*

5 ~~(o) The California Rural Water Association considers~~  
6 ~~communities of 2,500 residents or less to be rural.~~

7 ~~(p)~~

8 (o) This leaves many small, rural communities containing 201  
9 to 2,500 residents, inclusive, who suffer from poor water quality,  
10 in the predicament of having too many residents to qualify to  
11 operate under the emergency regulations, but ~~having too few~~  
12 ~~residents to provide the financial base needed to construct~~  
13 ~~state-of-the-art, centralized treatment not having the financial~~  
14 ~~capability to immediately upgrade to centralized treatment.~~

15 ~~(q)~~

16 (p) It is estimated that only 1 percent or less of the water  
17 distributed from a water treatment plant and treated to federal  
18 standards is actually consumed by the public as drinking water.  
19 The remaining 99 percent of this expensively treated water is used  
20 for irrigation, fighting fires, and other household uses, and does  
21 not need to be treated to the same standard as drinking water.

22 ~~(r) Community water systems would not incur huge capital~~  
23 ~~expenditures for new water treatment plants, equipment, and~~  
24 ~~operation costs if they were allowed to use point-of-use or~~  
25 ~~point-of-entry water systems.~~

26 ~~(s)~~

27 (q) The water treatment industry has available trained,  
28 professional experts who are properly licensed by the state and  
29 certified to install, operate, and maintain point-of-use or  
30 point-of-entry water systems for these small communities.

31 ~~(t)~~

32 (r) Compliant and safe drinking water treatment approaches  
33 using point-of-use or point-of-entry treatment devices can be  
34 implemented in a few months, while years are required to design,  
35 obtain plan approvals for, finance, and construct central water  
36 treatment plants under California's complicated permitting process.

37 SEC. 2. Section 116380 of the Health and Safety Code is  
38 amended to read:

39 116380. (a) In addition to the requirements set forth in Section  
40 116375, the regulations adopted by the department pursuant to

1 Section 116375 shall include requirements governing the use of  
2 point-of-entry and point-of-use treatment by public water systems  
3 in lieu of centralized treatment where it can be demonstrated that  
4 centralized treatment is not immediately economically feasible,  
5 limited to the following:

6 (1) Water systems with less than ~~2,500~~ 500 service connections.

7 (2) Usage allowed under the federal Safe Drinking Water Act  
8 (42 U.S.C. Sec. 300f et seq.) and its implementing regulations and  
9 guidance.

10 (3) Water systems that have submitted preapplications with the  
11 State Department of Public Health for funding to correct the  
12 violations for which the point-of-entry and point-of-use treatment  
13 is provided.

14 (b) (1) The department shall adopt emergency regulations  
15 governing the permitted use of point-of-entry and point-of-use  
16 treatment by public water systems in lieu of centralized treatment.

17 (2) The emergency regulations shall comply with Section  
18 116552, and shall comply with all of the requirements set forth in  
19 subdivision (a) applicable to nonemergency regulations, but shall  
20 not be subject to the rulemaking provisions of the Administrative  
21 Procedure Act (Chapter 3.5 (commencing with Section 11340) of  
22 Part 1 of Division 3 of Title 2 of the Government Code). The  
23 emergency regulations shall take effect when filed with the  
24 Secretary of State, and shall be published in the California Code  
25 of Regulations.

26 (3) The emergency regulations adopted pursuant to this  
27 subdivision shall remain in effect until the earlier of January 1,  
28 2016, or the effective date of nonemergency regulations adopted  
29 pursuant to subdivision (a).

30 *SEC. 3. Section 116552 of the Health and Safety Code is*  
31 *amended to read:*

32 116552. (a) The department shall not issue a permit to a public  
33 water system or amend a valid existing permit to allow the use of  
34 point-of-use *or point-of-entry* treatment unless the department  
35 determines, after conducting a public hearing in the community  
36 served by the public water system, that there is no substantial  
37 community opposition to the installation of point-of-use *or*  
38 *point-of-entry* treatment devices. The issuance of a permit pursuant  
39 to this section shall be limited to not more than three years or until  
40 funding for centralized treatment is available, whichever occurs

1 first. Prior to the approval of a permit allowing installation of  
2 point-of-use or point-of-entry treatment devices, a water system  
3 shall submit a capital outlay plan outlining the plan for  
4 construction of centralized treatment to meet present and future  
5 water requirements of the district, and the department shall certify  
6 that a centralized treatment facility that complies with all state  
7 and federal requirements and meets all state and federal water  
8 quality standards shall be completed within five years of the  
9 application for the permit.

10 (b) Additional service connections shall not be added to a water  
11 system after application for a permit by a public water system for  
12 point-of-use or point-of-entry treatment until centralized treatment  
13 is available for all public water system connections consistent with  
14 the capital outlay plan.

15 (c) Point-of-use or point-of-entry treatment devices shall be  
16 certified and approved by the department for use by a water system  
17 to treat the contaminants present and shall meet all required  
18 federal and state water quality standards.

19 (d) For districts utilizing point-of-use or point-of-entry treatment  
20 devices, the department shall conduct a full audit of the water  
21 system's finances to examine why the water system does not have  
22 the funding necessary to complete needed upgrades and  
23 maintenance, including, but not limited to, evaluating the system's  
24 fee structure to ensure it is sufficient for operations, maintenance,  
25 and capital improvements, evaluating administrative costs and  
26 other costs in operating the water system to meet present and future  
27 water requirements of the district, and providing recommendations  
28 regarding any needed additional funding, fees, or assessments.