

**Environmental Health Division**



# **Drinking Water Regulatory Program/Local Primacy Agency (LPA) Update**

Water Advisory Commission Meeting

April 1, 2026

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# Background

- The Drinking Water Regulatory Program oversees small water systems:
  - State Small water systems: 5-14 connections
  - Public water systems:
    - Community systems with 15-199 connections
    - Noncommunity systems serving 25 or more people for 60 or more days per year
- Santa Cruz County regulates small public water systems by serving as the Local Primacy Agency (LPA) through a delegation agreement with the State Water Resources Control Board
- LPA established in 1994 to maintain close working relationships with local small water systems and provide improved access and responsiveness (nearest state office at the time was in Berkeley)

# Background

- Declining trend- 36 LPA counties in 2014, currently there are only 25
  - Monterey County returned primacy to the state in 2025
  - 68 county-regulated public water systems would be impacted if Santa Cruz LPA is terminated

# LPA Concerns/Issues

- County permit fees are higher than State fees, but still insufficient to cover program operating costs
- County General Fund subsidizes the program due to a structural deficit
- Prior LPA grant funding from the state ran out in 2021, no future funding likely
  - 2020 bill (AB 2296- Quirk) vetoed by Governor
- LPA Program operates at an annual deficit of approximately \$125,000
  - \$6,076 initial budgeted General Fund cost in 1994 (Adjusted for inflation- \$13,581)
- 1.3 FTE (Full Time Employee) required for LPA Program staffing, plus support from administrative staff

# Fee Comparison

- County annual permit fees: \$1,151–\$3,543
- State annual permit fees: \$339–\$2,253 for community systems (including income-based discounts)
- Only one system would pay a higher permit fee to the state

# Options

- Return primacy
  - Eliminates General Fund burden
  - Shifts regulatory control to the state
  - Most systems would see lower permit fees
- Raise fees
  - Improves cost recovery but may remain insufficient
  - Could strain small water system budgets
  - Significant affordability concerns
- Staffing reduction
  - Considered, however no viable cuts could be made without impacting mandated activities. Not recommended by staff.



**Thank You!**