

August 3, 2018

Felicia Marcus, Chair and Board Members California State Water Resources Control Board P.O. Box 100 Sacramento, CA 95812-0100

Subject: ELAP Draft Regulations

Dear Chairperson Marcus and Board Members:

Thank you for the opportunity to meet and discuss the draft ELAP regulations, which have not yet been released for public review and comment. Our conversations were both insightful and productive to help craft regulations that are both protective of public health and the environment. The intent of this letter is to provide a viable path forward for the dual accreditation approach recognized in state law, which can be mutually beneficial for all interested parties and the Water Board.

As stated in our meetings, the laboratory community supports regulations that help improve data quality, oversight, and eliminate laboratories that consistently do not meet quality standards. At one of our meetings, State Water Board staff member Darrin Polhemus inquired if laboratories would be willing to increase fees to support a California Quality Management System (QMS) as AB 1438 intended. An economic model was created by Amber Baylor of the South Orange County Wastewater Authority and shared with State Board staff to determine what increase in fees would be required for to support a separate California standard. Since California has taken a primacy role in many statutory obligations, we understand the Water Board's goal for a gold standard for California laboratories would be no different.

The additional cost to laboratories choosing a California QMS system instead of TNI would require an average increase in fees of \$6,581, which is far below the cost of an average of \$100,000 in personnel costs (1/2 to 3/4 FTE) needed to support The Nelac Institute (TNI) standard, which is too costly and administratively burdensome for many laboratories in California to support. We have been afforded with the luxury of time to review the costs of TNI implementation with ample studies to support these estimated increased administrative costs. Those studies and staff augmentations have created an impetus by SCAP [and others] to bring this alternative to your attention.



With the small average increase of \$6,581 per year in fees, ELAP's annual budget would increase to **<u>\$8,519,000</u>**. ELAP's annual budget for FY 2017-18 was \$4,061,628, with \$572,628 subsidized through the general fund and drinking water program administration. ELAP was established as a program to be fully fee supported; this proposal provides ELAP with an opportunity to increase their budget by \$4,457,372, which provides ample funding for ELAP to complete a California QMS, attract high quality professionals to enhance internal program management, develop electronic internal data management systems, hire additional audit staff to increase the ability to shut down fraudulent laboratories, and hire additional staff to audit new methods that will be needed to meet the water quality needs of the State for the protection of human health (as most recently recognized in the Recycled Water Policy update).

On August 3, 2018, SCAP brought this new opportunity to the CWEA Laboratory Committee which has voted to enthusiastically support the development of a California based system that will increase data quality. We look forward to working with staff to achieve these goals and we thank you for the opportunity to weigh in and provide support in the development of this regulation for the people of California.

If there are any questions or if additional correspondence is desired, please reach me at 760.479.4112 or sjepsen@scap1.org

Sincerely,

Steve Jepsen, Executive Director Southern California Alliance of Publicly Owned Treatment Works