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The Department of Health (DOH) and the Office of Financial Management (OFM) provide this management response to the State Auditor's Office (SAO) performance audit report received on November 2, 2023.

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**SAO PERFORMANCE AUDIT OBJECTIVES**

The SAO's performance audit addressed two questions:

1. To what extent do Washington's municipal water suppliers comply with water use efficiency requirements?
  2. What opportunities exist for the Department of Health and municipal water suppliers to help improve water use efficiency in Washington?
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**Recommendations to DOH in brief:**

**SAO Recommendation 3:** To address issues found in the regulation of municipal water loss:

3. Prepare a strategic workplan, including timelines for completing the recommendations, a description of how the agency will devote resources to accomplish them, and benchmarks for achieving them.

**STATE RESPONSE:** We concur. DOH will develop a workplan with timelines for completing many of the recommendations in the report.

**Action Steps and Time Frame**

- Train newly hired staff on water use efficiency's connection to growth management, construction standards, land use regulations, and water system coordination. *By April 30, 2024.*
  - Complete a water use efficiency program plan, including a strategic workplan. *By April 30, 2024.*
  - Identify the resources necessary to implement the strategic workplan. *By August 31, 2024.*
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**SAO Recommendations 4-5:** To ensure DOH's data sets contain complete and accurate information about municipal water suppliers and water systems:

4. Maintain a complete list of municipal water suppliers with current contact information.
5. Review its reporting form and ensure it collects all information required by its rules.

**STATE RESPONSE:** We agree that a list of current municipal water suppliers with current contact information should be completed. We have advised our regional offices on how to add new municipal water suppliers into the database. DOH will also update permissions of who has access to update the data. We will start a concerted effort to review non-transient non-community (NTNC) water systems to ensure those that might be municipal water suppliers have been properly identified. DOH will coordinate that effort with the Department of Ecology. By law, Ecology determines which entities are municipal water systems.

We disagree that we are not maintaining current contact information. The report states that the contact information provided was 95% accurate or better. DOH reaches out annually to all public water systems to

obtain current information on both contact and facility information. We contacted the out-of-date utilities identified by the audit team and updated their contact details.

We agree the report form needs to be updated to ensure collection of all required information. We are in the process of updating our core data system from the current state run (SENTRY) database to the national Safe Drinking Water Information System (SDWIS). While this effort currently uses most of our Health Technology System programming resources, it will help provide the backbone of information needed to support and update the interfacing application for water use efficiency reporting. We will review all gathered information and develop plans for updating the system. The actual system updates will take longer until our core data system migration is complete.

### **Action Steps and Time Frame**

- Review currently gathered information versus requirements under the law. *By June 30, 2024.*
- Review and update, in coordination with Ecology, the current list of municipal suppliers and associated additional information within our core data system. *By January 31, 2025.*
- Contingent on funding of the workplan, complete the update of the WUE database. *By December 31, 2027.*

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**SAO Recommendations 6-9:** To ensure the agency can accurately determine water system compliance with its regulations:

6. Identify clustered systems that have unique metering requirements.
7. Develop a method for automatically notifying agency staff of unreliable information reported by suppliers.
8. Ensure the three-year average leakage calculation uses only reliable data, and establish notifications to alert staff when reliable data is not available.
9. Establish automatic notifications in the database to alert the agency of noncompliant systems.

**STATE RESPONSE:** We appreciate the consideration of identifying clustered systems that have unique monitoring requirements. DOH will work to identify which water systems may be wholly clustered entities. The greater challenge is that all public water systems may serve clustered entities which impact their data on reporting compliance with metering requirements. We are interpreting the SAO's recommendation to specifically identify when systems are wholly clustered entities and can include this data in future database updates.

We agree that our data system should have the ability to automatically flag information that appears unreliable. We have learned through our work with this program that at times the data may be accurate as available from reading meters and still provide negative water loss. This often shows the need to calibrate or replace meters. Sometimes it is caused by entering data incorrectly. Although addressing these data points requires different responses, automatic notifications will help staff and the water system's staff move toward accurate and useful data collection. We also agree that the three-year average leakage calculations should only use reliable data and identifying reliable data up front should address issues identified in the SAO's report.

We support the concept of making it easier for staff to understand water system compliance. While we may not be able to quickly establish automatic notifications in the database for both the accuracy of data and the non-compliance of water systems, we will start processes internally to regularly review the data for accuracy, work with utilities on establishing accurate information, and review the status of water system compliance annually.

### Action Steps and Time Frame

- Update data systems to indicate wholly clustered systems. *By December 31, 2027.*
  - Develop processes to review data for validity and accuracy until we can update our data system to provide automatic notifications. *By September 30, 2024.*
  - Contingent on funding of the workplan, update DOH's data system to ensure the three-year average leakage calculation uses only reliable information. *By December 31, 2027.*
  - Contingent on funding of the workplan, establish processes to regularly evaluate water system compliance with WUE requirements. *By September 30, 2025.*
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**SAO Recommendation 10:** To help municipal water suppliers improve water system efficiency and reduce water loss:

10. Pursue the possibility of implementing the 2017-2018 water use efficiency pilot project's four recommendations statewide.

**STATE RESPONSE:** We adopted the first recommendation of the 2017-2018 water use efficiency pilot's recommendations and approved the use of the American Water Works Association (AWWA) water audit methodology. We have included information on this methodology in our updated water system planning guidebook and will look to update the WUE guidebook accordingly.

We disagree with the report's recommendation for all water systems to use this methodology as it is not cost effective for DOH to provide continual necessary training for small water systems nor small systems to maintain trained staff to conduct the water audits.

### Action Steps and Time Frame

- Update Water Use Efficiency Guidebook 331-375. *By December 31, 2024.*
  - Contingent on funding of the workplan, create the Water Use Efficiency Guide for Small Water Systems. *By September 30, 2025.*
  - Contingent on funding of the workplan, publish guidance on Water Loss Control Action Planning (including best practices). *By June 30, 2026.*
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**SAO Recommendations 11-13:** To provide assistance to help municipal water suppliers minimize system water loss:

11. Fix all nonworking website links to information and assistance currently on its website, and ensure all information is accurate.
12. Develop a process to ensure website links are maintained with current and accurate information.
13. Develop an annual forum for water suppliers to share their knowledge and experiences.

**STATE RESPONSE:** We thank the auditors for their diligent review and feedback on this information. We have updated the website links to ensure they go to the right place. We recently hired staff who will have portions of their time dedicated to this program and be responsible for updating this information. Existing WUE program plans and supporting data are already proposed for updating (see SAO Recommendation 10).

We also developed a guidance document for staff to annually review all publications to ensure updated information and weblinks are maintained.

We will continue to support water suppliers to share their knowledge and experience through existing, reoccurring meetings and gatherings. Current forums such as the Drinking Water Advisory Group (DWAG) local purveyor groups, Washington Water Utility Council and other meetings are available for this work, and we encourage our staff to participate. The DWAG agenda is drafted with water utilities, and we will gather feedback on this agenda item for future meetings.

**Action Steps and Time Frame**

- Review and update, if necessary, the WUE webpages annually. *By April 30, 2024.*
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