



# on tap

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**CALIFORNIA WATER ASSOCIATION**  
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## MESSAGE FROM THE PRESIDENT

With the California Legislature in session, the California Water Association (CWA) has been hard at work tracking bills that could impact investor-owned water companies (IOWCs), writing letters to the bills’ authors and testifying at committee hearings. CWA also has been closely engaged with regulatory agencies on drought emergency regulations while participating in water forums and conferences in California and other states.

At the same time, IOWCs have been working diligently to ensure safe, reliable and high-quality water for their customers while implementing innovative ways to encourage customers to continue conserving water. For example, California Water Service – for the second year in a row – engaged students through its H<sub>2</sub>O Challenge, and California American Water held a highly successful Mulch Madness conservation event in Ventura County.

These accomplishments and more can be found in the following articles in this edition of *On Tap*:

- Customers Continue Conserving as CWA Recommends Changes to Extended Emergency Regulation
- CWA Weighs in on Pending California Legislation
- CPUC Recognizes IOWCs for Supplier Diversity Spending
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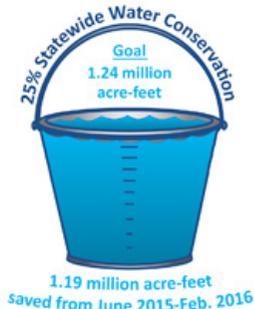
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To view *On Tap* in PDF format, [click here](#), or access the online version on CWA’s website at [www.calwaterassn.com](http://www.calwaterassn.com).

Sincerely,  
  
 Greg Milleman  
 California Water Service Company  
 2015-2016 CWA President

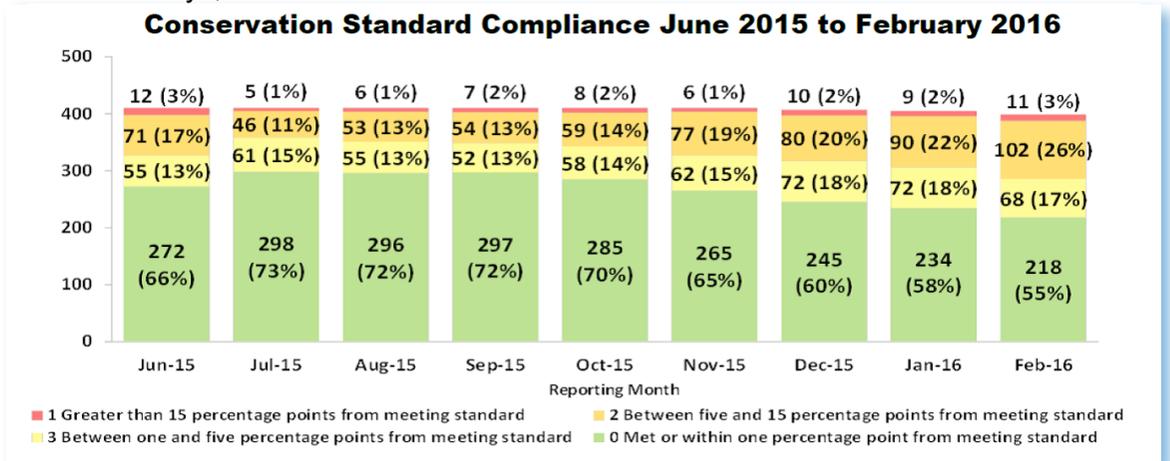
## LEGISLATIVE AND REGULATORY UPDATE

### CUSTOMERS CONTINUE CONSERVING AS CWA RECOMMENDS CHANGES TO EXTENDED EMERGENCY REGULATION



In April, the State Water Resources Control Board (SWRCB) announced that nearly 1.19 million acre-feet of water were conserved from June 2015 through February 2016, achieving 96 percent of the established goal of 1.24 million acre-feet of water. According to SWRCB's April 4 [media release](#), "Water saved during the nine-month period is enough to supply more than 5.9 million Californians for one year; this is approximately the combined population of San Diego, Riverside, and Tulare counties, or 15 percent of the state's population."

Although the statewide cumulative savings from June 2015 to February 2016 of 23.9 percent fell slightly short of Governor Brown's 25 percent mandate, SWRCB Chair Felicia Marcus was pleased with the results. "Twenty-four percent savings shows enormous effort and a recognition that everyone's effort matters. Californians rose to the occasion, reducing irrigation, fixing leaks, taking shorter showers, and saving our precious water resources in all sorts of ways," noted Marcus.



The customers of investor-owned water companies (IOWCs) certainly have done their part in conserving.

- Through February 2016, IOWCs averaged a 26.1-percent cumulative reduction in water production for customers, compared with the statewide average of 23.9 percent.
- IOWCs accounted for 18 percent of the total 1.19 million acre-feet savings statewide.
- Of the 59 IOWC reporting districts, 36 achieved their conservation targets – 43 were within one percentage point, 51 within five points and 59 within nine points.

#### *State Water Board Considers Changes to Emergency Regulation*

Prior to the release of the updated conservation figures, the California Water Association (CWA) weighed in on potential adjustments to the [Extended Emergency Regulation \(EER\)](#), adopted in February 2016.

Once again, CWA opposed permanent mandated reductions in water use, taking the position they are unnecessary once drought conditions subside. CWA applauded the SWRCB for including provisions in the EER allowing reductions in mandated conservation standards of up to 8 percent based on particular characteristics of a water system, but contended that further adjustments, based on local water supply conditions, are now warranted.

## LEGISLATIVE AND REGULATORY UPDATE

## CUSTOMERS CONTINUE CONSERVING AS CWA RECOMMENDS CHANGES TO EXTENDED EMERGENCY REGULATION...CONTINUED

Recognizing the impacts of 2016's El Niño were far more significant in Northern versus Southern or Central California, CWA agreed that caution should be employed in relaxing the EER. However, with improved conditions in Northern California and to help water suppliers maintain their credibility with customers, CWA urged the State Water Board to adopt a progressive approach in changing the EER, beginning with statewide actions, moving to regional actions and concluding with individual utility assessments:

- Continue promoting conservation efforts by all water users in California (statewide);
- Reduce the mandated conservation standards for all water systems by a percentage reflecting the alleviation of statewide drought conditions (statewide);
- Remove any caps on adjustments and credits allowed under the EER (statewide);
- Allow additional credits for water systems and regions that previously have made substantial long-term investments to augment water supplies (regional); and
- Allow further reductions in mandatory conservation standards for water suppliers that can show they are no longer subject to significant water supply constraints due replenished sources of supply (local/individual utility assessments).

CWA reiterated this progressive approach in an April 14 letter responding to the request for comments prior to SWRCB's Urban Water Conservation Workshop on April 20.

CWA recommended the measures above in addition to allowing local jurisdictions, such as the Santa Clara Valley Water District, to continue establishing local conservation requirements as appropriate.

In his February 23 Water Utilities Update to the Low-Income Oversight Board, Viet (Kevin) Truong of the California Public Utilities Commission's Division of Water and Audits noted that IOWCs are doing their share having contributed 180,000 acre-feet or 17 percent of the total water conserved from June through December 2015 of the total saved by all urban water suppliers in the state. Truong also highlighted California Water Service Company's and San Gabriel Water Company's recycled water projects as examples of drought-resilient supplies.



**Example of Drought Resilient Supply:  
Recycled Water Projects**

- Two Resolutions Adopted by CPUC on Feb. 11<sup>th</sup>
  - California Water Service Company (W-5078)
    - New recycled supply for Apple II Campus
      - 260 Acre Feet/Year
  - San Gabriel Valley Water Company (W-5079)
    - First phase expansion of existing recycled distribution system in El Monte
      - 660 AFY at build out

As IOWCs continue to implement conservation programs and projects, CWA will continue monitoring and commenting on regulatory changes. 

## LEGISLATIVE AND REGULATORY UPDATE

## CWA WEIGHS IN ON PENDING CALIFORNIA LEGISLATION

Since the beginning of January, the California Water Association (CWA) has submitted several letters to the authors of pending legislation in California.

CWA communicated its support of [AB 1928](#), introduced by Assembly Member Nora Campos, which proposes to postpone the State Energy Resources Conservation and Development Commission's (SERCDC) adoption of performance standards and labeling requirements for landscape irrigation controllers and moisture sensors until

January 1, 2018. The bill also would prohibit, on and after January 1, 2020, the sale of such equipment unless it meets the performance standards and labeling requirements. Additionally, AB 1928 would require the SERCDC, in adopting the standards and requirements, to consider developments in landscape irrigation efficiency occurring on or after January 1, 2010." The bill has passed its policy committee and is awaiting action in the Committee on Appropriations.



As highlighted in the March edition of *On Tap*, CWA is sponsoring AB 2874, which was authored by Assembly Member Beth Gaines. The bill relates to fees imposed by Groundwater Sustainability Agencies (GSAs) and the need to ensure that customers of water utilities regulated by the California Public Utilities Commission (CPUC) are protected by ensuring the CPUC is notified when a GSA is imposing costs that ultimately will be passed on to utility customers. The bill passed the Assembly Water, Parks and Wildlife Committee on April 12 with a vote of 14 to 0. AB 2874 has been re-referred to the Committee on Appropriations.

In its letter of support for [SB 919](#) to Senator Robert Hertzberg, CWA noted the bill "will support better coordination of California's renewable energy resources and demand for power by water suppliers." SB 919 creates an outlet for the excess electricity generated from the Renewables Portfolio Standards Program and incentivizes the development of local water supplies through desalination, brackish water desalting, water recycling or water reuse by decreasing the cost of electricity to those facilities. The bill passed the Senate Natural Resources and Water Committee unanimously on April 12 and is awaiting action in the Appropriations Committee.

CWA expressed support of [SB 930](#) in a letter to Senator Ted Gaines. This legislation would reinstate the recreational exemption for Bear Lake Reservoir. CWA explained that its member company, Lake Alpine Water Company (LAWC), "provides safe, clean and reliable drinking water to nearly 300 homes, 20 businesses and 179 condominium units in Bear Valley in Alpine County." Since LAWC sources drinking water from the Bear Lake Reservoir, which also is used for recreational activities, LAWC has a microfiltration system and robust monitoring program in place to ensure the water provided to customers meets all applicable drinking water standards. The bill passed the Senate on consent on April 28 and will move to the Assembly.

In a letter to Senator Ricardo Lara, author of SB 953, CWA expressed opposition to the

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## LEGISLATIVE AND REGULATORY UPDATE

### CWA WEIGHS IN ON PENDING CALIFORNIA LEGISLATION...CONTINUED

legislation, which would, among other things, require the board of directors (Board) of the Central Basin Municipal Water District to consist of five elected members and two members appointed by the Los Angeles County Board of Supervisors. CWA contended the Board members should not be chosen by the supervisors, which would create less accountability and transparency to the retail water utilities and their customers who will be affected by Board decisions. CWA further contended that Board members should be selected based on their expertise and experience in water industry matters and that customers in the Central Basin should have Board representation that is directly involved in the management of the Central Basin. The letter also cited the State Auditor's recommendation that the Board should comprise water purveyors. The bill currently is on the Appropriations Committee's suspense file.

CWA supported [SB 1112](#), Senator Anthony Cannella's bill, which would clarify how small water utilities sell assets under the CPUC's regulation. Of the 108 CPUC-regulated water companies, 94 would be subject to SB 1112. CWA emphasized that it had "worked constructively with the CPUC to draft the language that is included in the bill and believes this change will provide clarity regarding the sale of assets for regulated water or sewer systems with less than 2,000 service connections." SB 1112 passed the Energy, Utilities and Communications Committee unanimously on April 19 and is awaiting action in the Appropriations Committee.

Taking the position of "oppose unless amended," CWA noted in a letter to Senator Lois Wolk that [SB 1317](#) does not solve the problem of protecting California's aquifers. SB 1317 would prohibit new well construction in critically over-drafted basins and add a lengthy conditional-use-permit process for new well construction in high- and medium-priority basins. CWA's letter argued this would create difficulty for public water suppliers in meeting the drinking water needs of their customers and explained that suppliers must have the ability to quickly respond to changes in drinking water supplies, including drilling new wells. To ensure flexibility in providing safe, clean and reliable water for customers, CWA asked that public water suppliers be excluded from the new requirements. The bill is awaiting action in the Assembly Appropriations Committee.

Sponsored by CWA and authored by Senator Cathleen Galgiani, [SB 1456](#) passed out of the Senate Environmental Quality Committee on April 20 by a 7 to 0 vote and was re-referred to the Committee on Appropriations. The bill addresses loans made by the Drinking Water State Revolving Fund Program and the ability of CPUC-regulated small companies and districts to be eligible for the loan forgiveness provisions in the law. CWA's Public Policy Committee Chair Evan Jacobs, of California American Water, and CWA Executive Director Jack Hawks testified at the April 20 hearing.

As bills continue moving through the Legislature, CWA will track them and respond appropriately on behalf of its members and their customers. 

THE QUALITY & SERVICE FOCUS

CPUC RECOGNIZES IOWCS FOR SUPPLIER DIVERSITY SPENDING

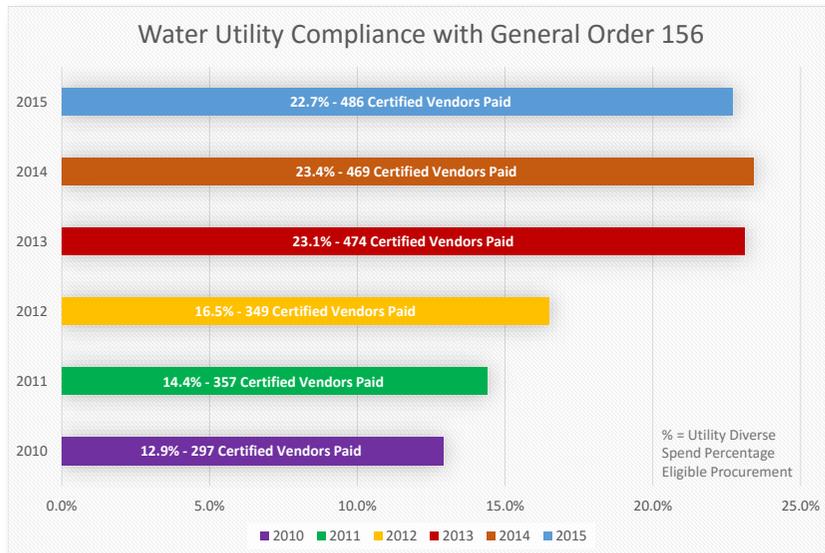
For the third consecutive year, the water utilities regulated by the California Public Utilities Commission (CPUC) achieved the CPUC’s goal under General Order 156 (GO 156), which established voluntary procurement goals for its regulated utilities (energy, telecom, water). The goals specify that 21.5 percent of the utilities’ contracting, sub-contracting and operational expenditures are to be transacted with women-owned (5 percent), minority-owned (15 percent) and disabled veteran-owned (1.5 percent) business enterprises (WMDVBES). According to mandatory annual reports filed with the CPUC in March, the regulated water utilities collectively had a “diverse spend” in 2015 of \$131.5 million or 22.7 percent of their total eligible procurement (\$579.4 million).

In a March 30, 2016, press release, the CPUC said that the utilities participating in its supplier diversity program had hit a new milestone of procuring more than \$8.9 billion in goods and services in 2015 from WMDVBES. Of the more than 30 companies participating in the supplier diversity program, the two Liberty Utilities’ water company subsidiaries, Park Water Company and Apple Valley Ranchos Water Company, were called out as one of the utilities having done the most business with diverse firms, reporting 39.9 percent of their procurement with was WMDVBES.

“I’m really pleased that we had another good year of utility spending with diverse businesses, which are by and large small businesses,” said CPUC President Michael Picker. “Year after year the utilities have been steadily increasing their financial commitment to diverse firms; in large part because it’s a prudent financial decision and helps bring prosperity and jobs to the communities where consumers live and work.”

A significant milestone in 2015 was the inclusion of lesbian, gay, bisexual and/or transgender (LGBT) businesses in the supplier diversity program. Assembly Bill 1678 (Gordon) extended the provisions of GO 156 to LGBT-owned businesses, and the CPUC formalized its inclusion into GO 156 in 2015. Water utilities were ahead of the 2016 timeline for reporting this spend. However, to not detract from the original components of the 21.5 percent overall goal, the spend with LGBT could be reported, but not considered, in the 21.5 percent target.

While the collective percentage achieved by water utilities in 2015 was slightly lower than in 2014 at 23.4 percent (principally because of an accounting switch from an accrual to a cash basis required by the CPUC), the use of certified diverse business enterprises increased in 2015 to 486 vendors from 469 in 2014 (see accompanying chart).



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## THE QUALITY & SERVICE FOCUS

### WATER UTILITIES MAINTAIN COMPLIANCE WITH LEAD AND COPPER RULE

With the recent prevalence of media coverage about high lead levels in Flint, Michigan's drinking water, customers of California's investor-owned water companies (IOWCs) may be concerned about the quality of their drinking water. According to California's State Water Resources Control Board (SWRCB), lead service lines are uncommon in the state, and IOWCs employ corrosion control practices to prevent lead from leaching into tap water.

California's IOWCs are required to monitor water supplies for several potential contaminants, including lead and copper. They also are required to provide information about the quality of the drinking water they provide. The information is commonly included in the annual [Consumer Confidence Reports](#).

In addition, the SWRCB enforces the [Lead and Copper Rule](#) (the Rule) through its Division of Drinking Water (DDW). California's Rule follows the U.S. Environmental Protection Agency's (EPA) [Lead and Copper Rule](#), which is intended to protect public drinking water from metals that can adversely affect health. The EPA recently issued recommendations to enhance oversight of implementing the Lead and Copper Rule, communicate better with consumers and clarify recommended tap-sampling procedures.

Based on data from the SWRCB's [DDW](#), California's water systems consistently meet state and federal standards. The IOWCs lead the way in infrastructure improvements in the state, including replacing water mains, building and refurbishing water tanks and reservoirs and constructing new wells and pump stations. They also are committed to working with state regulators to continue providing safe, high-quality and reliable drinking water to their customers.

For more information about drinking water and lead testing in California, consumers can call their local water suppliers or the EPA Safe Drinking Water Hotline at (800) 426-4791 or refer to the Association of California Water Agencies [fact sheet](#) and the US EPA's [drinking water rules](#). 



## MEMBER SPOTLIGHT

## LIBERTY UTILITIES EXPANDS WATER OPERATIONS TO CALIFORNIA

In January, Liberty Utilities, a water, electric, and natural gas utility serving more than 560,000 customers across the United States, expanded its water



**Liberty Utilities**<sup>®</sup>

distribution service into California with the acquisition of Park Water Company (Park Water) and subsidiary, Apple Valley Ranchos Water Company (Apple Valley). Collectively, Park Water and Apple Valley serve approximately 51,000 customer connections with more than 700 miles of distribution mains in southeast Los Angeles County, Apple Valley and Victorville. Liberty Utilities is an experienced owner and operator of water utilities in Arizona, Arkansas, Illinois, Missouri and Texas and already operates an electric utility in California that serves the Lake Tahoe region.

Liberty Utilities has been working hard to ensure the change in ownership of Park Water and Apple Valley is as seamless as possible for its customers. The process started shortly after the initial acquisition agreement was announced in September 2014. In January, Liberty sent a welcome letter reassuring customers of its commitment to providing safe and reliable drinking water and to serving local communities. Rebranding the office and fleet was accomplished smoothly, while business locations, hours, phone numbers and website capabilities remained unchanged.

When asked about challenges Liberty has faced with the acquisition, Greg Sorensen, President of Liberty Utilities-California, said, “In recent years, operating a water utility in California has been challenging for all water utilities due to the drought. We’re looking forward to facing this challenge with the skills and expertise of our fantastic California employees. With an emphasis on safety, employees and customers, the transition has gone quite smoothly so far. We have a lot of great people in California, and they have taken on the change with a positive attitude.”

The biggest external obstacle to the transition has been the Town of Apple Valley’s condemnation activities aimed at acquiring the water system. Liberty continues to work through the legal process to defend its utility and support local employees, while striving to maintain a positive working relationship with the town and its staff.

Liberty’s membership in the California Water Association has helped the company align its business with state regulations and industry standards and keep abreast of the latest news. CWA provides Liberty with opportunities to interact with other California water utilities, sharing best practices and learning from one another. The association also provides a platform for promoting sound water policy through interaction with regulatory agencies and legislators as well as opportunities for educating the public on the protection and efficient use of precious water resources.

“Liberty Utilities is pleased to take our first step into the water industry in California,” said Sorensen. “We look forward to being a part of the California Water Association and working with our peers, regulators, and customers to strengthen the capabilities of California to meet its future water challenges.” 

## MEMBER SPOTLIGHT

CAL WATER'S 2016 H<sub>2</sub>O CHALLENGE WINNERS ANNOUNCED

California Water Service (Cal Water) recently announced the 2016 winners of the company's H<sub>2</sub>O Challenge, a project-based, environmentally focused competition for grades four through six in schools served by Cal Water. The competition challenges students to learn the foundations of science through environmental education, while creating projects that raise awareness of environmental principles, particularly water conservation.

This year's grand prize was awarded to sixth graders from Downtown Elementary School in Bakersfield, CA for their project titled, "Greywater as an Alternative Water Source." After identifying lawn watering as contributing to local high water usage, the class tested and demonstrated the advantages of using a 50/50 mix of greywater and fresh water to help meet state-mandated water conservation targets.



*Grand-Prize Winners: Sixth-Graders at Downtown Elementary School, Bakersfield, CA*

The students planted sod in boxes they designed and built to determine the ideal percentages of greywater versus fresh water. They also developed brochures and a presentation board to raise awareness of water conservation in their school and community. The class received a \$3,500 grant as well as a camping trip to the Santa Monica Mountains through the NatureBridge education program. In addition, all H<sub>2</sub>O Challenge participants received a Cal Water prize pack with official certificates for students and plaques and AMEX gift cards for their teachers.



*Downtown Elementary School Students' Planter Boxes*



*Second-Place Winners: Fifth-Graders at Murdock Elementary School, Willows, CA*

Fifth-graders at Murdock Elementary School in Willows, CA earned second place for designing a rain-collection and timed-watering system for the school's 7,500-square-foot native-plant garden. They also produced water-saving YouTube videos on showering, hand washing and teeth brushing. The class won a \$2,500 grant and pizza party for their project titled, "Water Wise...Because Every Drop Counts."

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## MEMBER SPOTLIGHT

## CAL WATER'S 2016 H<sub>2</sub>O CHALLENGE WINNERS ANNOUNCED...CONTINUED

Third place was awarded to another fifth-grade class at Murdock Elementary School for their "Solution to Pollution" campaign banning the use of plastic water bottles on the school campus. They donated proceeds from the sale of reusable water bottles to organizations providing clean drinking water to developing countries. The students also conducted a water pollution survey in the community, designed the reusable water bottles, wrote letters to local grocery stores encouraging a ban on plastic bags and wrote to the local newspaper urging the community to dispose of used motor oil properly. The class received a \$2,000 grant for their project.

### THE SOLUTION TO POLLUTION



*Third-Place Winners: Fifth-Graders at Murdock Elementary School, Willows, CA*

Sixth-graders from Shannon Ranch Elementary School in Visalia, CA took fourth place for their "Save Our Water!" project, winning a \$1,000 grant for designing a pamphlet on local water issues and water conservation strategies. The students researched local water issues and conservation strategies and engaged with several experts. They distributed their pamphlet to approximately 1,000 households.



*Fourth-Place Winners' Save-Our-Water Pamphlet by Sixth-Graders at Shannon Ranch Elementary School, Visalia, CA*

In a press release, Cal Water President and CEO Martin A. Kropelnicki noted, "The creative energy the students and teachers at these three elementary schools put into their projects inspire us at Cal Water. The classes demonstrate to us at this pivotal and critical time of water conservation that we can always work together to ensure that our communities can still enjoy an excellent quality of life when we all think wisely about our water use."

Cal Water's H<sub>2</sub>O Challenge was designed in partnership with the [North American Association for Environmental Education](#) and the [WestEd K-12 Alliance](#) and aligns with the [Common Core State Standards](#) and the [Next Generation Science Standards](#). 

## MEMBER SPOTLIGHT

## CALIFORNIA AMERICAN WATER'S MULCH MADNESS A GREAT SUCCESS

California American Water's (CAW) Mulch Madness event on Saturday, April 2 in Thousand Oaks was a great success! CAW partnered with Conejo Recreation and Park District (CRPD) on the location and gave the leftover mulch to CRPD for their parks. More than 200 customers lined up in trucks and other vehicles to get up to one cubic yard of mulch. Options included picking up pre-bagged mulch, having mulch loaded into customers' trucks or bagging the mulch themselves. CAW also gave away 133 rain barrels to Mulch Madness participants.



*Attendees at CAW's Mulch Madness*



*CAW Gave Away 133 Rain Barrels*

CAW's vendor sponsored a free raffle for all attendees. Prizes included a low-flow Niagara Stealth Toilet for first place, a \$50 Lowe's gift card for second place and a \$25 Starbucks gift card for third place. Due to the success of the event, CAW is considering additional Mulch Madness events in its other districts 



*Mulch Madness*

## POINTS OF INTEREST

## CWA MODERATES PANEL AT AWWA CA-NV CONFERENCE

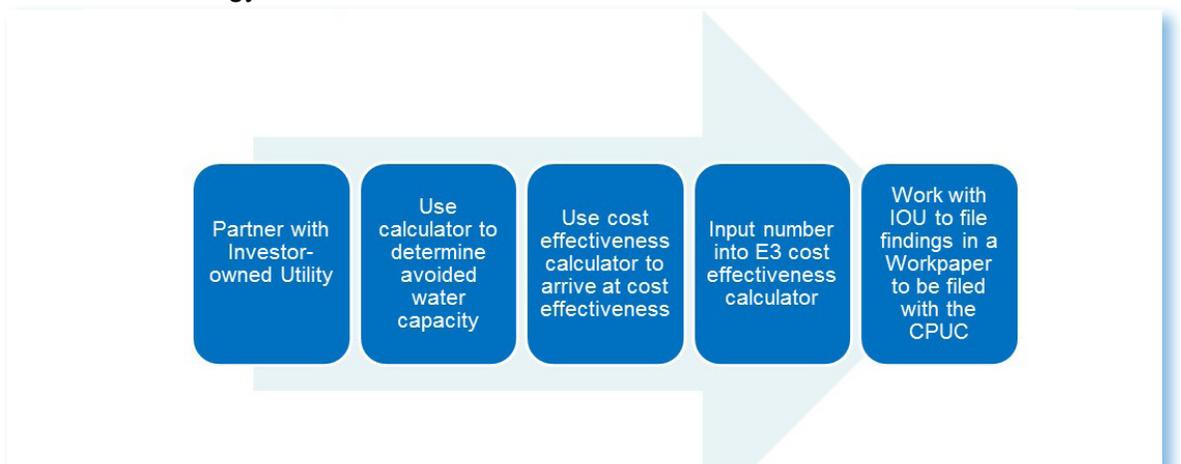
On March 22, California Water Association (CWA) Executive Director Jack Hawks moderated a water-energy nexus panel at the American Water Works Association California-Nevada Section conference in Sacramento. Panel members included Rory Cox, Energy Analyst, California Public Utilities Commission (CPUC); Mangesh Basarkar, Principal Product Manager, Emerging Technologies, Pacific Gas & Electric (PG&E); Richard Harris, Manager of Water Conservation, East Bay Municipal Utilities District (EBMUD); David Mercer, AMI Technology Project Manager, SoCal Gas; Monique Delmar, Shared Network Pilots Project Manager, SoCal Gas; Dave LaJeunesse, Sales Director, Aclara; and Christine Boyle, Ph.D., Founder and CEO, Valor Water Analytics.

The panel focused on the CPUC's comprehensive [water-energy rulemaking](#), the first phase of which culminated in a sophisticated method of quantifying the benefits of water utilities' water-saving programs. Two tools resulting from the rulemaking – an avoided water capacity cost calculator and a water-energy cost calculator – allow water agencies and energy utilities to factor both hot- and cold-water savings into the CPUC's energy-efficiency programs.

The first objective of the panel was to acquaint water agencies with the ability to assess the cost-effectiveness of their water-saving programs. The second objective focused on phase two of the CPUC's rulemaking, which includes three tracks that will:

1. Make adjustments to the water-energy calculator based on real-life experience;
2. Initiate pilot programs with commercial, industrial and agricultural customers to take advantage of "energy matinee pricing," which promotes the use of renewable energy and low-water use power generation when it is most available on the electric transmission grid; and
3. Direct energy utilities to develop pilot programs enabling water agencies in their service territories to partner with/piggyback onto the electric or gas companies' existing advanced metering infrastructure (AMI) infrastructure.

Rory Cox outlined several key components of the CPUC's water-energy nexus decision in his presentation titled, [Quantifying Water-Energy Savings](#). Cox discussed how the water sector can save energy and reduce greenhouse gas emissions through various energy-efficiency programs and partnerships. He concluded with an in-depth analysis of phase two of the water-energy rulemaking, including advanced meter utilization, matinee pricing tariffs, improvements to the water-energy calculator and the possibility of adding telecom to the water-energy nexus.



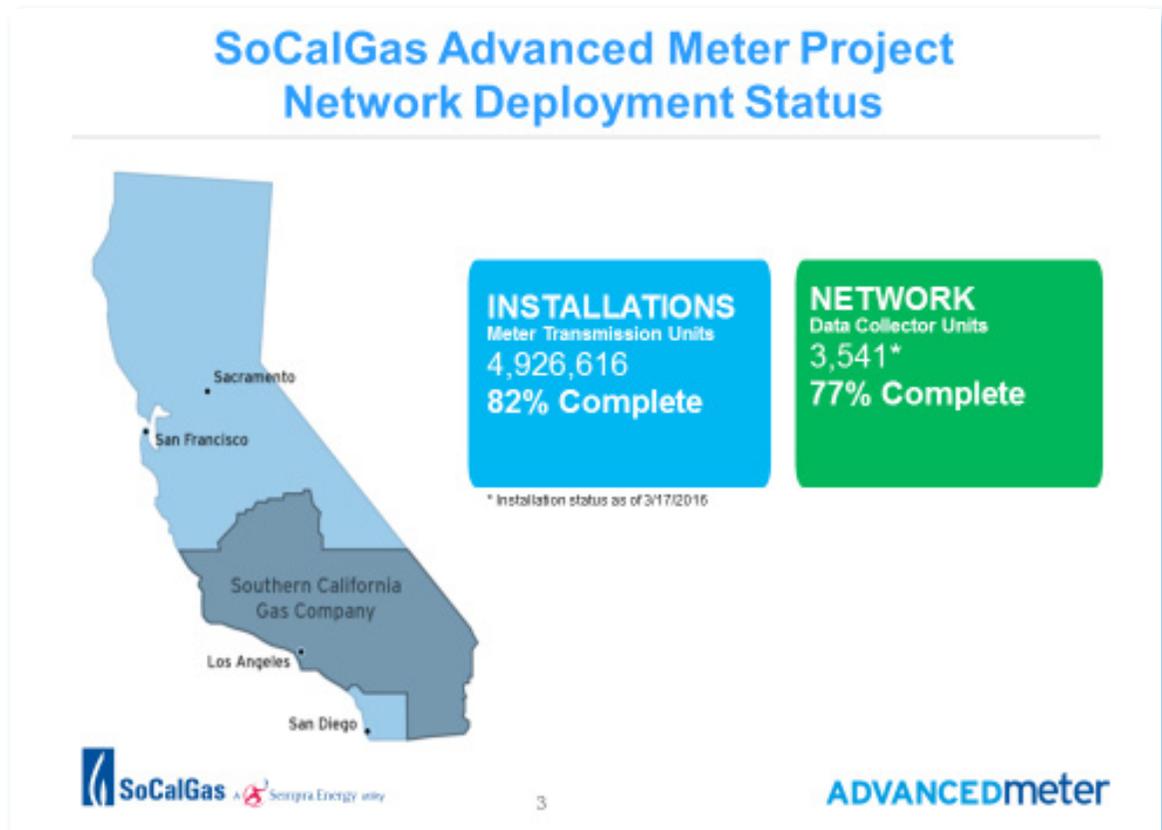
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POINTS OF INTEREST

**CWA MODERATES PANEL AT AWWA CA-NV CONFERENCE...CONTINUED**

Since the State Water Resources Control Board’s emergency drought regulations have resulted in a huge increase in customer awareness of water usage, customers are clamoring to know their real-time water usage to avoid paying penalties or surcharges. It is no longer feasible for customers to wait 30 to 60 billing-cycle days to find out how much water they’ve used; therefore, the CPUC and water industry are looking at ways to solve this problem. AMI could be part of the solution.

SoCalGas’s [presentation](#) highlighted its water-energy nexus AMI pilot program. The company is upgrading existing natural gas meters to advanced meters that will automatically read and transmit hourly gas usage information on a next-day basis. SoCalGas’s shared network service also will transmit meter and sensor data for other utilities, including San Gabriel Valley Water Company (SGVWC), within its service area. The pilot project will include 500 endpoints for SGVWC in San Gabriel Valley and Fontana.



Key partners on the pilot include Aclara, which will provide meter transmission units, integration services and technical support to the water utility, and Valor Water Analytics providing analytics services.

The panel concluded with PG&E’s and EBMUD’s [presentation](#), which highlighted the companies’ AMI-based water-energy residential behavioral study pilot project, a collaboration with the University of California, Davis. The pilot includes treatment and control groups of up to 5,000 residential meters each that will be connected to EBMUD’s AMI network. The treatment group will receive targeted AMI data, messaging by way of home water and energy reports, an AMI WaterSmart Toolbox to electronically communicate with customers and landscape water budgets. In addition, all customers will receive water conservation services.

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POINTS OF INTEREST

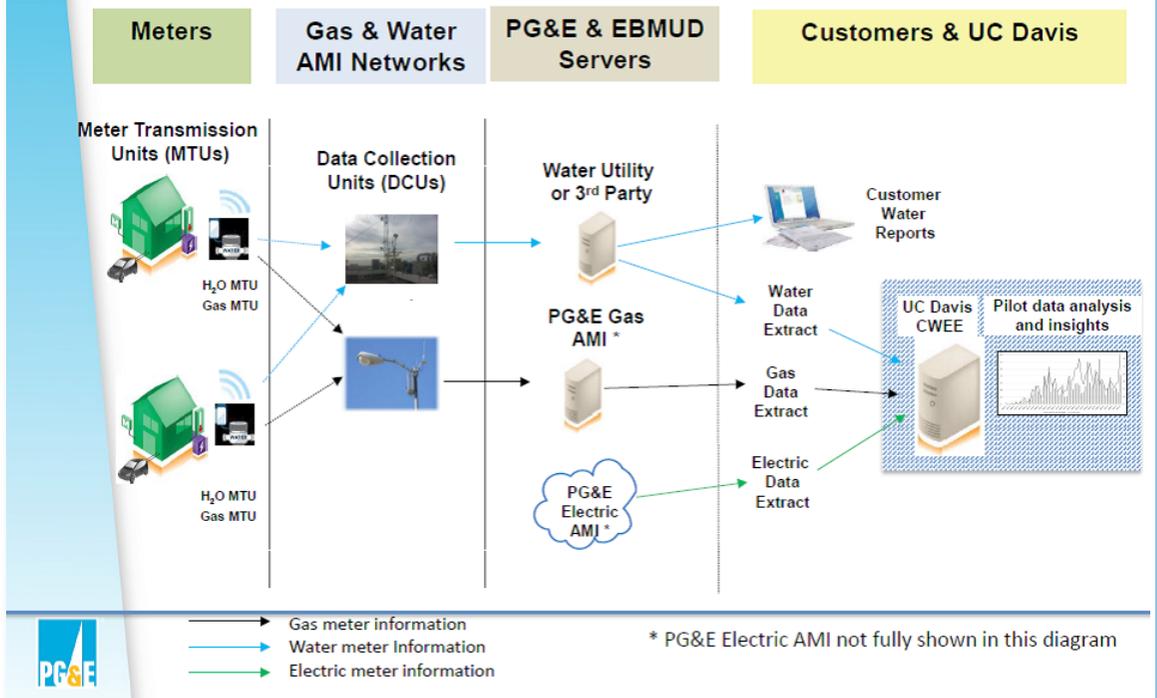
CWA MODERATES PANEL AT AWWA CA-NV CONFERENCE...CONTINUED

San Gabriel Valley Water Company – Pilot Details



- Territory covered
  - San Gabriel Valley - 48,000 meters, conservation target of 16%
  - Fontana - 45,000 meters, conservation target of 28%
- Planning to pilot 500 endpoints between these two areas
  - Pilot installations targeted for Q2 2016
  - Focus on proving technology, impacts on service operations, costs, benefits
  - Includes consumer engagement program to help customers manage usage, comply with state mandates
  - Includes analytics software to identify losses on the customer side of the meter
  - No integration with billing system at this time – will continue to read meters during the pilot

Proposed Information Flow



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POINTS OF INTEREST

CWA MODERATES PANEL AT AWWA CA-NV CONFERENCE...CONTINUED

### EBMUD AMI WaterSmart Toolbox

User Lookup Account #123452

#### Daily Water Usage

Daily usage for September 2010

Day	Water Use (Gallons)
01	650
02	450
03	350
04	350
05	100
06	500
07	500
08	600
09	450
10	550
11	550
12	250
13	550
14	550
15	550
16	550
17	550
18	600
19	250
20	550
21	550
22	600
23	550
24	550
25	550
26	550
27	100
28	400
29	100
30	100

#### Climate

Day	Temperature	Precip. (in)
1	95	0
4	95	0
7	85	0
10	95	0
13	85	0
16	85	0
19	85	0
22	85	0
25	95	0
28	95	0.5

#### Quick View

Yearly Monthly Daily Hourly

Table View

#### Climate

Temperature

Precipitation

#### Settings

Daily Limit: ON

Alert sent at 500 Gallons

Leak Detection: ON

Threshold set at 10 Gallons

#### Download Report

Enter timeframe

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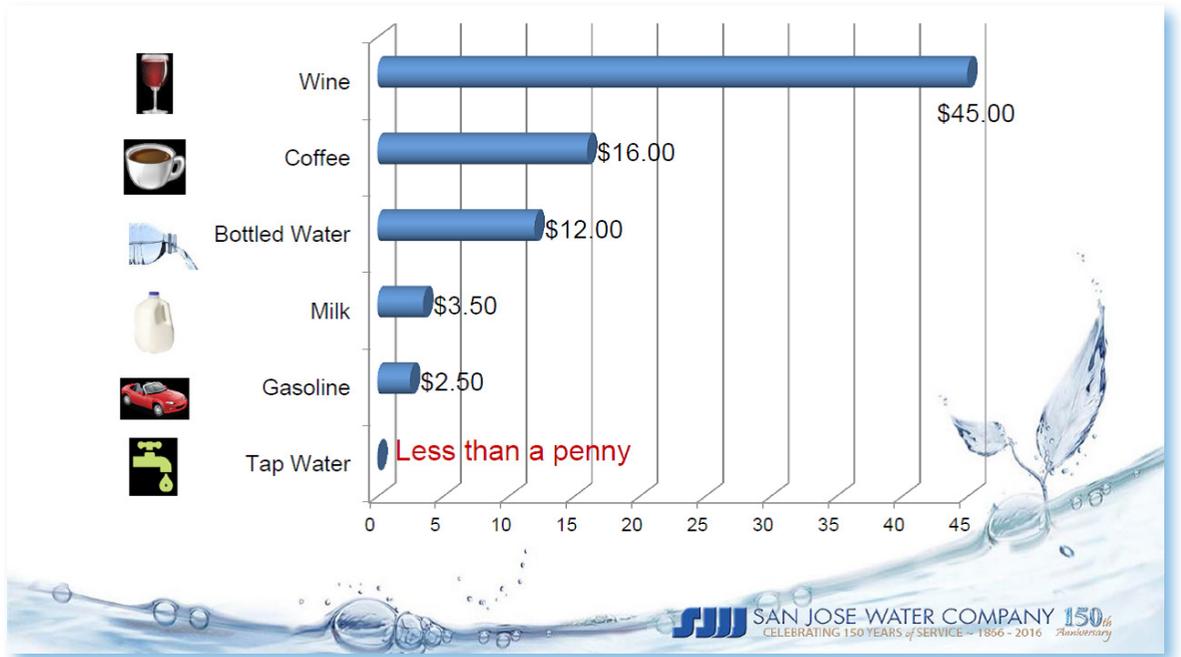
POINTS OF INTEREST

**CALIFORNIA IOWCS TAKE PART IN NAWC STAFF WATER POLICY FORUM IN ALBUQUERQUE**

John Tang, Vice President Government Relations & Corporate Communications, San Jose Water Company (SJWC), and Jack Hawks, Executive Director, California Water Association (CWA), presented at the National Association of Water Companies' (NAWC) 2016 Staff Water Policy Forum (Forum) in Albuquerque at the end of March.

The Forum attracted attendees from across the U.S. and touched on topics such as adapting regulations to current challenges; the value of water; the cost of compliance and strategies for new environmental regulations; funding future investment and the role of regulation; and more. NAWC also shared its [2014 Staff Water Policy Forum Report](#).

Tang's presentation focused on communicating the value of water. He discussed challenges associated with aging water systems, rate impacts and customer pushback as well as opportunities to leverage technology, build coalitions and proactively deliver messages tied to the value of water. He encouraged attendees to know their story, communicate effectively and leverage technology. He also outlined various methods SJWC employs to communicate with customers about the value of water versus the actual cost of water, including infographics, videos and social media.

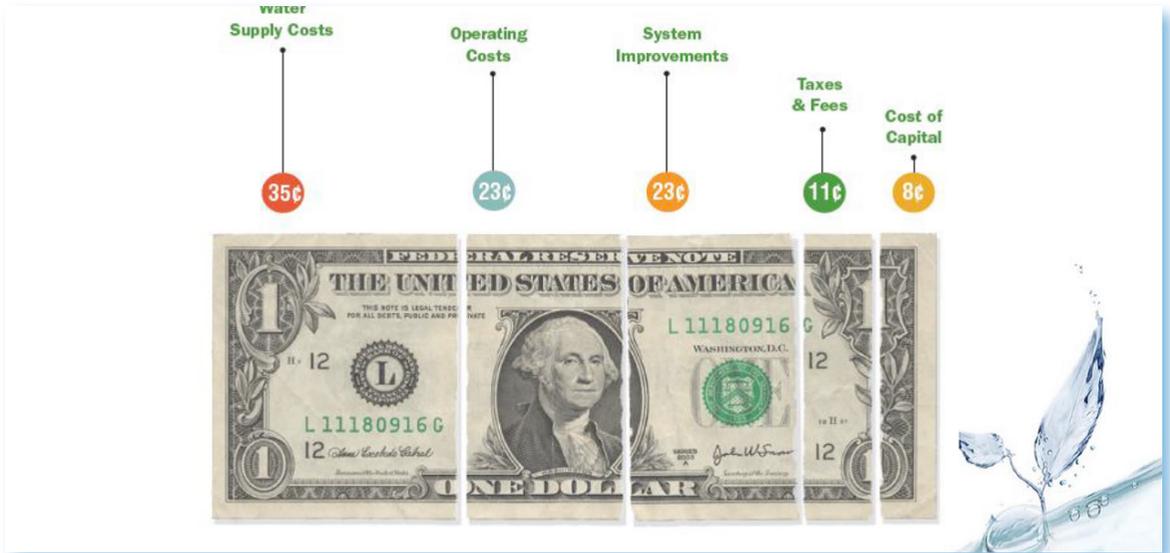


Tang concluded by sharing guidance on communicating the value of water, including establishing it as a core competency, investing for the long term, tackling and initiating difficult conversations and continuously improving and enhancing communications. He encouraged attendees to “enjoy the journey.”

POINTS OF INTEREST

CALIFORNIA IOWCS TAKE PART IN NAWC STAFF WATER POLICY FORUM IN ALBUQUERQUE

...CONTINUED



Hawks launched his presentation with a “snapshot” of California’s investor-owned water companies followed by a focus on small water company challenges and consolidations. He listed their “commonalities,” noting most are barely solvent, have subsidized and depreciated their systems, are reluctant to invest and raise rates, are sincere about water quality compliance yet uncomfortable dealing with public utilities commissions (PUCs); and need regulatory assistance. He also noted that since most are not staffed by Millennials, Gen Xers and late Baby Boomers, 21st Century communication is not their friend.

**California Water Association**

### CWA Overview

- 108 Regulated Water IOUs
  - 9 Class A water utilities (> 10,000 connections)
  - 5 Class B water utilities (>2,000)
  - 24 Class C water utilities (> 500)
  - 70 Class D water utilities (< 500)
- 1.5 Million Customers
- \$1.4 billion annual revenues
- 6 Million Served

**INVESTOR-OWNED WATER COMPANIES IN CALIFORNIA**  
 Nearly six million people in California are served by investor-owned water companies.

**CLASS A WATER COMPANIES**  
 Headline Utilities  
 All Water Company Customer Service Areas

**CLASS A WATER COMPANIES CUSTOMER SERVICE AREAS**  
 Minimum 100,000 Service Connections

**CLASS B WATER COMPANIES**  
 2,000 - 100,000 Service Connections

**CLASS C WATER COMPANIES**  
 500 - 2,000 Service Connections

**CLASS D WATER COMPANIES**  
 Less Than 500 Service Connections

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## POINTS OF INTEREST

**CALIFORNIA IOWCS TAKE PART IN NAWC STAFF WATER POLICY FORUM IN ALBUQUERQUE****...CONTINUED**

Hawks outlined several best practices for small companies, some of which included simplified rate applications, electronic filing procedures, PUC staff-assisted rate cases, cost-of-living adjustments, simplified rate-of-return and emergency infrastructure fund-rate mechanisms and innovative general management policies.

He also shared best practices for regulators, including those adopted by the California Public Utilities Commission (CPUC). Some of these include increasingly simplified rate applications for Class B, C and D water companies, electronic filings, staff-assisted support shared with CWA, fixed-cost recovery, public participation meetings and keeping rates and costs as current as possible.

Hawks explained CPUC acquisition incentives and talked about small water system consolidations. He referred to Senate Bill 88, enacted in June 2015, that authorized California's State Water Resources Control Board to order the consolidation of a troubled water system based on specific criteria. SB 88 also limits the liability of the acquiring utility.

Hawks concluded with a discussion of recent trends in California, stating that the CPUC has dramatically reduced the timing of small company rate cases from 12 to 18 months to four to six months. He also emphasized that CWA's Regulatory Assistance Program is going strong, and revenue protection is now a number-one priority. With 15 acquisitions by Class A and B companies in the past 18 months, challenges remain...however, improvements are happening. 🌍

POINTS OF INTEREST

DON'T MISS CWA'S 2016 SPRING CONFERENCE



Join state and national water experts as they tackle the theme of “Improving Our Water IQ” at California Water Association’s 2016 Spring Conference on May 18-20 at the Citizen Hotel in Sacramento. The conference will feature topics such as “IOUs and GSAs – One Year Later,” “Water IOUs – Doing Their Part” and “Keeping Drought Communications Fresh” as well as a roundup of the 2016 state Legislative session. Senator Fran Pavley, Chair, Senate Natural Resources and Water Committee, will deliver the opening keynote address, and Frances Spivy-Weber, Vice-Chair, State Water Resources Control Board, will speak during lunch about What’s Ahead for Urban Water Conservation Regulation. 📺

**Register Today!**

