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on tap



CALIFORNIA WATER ASSOCIATION

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MESSAGE FROM THE PRESIDENT

In the wake of Governor Brown's April 7 [Executive Order](#) rescinding the drought emergency for all but four California counties, investor-owned water companies continue to lead the way, providing efficient, safe, reliable and high-quality water to their customers. Additionally, they have responded to local emergencies and are improving infrastructure and services. Meanwhile, the California Water Association (CWA) is actively monitoring and participating in the development of bills introduced during the current legislative session, while testifying at regulatory policy hearings on behalf of CWA members and their customers.

This edition of *On Tap* highlights those accomplishments as well as CWA members' participation on boards and at conferences as they partner with others to improve the delivery of quality water for Californians. This month's articles include:

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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.

Sincerely,

Lawrence M. Morales

Lawrence M. Morales
East Pasadena Water Company
2017-2018 CWA President

For Instant CWA News:



California
Water
Association



QUESTIONS?

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LEGISLATIVE AND REGULATORY UPDATE

CWA TESTIFIES IN SUPPORT OF PUBLIC HEALTH,
WATER-USE EFFICIENCY BILLS

Water Use Efficiency

Making Water Conservation a California Way of Life

At separate hearings on April 25, 2017, California Water Association (CWA) representatives testified in support of bills implementing Governor Brown's April 7 Executive Order B-40-17, "Making Water Conservation a California Way of Life," and requiring the State Water Resources Control Board (SWRCB) to promulgate regulations on the testing and certification of backflow prevention assembly testers.

Water-Use Efficiency Bills

Beginning with a special hearing of the Assembly Water, Parks and Wildlife Committee (WP&W), CWA Executive Director Jack Hawks expressed the association's support for two bills introduced by Assembly Member Blanca Rubio (D-West Covina), AB 968 and AB 1654. Both bills would implement the provisions in "Making Conservation a California Way of Life," the final report issued by the Brown Administration on April 7. calling for permanent water-use efficiency and conservation regulations.

AB 968 would set new water-use efficiency targets for water suppliers to achieve by 2025, in the form of annual aggregate water consumption limits equal to the sum of retail indoor and outdoor usage, plus other variables, including water loss and water-use variances that are particular to a given utility's service area. The bill would make water-use efficiency a way of life in California in a manner that accounts for local conditions, while also recognizing and incentivizing sustainable, balanced approaches to water management. AB 968 would establish a collaborative stakeholder process to continue improvement in water-use efficiency beyond 2025.

AB 1654 would enhance existing reporting and drought response requirements related to water shortage contingency analyses. Under the bill, urban retail water suppliers ("water suppliers") would report annually to the Department of Water Resources on the status of their water supplies for that year and whether supplies will be adequate to meet projected customer demand. If supplies are not adequate to meet demand, the water supplier would be required to implement the appropriate responses, as described in their water shortage contingency analysis. AB 1654 also would prohibit a water supplier from being required to reduce its use or reliance on any water supply available beyond the steps specified in its water shortage contingency analysis, thereby protecting water suppliers' and their customers' investments in resilient water supply sources.

CWA joined the Association of California Water Agencies (ACWA), the California Municipal Utilities Association (CMUA), the California Special Districts Association, the California-Nevada Section of the American Water Works Association (CA-NV AWWA) and CalDesal in separate coalition letters on April 14 expressing support for AB 968 and AB 1654. Both bills passed the WP&W Committee and will be heard next in the Assembly Appropriations Committee.

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LEGISLATIVE AND REGULATORY UPDATE

CWA TESTIFIES IN SUPPORT OF PUBLIC HEALTH, WATER-USE EFFICIENCY BILLS...CONTINUED

Backflow Prevention/Public Health Bills

Along with ACWA, CMUA and CA-NV AWWA, CWA is a co-sponsor of AB 1671, a bill introduced by Assembly Member Anna Caballero (D-Salinas) that would require the SWRCB to complete revisions to the cross-connection control regulations contained in the California Code of Regulations (CCR) Title 17 by January 1, 2020.

Backflow prevention devices are used to prevent contaminated fluids from entering a utility's drinking water supply system. This is a critical public health responsibility because a broken or failed backflow system can easily result in contamination of a public water supply leading to a public health incident. Accordingly, the proper testing of backflow prevention devices is crucial to the prevention of backflow contamination and is a cornerstone of a properly managed cross-connection control program.

To ensure that testing and maintenance of backflow prevention devices are performed by qualified persons, California law authorizes local health officers to maintain programs for certification of backflow prevention device testers. Additionally, regulation requires backflow preventers to be tested by persons who have demonstrated their competency in the testing of these devices to the local water utility or local health agency. Because the water system is responsible for the damage caused by such a failure, public water systems are responsible for hiring testers who have "demonstrated their competency."

The core regulatory requirements for backflow prevention are contained in CCR Title 17 and were promulgated in 1987. The most recent guidance manual was written in 1988. These outdated regulations have resulted in uncertainty for the backflow prevention device testers and those who hire them. Updating the cross-connection control regulations with the participation and input of drinking water industry representatives, as intended by AB 1671, would result in improved guidance on the competency requirements for backflow prevention device testers.

The bill was heard April 25, 2017, in the Assembly Environmental Safety and Toxic Materials Committee, and it passed unanimously. Golden State Water Company's Manager of Water Quality Dawn White and Chair of CWA's Water Quality Committee represented CWA at the hearing and testified in support of AB 1671. The bill will be heard next in the Assembly Appropriations Committee later in May. 

LEGISLATIVE AND REGULATORY UPDATE

CWA TAKES ACTION ON PROPOSED STATE LEGISLATION AFFECTING WATER UTILITIES AND THEIR CUSTOMERS



To ensure California Water Association (CWA) members can continue providing customers with safe, reliable and high-quality water, CWA is taking action on proposed state legislation by writing letters and testifying at committee hearings. Below is a summary of several bills on which CWA filed position letters in March and April.

CWA submitted a letter of **Support** to Assembly Member Bill Quirk on [AB 474](#) (Garcia): **Hazardous Waste: Spent Brine Solutions**. This bill would exempt spent brine solutions, which are byproducts of groundwater treatment, from California drinking water standards if certain conditions are met. It also would permit a cost-effective and environmentally beneficial means of treating the waste products.

In a letter to Assembly Member Eduardo Garcia, CWA expressed **Support** of [AB 196](#) (Bigelow): **Greenhouse Gas Reduction Fund: Water Supply and Wastewater Systems**. This bill would authorize the use of the Greenhouse Gas Reduction Fund for electric pump efficiency, water and wastewater systems, pump and pump motor efficiency improvements and drinking water transmission and distribution systems' water loss if the investment furthers the regulatory intent of the California Global Warming Solutions Act of 2006.

Taking a position of **Support, if Amended**, CWA sent a letter to Assembly Member Eduardo Garcia on [AB 554](#) (Cunningham): **Desalination: Statewide Goal**. The bill would establish a goal to desalinate 300,000 acre-feet of drinking water per year by 2025 and 500,000 acre-feet per year by the year 2030. Agreeing with the proposed goals, CWA requested that "public water suppliers," a defined term in California Code, replace "local and regional water suppliers" in line nine of the bill.

In a letter to Assembly Member Eduardo Garcia on [AB 321](#) (Mathis): **Groundwater Sustainability Plans**, CWA indicated **Support** of the bill, **if amended**, to include "water corporations regulated by the public utilities commission" among those solicited by the groundwater sustainability agency to participate in the groundwater basin prior to and during the development and implementation of the Groundwater Management Plan.

CWA took an **Oppose** position on [AB 672](#) (Jones-Sawyer): **Utility Services** in a letter to Assembly Member Mark Stone. The bill would amend existing law authorizing an electrical, gas or water corporation or public agency to bring a civil action for damages against any person who commits, authorizes, solicits, aids, abets or attempts, among other things, the diversion of utility services. The bill would authorize, in such a civil action, the "prevailing party," rather than "the utility," to recover "actual damages," instead of "three times the amount of actual damages," plus the costs of the suit and reasonable attorneys' fees. In its opposition letter, CWA indicated the bill would "have the perverse effect of condoning the diversion (i.e., theft) of utility services because the penalty for theft would be limited to actual damages, rather than treble damages" and "create a disincentive for utilities to pursue civil actions against guilty parties because of the potential that an adverse finding not only would deprive the utility of its actual damages, but also would force the utility to absorb the litigation and attorneys' costs as well as the cost of the lost utility service." 

THE QUALITY & SERVICE FOCUS

CAL WATER BREAKS GROUND ON FIRST ELEVATED STORAGE TANK RISK MANAGEMENT PLAN PROJECT

In 2009, California Water Service (Cal Water) began to assess whether its 18 elevated water storage tanks were still necessary. In the past, storage tanks were vital to maintaining consistent pressure in water systems with flat geography, while providing a nominal amount of storage. Presently, with the use of advanced controls, the need for higher pressure and more stringent seismic standards, some tanks are no longer necessary.

As a result, Cal Water completed an enterprise risk assessment study to identify and rank key operational risks in terms of the likelihood and consequence of failure. Elevated tanks ranked as a top risk, prompting Cal Water to assess each one based on seismic evaluation principles and codes to determine hazards, failure potential and required retrofits as well as which tanks were no longer needed. The seismic evaluation indicated all elevated tanks had some level of seismic deficiency given their average age of 65 years and the less stringent seismic codes in place when the tanks were designed. For those tanks identified as essential to the water systems, the most cost-effective options for retrofitting or replacement were determined.

The second phase of the assessment confirmed that one-quarter of the tanks could be removed, half needed to be replaced and the remaining quarter required further evaluation and operational investigation. In the third phase, Cal Water conducted an alternatives analysis to determine the most cost-effective method of meeting system demands.

Since retrofitting the tower foundation of tanks is very costly, replacing them with modern structures is the best approach for most water systems. Additionally, replacing multiple elevated tanks with a single, larger tank often is the most cost-effective solution. Based on the assessments, Cal Water developed an elevated storage tank risk mitigation plan that includes a process to remove, and in many cases replace, the infrastructure during a 10-year period. On April 3, Cal Water broke ground on the first project in its Stockton District where four 500,000-gallon elevated tanks in multiple locations will be safely removed, recycled and replaced with a single two-million-gallon tank and booster station.

According to Todd Peters, Cal Water Chief Engineer, "This will not only ensure the safety of the community surrounding the tanks but also minimize the impact on customer rates. It's part of our commitment to providing quality, service and value to our customers and communities." 🌍



April 3 Groundbreaking Ceremony in Stockton
 L-R: Carlos Villapudua, CEO San Joaquin County Hispanic Chamber of Commerce; Steve Cavallini, General Superintendent, Cal Water Stockton; Erik Newman, Fire Chief, City of Stockton; John Freeman, District Manager, Cal Water Stockton; Christina Fugazi, Stockton City Council Member; and Shannon McGovern, Cal Water Community Affairs Specialist

THE QUALITY & SERVICE FOCUS

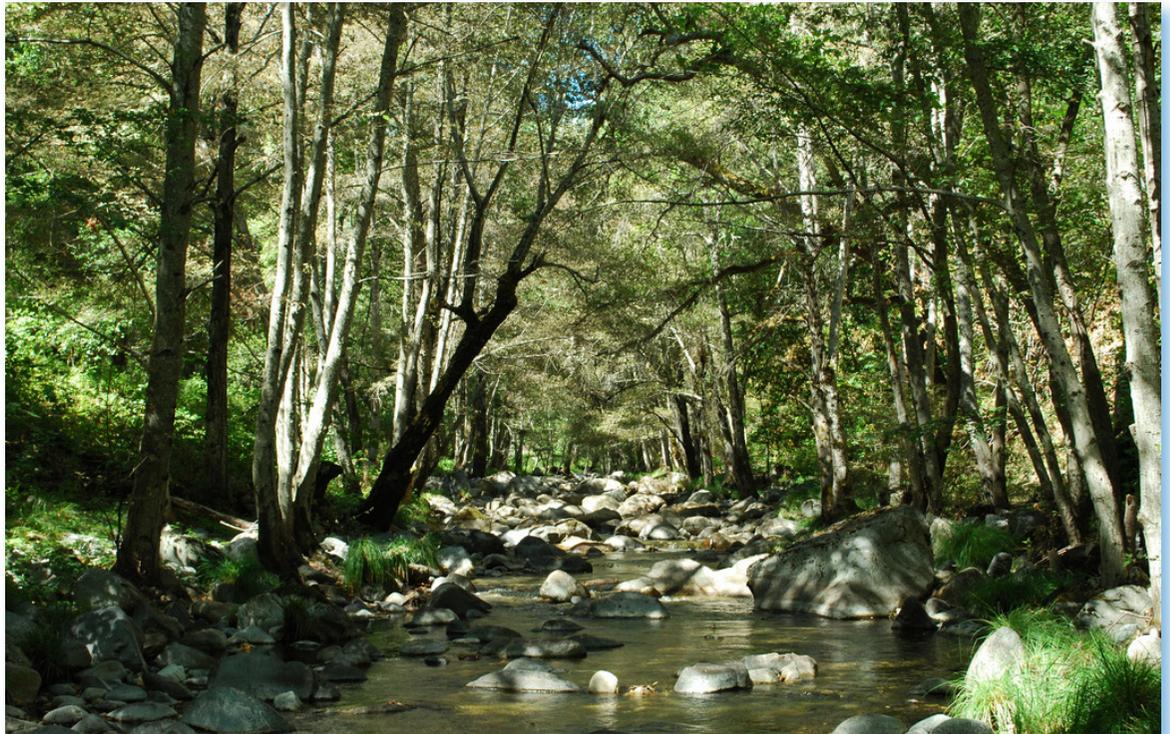
MONTEREY AQUIFER STORAGE AND RECOVERY PROGRAM BREAKS ALL-TIME RECORD

Abundant winter rain, combined with an enhanced well rehabilitation and maintenance program, has resulted in a record-breaking season for California American Water’s (CAW) Monterey water system. More than 1,650 acre-feet (540 million gallons) of water have been injected into the aquifer storage to date, surpassing 2010/11 by more than 500 acre-feet.

“We continue to inject water at a rate of 4,300 gallons per minute, and with continuing rainfall in the Carmel River watershed, we expect to end this year with 2,500 acre-feet in the aquifer,” said Bowen Kendrick, CAW’s Monterey Production Supervisor. “This water will sustain us through the dry summer months. The challenge I’ve laid down for my operations team is to be ready when the Monterey pipeline is completed and our aquifer storage and recovery (ASR) injection capacity increases by 1,000 acre-per year.”

The Monterey pipeline will support higher injection and extraction rates by providing a transmission conduit through Seaside, Monterey and Pacific Grove to CAW’s large storage facility at Forest Lake.

According to Chris Cook, CAW’s Engineering Manager. “The 36-inch pipeline will allow higher flow rates through what has been a restrictive grid, improving hydraulics and efficiency for ASR and other supply sources that make up the Water Supply Project.”



Carmel River

MEMBER SPOTLIGHT

CAL WATER SWIFTLY RESPONDS TO OROVILLE DAM SPILLWAY CRISIS

When the ongoing Oroville Dam spillway crisis forced the evacuation of more than 180,000 residents, California Water Service (Cal Water), which serves the cities of Oroville and Marysville and whose local employees and families were under the same threat as their customers, responded quickly to assist customers and partner with other emergency response agencies. The water utility immediately activated an emergency operations center (EOC) and embedded a manager in the Butte County EOC throughout the crisis. After establishing the safety of its customers and employees, Cal Water monitored the local water system to ensure it continued operating properly.



Oroville Dam Spillway Crisis

In a press release issued shortly after the spillway failed, Cal Water’s Interim Local Manager Rosanna Marino said, “Protecting the health and safety of our customers and employees is our highest priority, and while the evacuation order may have been inconvenient, we are glad that everyone is safe. We will continue to monitor our water system and the situation at the spillway closely and are prepared to act quickly should the need arise again.”

Knowing communications would be key during the emergency, Cal Water stayed in contact with customers in Oroville and Marysville before, during and after the evacuation in a variety of ways, including phone calls, emails and text messages, Facebook posts and press releases. To help alleviate the evacuees’ stress, Cal Water partnered with Cinemark 14 in the city of Chico (also served by Cal Water) to reserve seats at a movie theater for Oroville evacuees to watch *The LEGO Batman Movie* or *La La Land* at no cost. Cal Water also handed out bottled water and Valentine’s Day candy at the Chico Fairgrounds to residents displaced by the mandatory evacuation order.

During the crisis, Cal Water crews worked quickly with the Department of Fish and Wildlife, Cal Fire and the State Water Resources Control Board to save almost 1 million steelhead trout eggs listed as threatened under the Endangered Species Act. The eggs were adversely affected by the turbid spillway water flowing to the Feather River Fish Hatchery. Water from a fire hydrant was diverted through Cal Fire’s hose to a filtration system that removed the chlorine before the water was routed to the steelhead eggs, some of which were already hatching.

“Part of our commitment is to be a responsible steward of the environment,” said Cal Water’s Oroville District Manager Toni Ruggle (who retired from Cal Water at the end of April) in a press release. “So, when the Department of Fish and Wildlife contacted us with this urgent need to save the threatened steelhead eggs at the hatchery, we didn’t hesitate to do whatever we could to help.”

Ruggle went on to say, “We are a part of our community, and we are committed to our community members. In times like this, our team members from across the state come together to ensure not only that our water system remains operational, but also to support our residents. It’s part of our promise to provide quality, service, and value.” 

MEMBER SPOTLIGHT

CALIFORNIA AMERICAN WATER ACQUIRES MEADOWBROOK WATER COMPANY

On April 1, California American Water (CAW) acquired Meadowbrook Water Company (MWC) from the Walker family, which owned and operated the water system for three generations. Located in Merced County, the system serves approximately 1,700 customer accounts (approximately 5,000 people) who will now be provided potable water service by CAW. Among the benefits of service from CAW for these new customers will be access to the resources and expertise of the nation's largest investor-owned water utility, as well as CAW's local programs, such as low-income rate assistance and water conservation programs.



CAW External Affairs Manager Evan Jacobs Addresses Attendees at the April 5 Open House Event in Meadowbrook



CAW's Northern California Operations Director Audie Foster Listens to MWC Customer Discussing On-Location Payment Options

In a press release announcing the acquisition, David Walker of MWC noted, "CAW and MWC share a goal of providing dependable water services to customers in Merced County. It was a great opportunity to have worked with CAW, and we look forward to their contributions to the Beachwood/Franklin community."

CAW's Director of Northern California Operations Audie Foster said, "We look forward to welcoming our new Meadowbrook customers to CAW and are eager to introduce them to our various programs that include rebates, free water conservation services and devices. Our commitment to our Meadowbrook customers includes ensuring they have access to safe and reliable water services at a reasonable rate." 🇺🇸

MEMBER SPOTLIGHT

GOLDEN STATE WATER'S GEDNEY TO SERVE ON THE BOARD OF METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA



William Gedney

Golden State Water Company (GSWC) Vice President of Environmental Quality William C. Gedney has been appointed to the Metropolitan Water District of Southern California's (MWDSC) Board of Directors. Gedney will represent one of MWDSC's member water agencies, Central Basin Municipal Water District (CBMWD), which provides water to 46 retail water utilities that serve about 2 million people. Gedney began a two-year term on the CBMWD Board of Directors in February 2017.

MWDSC's 38-member board represents 26 water agencies and utilities and is responsible for establishing and administering district policies and upholding the Metropolitan Water District Act.

"This is a tremendous professional honor," said Gedney. "During this critical period for California's water industry, I'm looking forward to working closely with both the MWDSC and CBMWD boards on behalf of our member agencies and their customers."

In his current role with GSWC, Gedney oversees the Water Quality, Environmental Compliance, Water Resources and Water-Use Efficiency departments, ensuring the utility complies with drinking water, environmental and health and safety regulations. He also leads the companywide emergency preparedness and employee training programs. Gedney's tenure with GSWC has spanned 20 years beginning in August 1997 when he was hired as the water quality engineer for the utility's Central District.

"I'd like to congratulate Bill on his appointment to these prestigious boards and thank him for serving on behalf of GSWC and all member agencies," said Denise Kruger, GSWC's Senior Vice President of Regulated Utilities. "Bill is uniquely qualified for this opportunity, which was made possible by Assembly Member Cristina Garcia's leadership on [Assembly Bill 1794](#)."

A 38-year water industry veteran, Gedney is experienced in system design, construction, water quality management and regulation of water utilities. He is an active member of the American Water Works Association and National Association of Water Companies. Gedney earned a Master of Science in Environmental Engineering from the University of Southern California and Master of Business Administration from the University of Redlands. 🌍



William Gedney and Jody Miyashiro, MWDSC Executive Assistant to the General Counsel

POINTS OF INTEREST

CWA, MEMBER COMPANIES REPRESENTED AT 5TH ANNUAL WELL CONFERENCE



CWA Executive Director Jack Hawks Speaking at the 5th Annual WELL Conference

Among the fastest growing legislative education programs in the state is the Water Education for Latino Leaders (WELL), which held its [5th Annual Conference](#) in San Diego in late March. California Water Association (CWA) and several member companies were among the many sponsors of the event, which was themed “Water in California.” The conference is designed to educate local elected officials on the dynamics of water in California and facilitate an understanding of comprehensive, long-term water policies that will sustain the

state’s economy and quality of life.

The conference included panel discussions titled “California Water with Mexico and Binational Implications,” “How to Get Elected and Appointed to a Water Board” and “How Do Regulations Affect Costs of a Water Infrastructure Project.” Speakers included California Public Utilities Commissioner Martha Guzman Aceves, who was introduced by CWA Executive Director Jack Hawks; State Assembly Member Eduardo Garcia; Karina Cervantez, Central Coast Regional Water Quality Control Board member; various local officials; and representatives from utilities and water districts.

Executive Director Victor Griego also announced the inaugural class for [WELL UnTapped](#), a selective, year-long program for local elected leaders to increase their impact in California water policy and facilitate their involvement on solutions to community challenges with water. 

POINTS OF INTEREST

GUEST COMMENTARY HIGHLIGHTS STUDY ON CONTESTED GOVERNMENT TAKEOVERS OF WATER UTILITIES



A guest commentary titled “Government Takeovers of Water Systems Don’t Deliver Results” by [David Sosa](#), Analysis Group Principal, was published in the April 7

edition of the *Inland Valley Daily Bulletin*. Referencing the City of Claremont’s recent attempt to take ownership of Golden State Water Company’s water system through an eminent domain proceeding, Sosa noted, “This story jumped off the page at me, because it affirmed the findings of a study my team had just completed.”

Analysis Group’s study, “[The Economic Consequences of Contested Government Takeovers of Investor-Owned Water Utilities](#)”, was commissioned by the California Water Association and featured in the January 2017 edition of *On Tap*. According to Sosa’s commentary, the research “demonstrates that time and again government takeovers don’t deliver the benefits promised. Contested takeovers are very costly for the acquiring government entity, and water and tax bills under government ownership are higher than promised by the takeover advocates. Unfortunately, by that point, it’s too late to go back and prevent the costs from being incurred.” 

CWA’S SPRING CONFERENCE TO FEATURE ASSEMBLY MEMBER BLANCA RUBIO AND DEPUTY CABINET SECRETARY KIM CRAIG

Register now for California Water Association’s 2017 Spring Conference featuring keynote speakers **Assembly Member Blanca Rubio, Chair of the Assembly Human Services Committee**, and **Kim Craig, Governor Brown’s Deputy Cabinet Secretary**. Other featured speakers include California Public Utilities Commissioner Martha Guzman Aceves; Department of Water Resources Deputy Director Gary Bardini; Ellen Hanak of the Public Policy Institute of California; Wade Crowfoot of The Water Foundation; Douglas Wallace from the East Bay Municipal Utilities District; and Darrin Polhemus, Erik Ekdahl and Max Gomberg from the State Water Resources Control Board.



Thursday, May 18, 2017
The Citizen Hotel
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