

Working Together. Achieving Results.

on tap



CALIFORNIA WATER ASSOCIATION

Working Together.
Achieving Results.

www.calwaterassn.com

IN THIS ISSUE:

- CWA Submits Comments in Two CPUC Rulemaking Proceedings2
- CWA Removes Opposition to SB 9983
- SJW's System Detects Leaks from Space4
- Cal Water Mobilizes for Residents at California's Largest Wildfire5
- State-of-the-Art Water Treatment Plant Serves SJW's Customers7
- Cal Am Issues Inaugural Supplier Diversity Economic Impact Report8
- Water Affordability Takes Center Stage at Transformative Issues Symposium9
- New Blog Touts CWA Member Companies' Water Conservation Performance 10
- Save the Date for CWA's 2018 Annual Conference in Monterey 10

MESSAGE FROM THE PRESIDENT

As this year's aggressive wildfire season in California continues at an unprecedented pace, California Water Association (CWA) member companies are mobilizing to support residents and emergency responders to ensure adequate water supplies for firefighters and safe water for evacuated residents returning to their homes. At the same time, the regulated water utilities are investing in infrastructure, including state-of-the-art water treatment plants and leak detection systems, to deliver safe, reliable, and high-quality water to customers.

CWA staff and its members also are monitoring and weighing in on proposed regulations, while educating the public and policymakers on infrastructure investments made by the regulated water utilities and their focus on working with minority business enterprises throughout California.

These efforts and more are highlighted in this edition of On Tap:

- CWA Submits Comments in Two CPUC Rulemaking Proceedings
- CWA Removes Opposition to SB 998
- SJW's System Detects Leaks from Space
- Cal Water Mobilizes for Residents at California's Largest Wildfire
- State-of-the-Art Water Treatment Plant Serves SJW's Customers
- Cal Am Issues Inaugural Supplier Diversity Economic Impact Report
- Water Affordability Takes Center Stage at Transformative Issues Symposium
- New Blog Touts CWA Member Companies' Water Conservation Performance
- Save the Date for CWA's 2018 Annual Conference in Monterey

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
East Pasadena Water Company
2017-2018 CWA President

For Instant CWA News:



California
Water
Association



QUESTIONS?

Contact the CWA office at:
700 R Street, Suite 200
Sacramento, CA 95811
Phone: 916.231.2147
E-mail: jhawks@calwaterassn.com
mdixon@calwaterassn.com

LEGISLATIVE & REGULATORY UPDATE

CWA SUBMITS COMMENTS IN TWO CPUC RULEMAKING PROCEEDINGS



In mid-August, the California Water Association (CWA) submitted comments to the California Public Utilities Commission (CPUC) on two Order Instituting Rulemakings (OIR or rulemaking).

CWA's comments on the [OIR to Establish a Framework and Processes for Assessing the Affordability of Utility Service](#) under Rulemaking 18-07-006 (see the article in the June-July edition of "On Tap") centered on the challenges associated with assessing and seeking to ensure affordability; resources that may be useful to inform the proceeding; and consideration of the proceeding that may interact with other related efforts. CWA urged the

CPUC to avoid developing an affordability standard for CPUC-regulated water utilities that is inconsistent with the standard developed by the State Water Resources Control Board.

The comments CWA submitted on the [OIR Evaluating the CPUC's 2010 Water Action Plan Objective of Achieving Consistency between Class A Water Utilities' Low-Income Rate Assistance Programs, Providing Rate Assistance to All Low-Income Customers of Investor-Owned Water Utilities, and Affordability](#) (also see the article in the [February-March](#) edition of "On Tap") urged the CPUC to exercise caution in its actions on two new proposals in the rulemaking involving consideration of a low quantity rate for low-income customers and customer information-sharing between energy utilities and municipal water authorities: (1) The concept of a basic amount of water at a low quantity rate already is reflected in current water rate designs; and (2) While CPUC-regulated water utilities have benefitted from access to low-income customer data from investor-owned energy utilities, sharing this data with entities that are not regulated by the CPUC could raise privacy concerns.

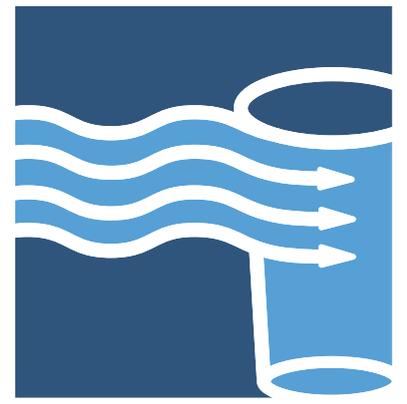
The letter concluded that current water tiered-rate designs already make basic amounts of water available to customers at low quantity rates. There is no need to adopt a standard requirement in this rulemaking proceeding, particularly since rate design issues are best addressed in water utility general rate cases where the CPUC's policy goals can be properly considered in the context of the unique circumstances of each water company or district.

CWA will remain an active participant in both proceedings to help develop well-reasoned and comprehensive frameworks on behalf of CPUC-regulated water utilities and their customers. 🌊

LEGISLATIVE & REGULATORY UPDATE

CWA REMOVES OPPOSITION TO SB 998

On August 13, 2018, the California Water Association (CWA) submitted a [letter](#) to State Senator Bill Dodd removing CWA's opposition to [Senate Bill 998](#) (SB 998). This bill would, among other things, require an urban and community water system:



- That discontinues residential service to provide customers with information on how to restore service, waive interest charges on delinquent bills, and limit the amount of a service reconnection fee for a residential customer who demonstrates, as prescribed, household income below 200 percent of the federal poverty line.
- That furnishes individually metered residential service to defined detached or multi-unit structures to make every good-faith effort to inform the residential occupants by written notice that service will be terminated, and that they have the right to become customers under certain specific circumstances.
- To report the number of annual discontinuations of residential service for inability to pay on its website, as well as to the State Water Resources Control Board, which is required to post the reported information on its website.

Since the current version of SB 998 includes many of the time-tested provisions of the [California Public Utilities Commission's Tariff Rule 11](#), "Discontinuance and Restoration of Service," to which CWA's member companies are subject, the letter outlines CWA's reasons for rescinding its original opposition to SB 998 and highlights several differences that remain between the bill and Tariff Rule 11 in the areas of:

- Business/non-business hour reconnection fees.
- The definitions of a customer, medical professional, and low-income individual.
- Timing for discontinuing service for nonpayment.
- The waiver of interest fees on delinquent bills.

At this writing, SB 998 is awaiting floor action in the Assembly. 🇺🇸

QUALITY & SERVICE FOCUS

SJW'S SYSTEM DETECTS LEAKS FROM SPACE

In addition to delivering and ensuring quality water for customers, conservation is central to San Jose Water's (SJW) mission. One way the company meets its conservation goals is by employing the "Acoustic Leak Detection" system, which draws on data from the [Utilis satellite technology](#). Utilis identifies leaks by analyzing satellite imagery that indicates the locations of possible leaks. The technology uses advanced algorithmic analysis to track the "signature" of treated water that is visible when read by satellites.

Based on the identified locations, SJW's Distribution System Inspectors Mark and Damon follow up on the data to find the source of active leaks and notify affected customers. SJW's entire system, including more than 2,400 miles of pipes, has been analyzed by Utilis satellites, and it will take more than a year for Damon and Mark to locate possible leaks and determine whether they are naturally occurring or actual leaks. SJW also is installing high-tech leak sensors on its fire hydrants to detect potential problems.



SJW's Distribution System Inspectors Mark and Damon.

"Most customers we meet appreciate that we are out here trying to save water and letting them know when there is a leak on their property," said Mark. "People are usually pretty happy to work with us because catching a leak early can help save them money."

[Click here](#) to watch Mark track down a leak identified by satellites. 📺

QUALITY & SERVICE FOCUS

CAL WATER MOBILIZES FOR RESIDENTS AT CALIFORNIA'S LARGEST WILDFIRE

When the Ranch and River Fires (subsequently combined as the Mendocino Complex Fire) flared up on July 27, 2018, more than 100 California Water Service (Cal Water) employees from several service areas mobilized to provide support for residents in Cal Water's Lucerne service area. At currently more than 400,000 acres, this massive wildfire is the largest in California history and more than half the size of Rhode Island.

As residents fled after mandatory evacuation orders were issued, Cal Water treatment plant operators and support staff were escorted by Cal Fire personnel to ensure firefighters had sufficient water supplies and pressure to fight the fire. They also kept the system running properly with pre-positioned backup generators to provide residents with safe, reliable water when they returned.



Team planning meeting at Cal Water's Emergency Operations Center with Cal Water CEO and President Martin A. Kropelnicki (second from left).

Since fewer than 10 Cal Water employees run the operations that serve 1,200 Lucerne customers, the water system and treatment plant were operated remotely from Cal Water's Emergency Operations Center located about 85 miles away in its Marysville service area. Additionally, with the increasing number of wildfires in the state, Cal Water relies on the expertise of two employees, who are former fire chiefs, to help coordinate response efforts with Cal Fire and other agencies.



Cal Water employee helped water tenders fill up at hydrants to deliver water to firefighters.



Employees at Cal Water care stations distributed food staples and water to Lucerne residents returning to their homes.

QUALITY & SERVICE FOCUS

CAL WATER MOBILIZES FOR RESIDENTS AT CALIFORNIA'S LARGEST WILDFIRE...CONTINUED

After the mandatory evacuation order was lifted for the Mendocino Complex Fire, Cal Water employees immediately set up two care stations in Lucerne to provide food and water for returning residents.



Salvation Army volunteers joined Cal Water employees to help residents at care stations in Lucerne.



Cal Water donated air purifiers to local shelters impacted by the Mendocino Complex Fire.

QUALITY & SERVICE FOCUS

STATE-OF-THE-ART WATER TREATMENT PLANT SERVES SJW'S CUSTOMERS

With the completion of upgrades at San Jose Water's (SJW) Montevina water treatment facility, customers are benefitting from water that is filtered through the largest U.S. installation of BASF's state-of-the-art ultrafiltration fiber system. BASF has paved the way for leading-edge technology that cleans and removes bacteria and viruses from water to ensure it meets the highest water quality and safety standards.



With infrastructure costs exceeding \$60 million for the upgrade, SJW's 48-year-old Montevina facility now can treat three to five billion gallons of water daily, serving 100,000 people during the summer and up to 300,000 people during the winter. Laid end to end, the ultrafiltration fibers would stretch from San Jose to Chicago!

A [video](#) depicting various components of the newly upgraded facility, as well as drone footage following the path of water from the Santa Cruz Mountain Watershed to the treatment plant, can be found online at SJW's "Water Blogged." 



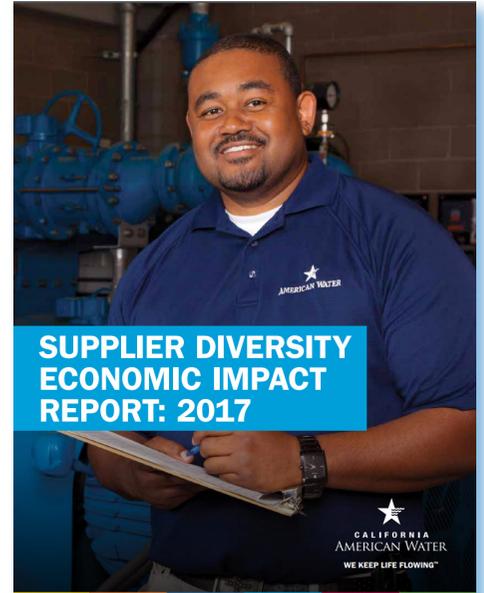
MEMBER SPOTLIGHT

CAL AM ISSUES INAUGURAL SUPPLIER DIVERSITY ECONOMIC IMPACT REPORT

California American Water (Cal Am) recently issued its *Supplier Diversity Economic Impact Report: 2017*. As the first water utility regulated by the California Public Utilities Commission to produce such a report, Cal Am believes forging partnerships with diverse suppliers is essential to the company's success. By focusing on supplier diversity for each strategic sourcing project, Cal Am helps to promote the growth and success of minority-owned, woman-owned, disabled veteran-owned, and LGBT business enterprises.

Cal Am partnered with IMPLAN to complete the analysis and report. IMPLAN recently developed an automated system for analyzing the economic impact of supplier diversity programs based on key data provided by clients. The economic impacts of each supplier are aggregated to tell a comprehensive story about the organization's diverse supply-chain impact on the communities they serve.

The following economic impacts of Cal Am's 2017 supplier diversity program take into account direct, indirect, and induced impacts, including jobs supported, employee compensation, value added, and output.



264

TOTAL JOBS SUPPORTED

The total number of jobs that are being supported by California American Water's Supplier Diversity program spend.



\$14,437,354

TOTAL COMPENSATION

The total amount of compensation that all direct, indirect, and induced employees are making as a result of the total jobs.



\$25,829,477

TOTAL VALUE ADDED

The total net increase to the CA Gross Domestic Product, or GDP.



\$43,377,618

TOTAL OUTPUT

The total economic activity generated through the state of CA.

POINTS OF INTEREST

WATER AFFORDABILITY TAKES CENTER STAGE AT TRANSFORMATIVE ISSUES SYMPOSIUM

With the California Public Utilities Commission managing two separate rulemakings on the affordability of utility service, and the State Water Resources Control Board grappling with its proposal for a statewide low-income assistance program, the issue of affordability is front and center in California. Indeed, it is a nationwide concern, as well. The American Water Works Association (AWWA) and the Water Environment Federation (WEF) hosted the inaugural [Transformative Issues Symposium on Affordability](#) on August 6-7 in Washington, D.C. The Symposium drew water sector professionals from across North America to discuss the most important and challenging issues associated with water and wastewater utility affordability. Presentations were delivered by thought leaders and water activists, who also engaged attendees in facilitated discussions to foster the exchange of ideas on affordability.



With financing of new and replacement infrastructure a continuing and imperative priority for most water and wastewater utilities, rate increases have been necessary for many utilities to sustainably fund infrastructure projects on an ongoing basis. Rate increases are a particular financial burden on low-income utility customers with the most adversely affected customers dedicating a significant portion of their household income toward water/wastewater utility bills. To reduce the impact, many utilities have implemented programs to assist low-income customers. Water utilities have addressed affordability concerns in many ways with the legislative framework driving differences at the local, regional, and federal levels.

Topics focused on identifying affordability concerns, overcoming legal and regulatory barriers, customer assistance programs, utility rate setting, infrastructure financing, and case studies that shared lessons learned from affordability programs implemented by water and wastewater utilities. The content considered key questions, challenges, solutions, and areas of acute interest most relevant to advance the knowledge and understanding of affordability on the federal, state, and regional/local levels. The symposium proceedings will be available after September 5 at <https://www.awwa.org/conferences-education/conferences/affordability.aspx>.

The AWWA is the largest nonprofit, scientific, and educational association dedicated to managing and treating water, the world's most important resource. With approximately 51,000 members, AWWA provides solutions to improve public health, protect the environment, strengthen the economy, and enhance our quality of life. To learn more, visit www.awwa.org.

The WEF is a not-for-profit technical and educational organization of 34,000 individual members and 75 affiliated member associations representing water quality professionals around the world. Since 1928, WEF and its members have protected public health and the environment. As a global water-sector leader, WEF's mission is to connect water professionals; enrich the expertise of water professionals; increase the awareness of the impact and value of water; and provide a platform for water sector innovation. To learn more, visit www.wef.org.

POINTS OF INTEREST

NEW BLOG TOUTS CWA MEMBER COMPANIES' WATER CONSERVATION PERFORMANCE



Dr. Manuel P. Teodoro

In a three-part blog series, Dr. Manuel P. Teodoro, Associate Professor of Political Science at Texas A&M University, explains how “something unexpected happened when California ordered its utilities to save water: the state’s investor-owned, private utilities out-conserved local governments.” Dr. Teodoro will be speaking at CWA’s Annual Conference in Monterey in October. His blog series can be found online at:

- Part 1: [Golden State Waterers](#)
- Part 2: [Political Decoupling](#)
- Part 3: [Aftermath](#) 

SAVE THE DATE CWA’S 2018 ANNUAL CONFERENCE

