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on tap



CALIFORNIA WATER ASSOCIATION

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MESSAGE FROM THE PRESIDENT

With the return to 90-plus degree days in late April, and the specter of more catastrophic wildfires on the horizon, Governor Newsom’s Office of Planning and Research issued a call for public comments on the challenges facing the state in managing the aftermath of the recent disasters and preparing for the next wave. The California Water Association (CWA) was among dozens of organizations and individuals that filed detailed comments on April 22. There is no shortage of regulatory proceedings on matters related to wildfires, drought management, and water service affordability, either, and CWA filed comments on two of them being conducted by the California Public Utilities Commission (CPUC).

With the 2019-2020 California legislative session in full swing, CWA is sponsoring several bills dealing with CPUC procedures, customer access to safe drinking water, and disaster preparedness and emergency response. Meanwhile, CWA member companies are completing infrastructure projects, presenting at industry conferences, and engaging with local students to promote water awareness and conservation. They also are preparing for CWA’s 76th Spring Conference, which will cover topics related to “Fire and Water: Survival and Sustainability.”

This edition of *On Tap* spotlights these accomplishments as well as the efforts of CWA member companies to ensure their customers have access to safe, reliable, and high-quality water.

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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,

Keith Switzer
Golden State Water
2019-2020 CWA President

For Instant CWA News:



California
Water
Association



QUESTIONS?

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LEGISLATIVE & REGULATORY UPDATE

RESPONSE TO GOVERNOR'S WILDFIRES AND CLIMATE CHANGE REPORT SUBMITTED BY CWA



On April 22, the California Water Association (CWA) submitted [comments](#) on issues covered in Governor Newsom's Strike Force Report titled, "[Wildfires and Climate Change: California's Energy Future](#)" (Report) issued on April 12. The comments were requested by the Governor's Office of Planning and Research, which is providing the staff support to the new [Commission on Catastrophic Wildfire Cost and Recovery](#), and which will be submitting a report to the Governor and Legislature by July 1, 2019, on critical issues related to catastrophic wildfire cost and recovery.

While CWA concurred with many of the Report's conclusions and recommendations, the letter expressed concern "about the implications and risks for [CWA] members and their customers that are associated with California law on inverse condemnation and strict liability." Inverse condemnation holds all California utilities (whether government-owned or privately owned) responsible for wildfire damage caused by their equipment whether the companies acted negligently or not. Consequently, California water systems become victims twice over...first with the destruction of their equipment and infrastructure in a wildfire and second when the water systems are subjected to inverse condemnation and strict liability claims for damages when they were not at fault and had no responsibility for starting the fires.

The letter cited a 2008 incident when a vehicle's faulty catalytic converter ignited roadside vegetation and caused the Freeway Complex Fire in Orange County that destroyed 314 homes. The fire burned a pressure monitoring wire at Yorba Linda Water District's (YLWD) Santiago Booster Pump Station, which caused a short in the electrical panel and shut down the electrical pumps, as well as communication with the SCADA center at YLWD's offices. The damage prevented YLWD from being able to pump water to fire hydrants in one neighborhood where, tragically, 12 homes were lost. Despite the Orange County Superior Court's findings that YLWD did not cause the fire and the fact that YLWD was, itself, a victim of the fire, the utility found itself a defendant in an inverse condemnation claim simply because its fire-damaged equipment failed. The court found in favor of the plaintiffs and ordered YLWD to pay nearly \$70 million in damages to the 12 homeowners.

Because water utilities must use operating revenues to pay the difference between their insurance coverage and the claims against them, the financial and operating losses for these utilities and their customers can be staggering. As one insurance expert noted in a recent article, "Inverse condemnation is an evolving exposure that may intensify in frequency, gravity, and consequence... With overwhelming financial ramifications, inverse condemnation represents an existential threat to public water systems."

CWA's letter asked that the inverse condemnation/strict liability doctrine, which the courts consider to be a constitutional protection under Article 1, Section 19 of the California Constitution, be changed to a fault-based standard whereby utilities pay for damage caused by their misconduct. The letter also outlined various options related to insurance and financing mechanisms, concluding with a recommendation that "wildfire costs should be socialized across a large a base as possible, i.e., the taxpayer, in order to take advantage of economies-of-scale benefits." 

LEGISLATIVE & REGULATORY UPDATE

CWA COMMENTS ON TWO CPUC RULEMAKINGS

In early April, the California Water Association (CWA) submitted comments on two Order Instituting Rulemakings (OIRs) before the California Public Utilities Commission (CPUC).

[OIR 18-12-005](#) examines rules allowing CPUC-regulated electric utilities to de-energize power lines when imminent or predicted weather and wildfire conditions could materialize and threaten life or property in California. CWA’s comment letter requested modifications to the scope of the proceeding such that the consequences of de-energization events on the ability of water utilities to prepare their equipment for firefighter support be considered.

The letter called for priority notification to water service providers, identical to the notice given to local governments, public agencies, and first responders, in advance of de-energization events. This will help ensure water service availability during emergencies, such as wildfires, and “help water and wastewater agencies minimize impacts to water supplies.”

CWA also asked that electric utilities be responsible for “publishing a Geographic Information Systems Representational State Transfer service articulating the geographic boundaries of the areas subject to de-energization.” This would allow water utilities to geo-locate the components and functions of their water systems that will be affected and determine where to send personnel as well as procure back-up electricity generation to guard against the interruption of water service. CWA also recommended changing the definition of “critical facilities” to include all infrastructure used to pump, divert, transport, store, treat, and deliver water.

CWA’s [comment letter](#) on the CPUC’s [OIR 17-06-024](#), Water Sales Forecasting and Rising Drought Risk Staff Report, expressed appreciation that the Staff Report “properly observes the water utilities’ goal of achieving more accurate forecasts, rather than simply ‘reduced’ or more ‘conservative’ estimates – notwithstanding the fact that current climate trends and regulatory developments generally support lower customer usage.” CWA noted that “the goal for the water utilities, their customers, and the Commission is, and should continue to be, forecasts that match actual sales as closely as possible.” However, the comments stated that CWA does not believe the CPUC needs to implement any industry-wide reforms with respect to sales forecasting, as those issues are better addressed on a case-by-case basis in individual rate-setting proceedings. The letter concluded with four technical corrections to ensure clarity and consistency in the Staff Report. 🌍



LEGISLATIVE & REGULATORY UPDATE

CWA SPONSORS FOUR BILLS IN 2019-2020 LEGISLATIVE SESSION



With the 2019-2020 California legislative session fully underway, 2,628 bills have been introduced. The California Water Association (CWA) is tracking many bills involving drinking water issues, customer issues, and procedures at the California Public Utilities Commission (Commission or CPUC).

One bill CWA is sponsoring combines all these issues. Assembly Bill (AB) 1751 (Chiu), the “Consolidation for Safe Drinking Water Act of 2019,” would shorten the initial timeframe and scope of the application process for water system consolidations submitted to the CPUC from 18 months to eight months. According to background information on AB 1751 prepared by CWA for the author, Assembly Member David Chiu (D-San Francisco), the approval process for a consolidation application often takes well over a year, and sometimes the customers of a troubled water system have to wait as long as two years. Edward Jackson, CWA Second Vice President and Director, Rates and Regulatory Affairs, Liberty Utilities, testified at both hearings to date (Assembly Environmental Safety and Toxic Materials Committee and Assembly Utilities and Energy) in April. He discussed the six consolidation applications currently pending with the CPUC, two of which were filed by Liberty Utilities in April 2017 and May 2018. Jackson summarized the negative impacts of the delays in application approvals on communities in California that lack access to clean, safe drinking water. Both committees approved the bill unanimously. It will next be heard by the Assembly Appropriations Committee in May.

CWA submitted a sponsor letter for AB 1432 (Dahle), which would expand the public meeting exemptions for water shortage emergencies to include wildfires in a public water supplier’s service territory. Current law requires a public water supplier to declare such an emergency only after a public hearing except in the event of a breakage or failure of a dam, pump, pipeline, or conduit causing an immediate emergency. AB 1432 adds wildfires to these exceptions to ensure full engagement with first responders, local government agencies, law enforcement, and crews dealing with wildfires. This bill has passed its policy committee hearing on consent and is awaiting its next hearing.

CWA also submitted a letter sponsoring AB 1072 (Patterson), which would enable the CPUC to review or audit, as appropriate, the books and records of each electrical, gas, heat, telegraph, telephone, and water corporation for regulatory purposes, rather than regulatory and tax purposes. The bill also would correct the accounting standard now in statute from Generally Accepted Government Auditing Standards to Generally Accepted Auditing Standards (GAAS) because the former applies only to government agencies, not regulated utilities. GAAS is the proper standard for corporations regulated by the CPUC. This bill passed the Assembly Utilities and Energy Committee on consent on April 24.

Senate Bill 668 (Rubio), sponsored by CWA, would change the requirement for public water systems with 10,000 or more service connections that must comply with certain requirements related to their disaster preparedness plans. Current law requires these water providers to review and revise their disaster preparedness plans in conjunction with related agencies, including but not limited to, local fire departments and the Office of Emergency Services to ensure the plans are sufficient to address possible disaster scenarios. This bill would expand the number of water agencies and utilities needing to review and revise disaster preparedness plans from those with 10,000 or more service connections to those with 3,000 customers or supplying more than 3,000 acre-feet a year. The bill also would require disaster preparedness plans to be reviewed and revised every five years. This bill passed the Senate Natural Resources and Water Committee on April 23 and is awaiting its next hearing. 

QUALITY & SERVICE FOCUS

LIBERTY UTILITIES COMPLETES NEW WELL PROJECT IN APPLE VALLEY

Liberty Utilities (Apple Valley Ranchos) Corporation hosted a dedication ceremony on April 15, 2019, to commemorate the completion of a \$3.5 million well project that will ensure the utility can continue providing safe, reliable water to the Apple Valley community. Attendees at the ceremony, hosted by Liberty Utilities and the Apple Valley Chamber of Commerce, toured the new Well 35 facility and learned about how it will benefit the local community.

“This new well was made possible because of the hard work of so many, and we appreciate all of the efforts that went into completing this important infrastructure project,” said Tony Penna, Liberty Utilities Vice President and General Manager. “Our water infrastructure includes 20 wells, 470 miles of pipe, 11 reservoirs, and eight booster stations. Water system investments like Well 35 are an important function to ensure safety and reliability are never compromised.”

The well was constructed to replace four retired wells and is capable of pumping up to 3,000 gallons of water per minute. Once online, it will work in concert with 19 other wells that provide water to the local system serving about 20,000 homes and businesses in Apple Valley.



Apple Valley's Production Team



Celebrating the Start of Well 35 with a Toast of Drinking Water from the New Well

QUALITY & SERVICE FOCUS

CAL WATER RECEIVES ASCE OUTSTANDING WATER PROJECT AWARD

At a March 29 symposium and awards dinner, California Water Service (Cal Water) received the American Society of Civil Engineers (ASCE) Region 9 “Outstanding Water Project” award for its 1,2,3-trichloropropane (TCP) treatment and compliance project.

“We are pleased to be recognized by the ASCE’s statewide region for our efforts to continue providing quality, service, and value to our customers,” said Martin A. Kropelnicki, Cal Water President and CEO, in a press release. “Protecting our customers’ health and safety is our highest priority, so we proactively monitor and respond to changes both in water-quality technology and in state and federal standards to ensure our customers continue to receive safe, high-quality water.”



(L-R) Yazdan Emrani, ASCE Region 9 Governor; Tammy Kelly, Cal Water Visalia District Manager; James Gardiner, Cal Water Manager of Capital Delivery, Central; Monique Roberts, AECOM Senior Engineer; Todd Peters, Cal Water Chief Engineer; Henry Wind, Cal Water Director of Field Operations; and Adam Killinger, ASCE Region 9 Awards Committee Co-Chair

Cal Water began preparing to treat for TCP in its systems well in advance of July 2017 when the state determined a five-parts-per-trillion standard, which took effect in December 2017. With a compliance monitoring deadline of January 2018, Cal Water had six months to install treatment equipment at 36 impacted well sites in its Central Valley districts to ensure the drinking water delivered to more than 450,000 people met the new standard.

Having actively monitored its groundwater supplies, researched best available treatment technologies, designed and permitted treatment facilities, and secured equipment suppliers and contractors to construct and install treatment before the regulation was set, Cal Water was able to install granular-activated carbon treatment at 21 well sites with the highest TCP concentrations. Monitoring began one month later to meet the January 2018 deadline. The remaining 15 impacted well sites were taken off line until treatment equipment was installed by summer 2018. Despite the significant work that had to be completed simultaneously across several sites spanning three counties, the project still came in under budget and on schedule.

MEMBER SPOTLIGHT

CWA MEMBERS PRESENT AT AWWA CA-NV SECTION SPRING CONFERENCE

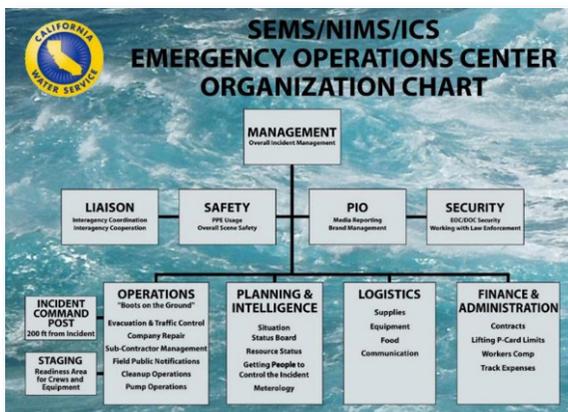
Representatives from four of California Water Association (CWA) member companies gave presentations and served as panelists at the American Water Works Association California-Nevada Section Spring Conference in Sacramento. They addressed the theme “Confluence 2019: Where Policy, Operations and Management Converge.”



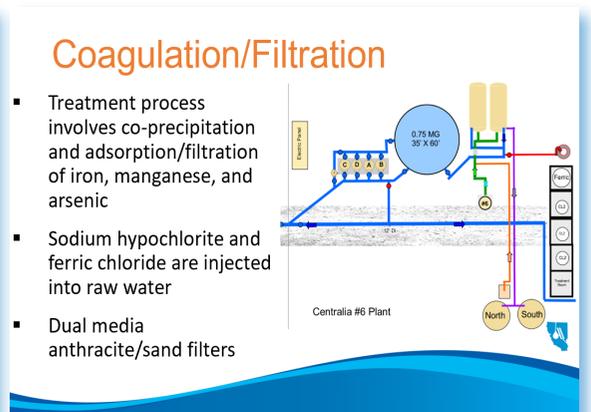
California Water Service’s (Cal Water) presentation on “Utility Operations, Safety & Health, Emergency Preparedness” highlighted the utility’s experiences, lessons learned, and best practices adopted after major emergencies and disasters. Since launching its emergency response refresh four years ago, Cal Water developed an Emergency Action Guidebook and activated 21 emergency operations centers to manage statewide storms, the Erskine Fire, the Oroville spillway incident, the Mendocino Complex Fire, the Woolsey Fire, and the Camp Fire.

Cal Water also presented an “Innovative Approach to Lead and Copper Rule Customer Site Assessments and Communication” and “Back to the Basics: Challenges and Solutions for Small Systems/Groundwater Treatment - 1,2,3-TCP.”

Arsenic treatment was the topic of Golden State Water Company’s (GSWC) presentation, which was included in the series of tracks titled, “Back to the Basics: Challenges and Solutions for Small Systems/Groundwater Treatment.” The goal of the series was to assist smaller utilities that may not have the technical or financial capabilities to deal with contamination and treatment issues. The tracks were recorded for future use as “road shows” at smaller utilities. GSWC also gave a presentation on “Responding to an Extreme Source Water Quality Event—Challenges and Lessons Learned in Clear Lake.”



Cal Water’s Emergency Operations Center Organization Chart



Schematic of GSWC’s Coagulation/Filtration System for Arsenic Treatment

MEMBER SPOTLIGHT

CWA MEMBERS PRESENT AT AWWA CA-NV SECTION SPRING CONFERENCE...CONTINUED

California American Water’s presentation on “Evaluating Risks to the Water Supply” highlighted the utility’s efforts in reducing harmful impacts on water such as Perfluorooctanoic (PFOA) and Perfluorooctanesulfonic (PFOS) acids used in firefighting foams and other industrial materials. The presentation also stressed the importance of engaging in transparent communications with customers about water quality.



NUT PLAINS WELL TREATMENT

California American Water unveils its new well PFAA treatment unit on Nut Plains Drive in Rancho Cordova.

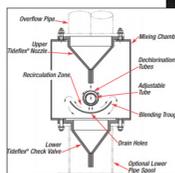
California American Water’s New Perfluoroalkyl Acids Treatment Unit in Rancho Cordova, CA

San Jose Water’s (SJW) conference presentations included, “CALWARN: Fire, Earthquake and Regulation; It’s Not Just a Website Anymore...But a Tool to Meet Your Needs!” and “Right Keys, No Keys...No Problem (New Lock and Key Control Technology).” The utility also joined with Cal Water to present lessons learned and best management practices (BMPs) for “Complying with the Statewide General National Pollutant Discharge Elimination System (NPDES) Permit for Drinking Water Systems Discharges.” SJW shared operational changes related to compliance, BMPs for administrative and permitted discharges, and the status of the utility’s revised BMPs manual.

The presentation by Cal Water covered operational changes made by the utility such as implementing discharge management plans, performing staff training, developing a database management system, and improving BMPs.

Tank Overflows

- ▶ Retrofitted tank overflows to include air gaps and dechlorination



SJW’s BMP for Permitted Discharges

BMP Improvements



Examples of Cal Water’s BMP Improvements

MEMBER SPOTLIGHT

CAL WATER ANNOUNCES 2019 H₂O CHALLENGE WINNERS

In late March, California Water Service (Cal Water) announced the winners of the 2019 H₂O Challenge. The contest is a collaboration between Cal Water and the North American Association for Environmental Education (NAAEE) for fourth- through sixth-grade students to solve a local or global water issue.

This year's grand prize was awarded to Emily Akimoto's fourth-grade students from Sierra View Elementary School in Chico for their project to restore the ecosystem and community after the devastating Camp Fire. The students researched and tested local watersheds, installed wattles and plants to preserve Butte Creek, and created pamphlets on how to effectively rebuild after a fire. Their impact resulted in cleaner water, fresh greenery, an informed community, and an

outlet for student growth and recovery. The class received a \$3,500 grant and a camping trip to Yosemite National Park in partnership with [NatureBridge](#), an environmental science education program.

"Never has a project brought so many tears, taught so much resilience, or promoted so much healing. It is what we all needed," Akimoto said.

According to Christiane Maertens, NAAEE H₂O Challenge Program Director, "Ms. Akimoto and her fourth-graders are a powerful example of how teachers and students can feel empowered after a major tragedy and create real-world solutions by understanding their community and environment and take action."

Additional H₂O Challenge winners were:

- Second Place: Rachel Lenix's sixth-grade class from Downtown Elementary in Bakersfield developed strategies to collect rain water for an edible garden at their school. The produce from the garden will be served in the school's cafeteria. This class won a \$2,500 grant, a pizza party and Cal Water prize packs for each student.



Cal Water Vice President of California Operations Mike Mares Addresses the H₂O Challenge Winners



H₂O Challenge Grand Prize Winners from Sierra View Elementary Schools

CONTINUED ON NEXT PAGE

MEMBER SPOTLIGHT

CAL WATER ANNOUNCES 2019 H₂O CHALLENGE WINNERS...CONTINUED

- Third Place: Mike Buckley’s fifth-grade class from Murdock Elementary in Chico monitored their school’s water usage to learn how to reduce reliance on groundwater, and they created a garden that relies solely on rainwater. They received a \$2,000 grant and Cal Water prize packs for each student.
- Fourth Place: Keri Wohlford’s fifth/sixth-grade class from Robert Hill Lane Elementary in Monterey Park planted a water conservation garden and educated their peers and community on water conservation. They received a \$1,000 grant and Cal Water prize packs for each student.
- Fifth Place: Kristen Thomas’ fourth/fifth-grade class from Little Chico Creek Elementary in Chico tested the water quality of Little Chico Creek and educated the community on how to care for the creek. The class received a \$500 grant and Cal Water prize packs for each student.

“The winners of this year’s Cal Water H₂O Challenge are remarkable,” said Cal Water President and CEO Martin A. Kropelnicki. “The Camp Fire impacted our customers, employees, and neighboring communities in a way that we haven’t seen in the 90 years we’ve been providing water service. Seeing these students’ dedication to their community gives me great hope for future generations.” 

POINTS OF INTEREST

SPOTLIGHTING “FIRE AND WATER: SURVIVAL AND SUSTAINABILITY” AT CWA’S 76TH SPRING CONFERENCE



CWA Spring Conference 2019 • May 22 - 24 • The Sawyer Hotel

FIRE AND WATER
 SURVIVAL AND SUSTAINABILITY

Plans are well underway for CWA's 76th Spring Conference in Sacramento on May 22-24. With the theme, “Fire and Water: Survival and Sustainability,” several high-profile speakers and panelists will cover topics of interest to California’s regulated water utilities. Among them are wildfire liability for water utilities, water system consolidations, water quality standards, plus supplier diversity and legislative updates.

Keynote speakers are Senator Henry Stern (D-Canoga Park), Chair of the Senate Natural Resources and Water Committee and Laurel Firestone, State Water Resources Control Board Member. Among the confirmed speakers are insurance and liability experts Paul Fuller (Allied Public Risk), Bradford Kuhn (Nossaman LLP), and Chris Lyons (San Diego Gas & Electric Co.). Also speaking will be: Darrin Polhemus, Deputy Director, Division of Drinking Water, State Water Resources Control Board; Matthew Payne, Principal, WestWater Research, Rick Zimmer (Eurofins Eaton Analytical, LLC), Danielle Blacet (California Municipal Utilities Association, Marlaigne Dumaine (East Bay Municipal Water District), and Catherine Freeman (Chief Consultant, Assembly Water, Parks & Wildlife Committee).

For more information, visit: www.calwaterassn.com/event/2019-cwa-spring-conference/ 🌐

