



CALIFORNIA WATER ASSOCIATION

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MESSAGE FROM THE PRESIDENT

As the year comes to a close and we look to a possible fourth year of drought, as well as the implementation of the water bond and the new groundwater legislation, California Water Association (CWA) members continue to focus on delivering quality services, promoting conservation and water-use efficiency and providing education and outreach to customers. Information and data continue to play an important role as investor-owned water companies (IOWCs) manage resources to strengthen the water infrastructure for California residents. In support of this, the CWA 2014 Annual Conference focused on discussions of how the IOWCs and public agencies are responding to the ongoing drought and implementing creative solutions.

This edition of On Tap includes the following articles:

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- San Gabriel Valley Graded On Groundwater Usage
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- California Water Service Group Announces Promotions
- President Designates San Gabriel Mountains as National Monument
- *New York Times* Article Highlights "Risk of Cheap Water"

To view *On Tap* in PDF format, [click here](#), or access the online version on CWA's website at www.calwaterassn.com.

Sincerely,

R.W. Nicholson
San Gabriel Valley Water Company
2013-2014 CWA President

For instant California Water Association news:

QUESTIONS?

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MEMBER SPOTLIGHT

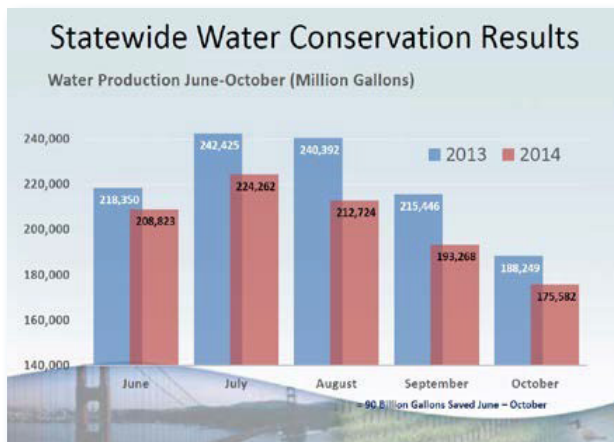
CWA'S ANNUAL CONFERENCE FOCUSES ON SOLUTIONS FOR CALIFORNIA'S DROUGHT

With great attendance and a strong program, California Water Association (CWA) members and water industry experts met in Monterey on November 12-14 for CWA's 73rd Annual Conference to share challenges and successes in addressing California's drought and other water-related issues. Centered on the theme, "Baking Bad, Sustaining Good," the conference featured a variety of presentations and panel discussions on local conservation efforts, innovative solutions to the drought and more.

R.W. Nicholson, President, San Gabriel Valley Water Company and 2013-14 CWA President, greeted conference attendees with an update of CWA's 2014 accomplishments and work on water conservation/drought management, public information, water quality, legislative and regulatory advocacy, small company assistance and the supplier diversity program. Nicholson concluded his remarks by handing off the 2015-16 CWA presidency to Greg Milleman, Director of Field Administration and Finance, California Water Service Company.

Sacramento Bee Columnist Dan Walters provided the keynote address, "California Water and the 2014 Election," and cited the old adage, "nothing focuses the mind like facing death." With water at the top of the political agenda, Walters observed that the drought focused the minds of policymakers and the public on water and paved the way for the passage of Proposition 1, the statewide water bond. Walters noted that CWA members can tap into Proposition 1's \$7.5 billion for improving California's water supply and quality, and he predicted a reshuffling of water rights and legislation on groundwater regulation. According to Walters, water and healthcare will dominate the agenda at the Capitol for the foreseeable future. He concluded, "Water will be in our face all the time for our lifetimes."

CWA Executive Director Jack Hawks moderated the first panel on "Tipping Points between Voluntary Conservation, Mandatory Restrictions and Rationing." Panelists included Rami Kahlon, Director, California Public Utilities Commission (CPUC) Division of Water and Audits; Kurt Schwabe, Associate Professor of Environmental Economics and Policy, University of California, Riverside; and Caren Trgovcich, Chief Deputy Director, State Water Resources Control Board (SWRCB). Panelists discussed the public policy issues, drought conditions, timing and tipping point milestones that state regulators must consider when deciding to move from voluntary conservation measures to mandatory restrictions on water use. These included reservoir levels at less than half of normal, the loss of agricultural land and jobs, communities running out of drinking water, wells drying up, wildfire threats and environmental damage to waterways and wildlife.



The panel also compared price versus non-price approaches to conservation such as education, rebates and mandatory restrictions. Despite the governor's "Drought State of Emergency Proclamation," the SWRCB's mandatory restrictions and the CPUC's water conservation resolutions, the drought continues to put pressure on policy officials and the public to do more. The panelists indicated that if the drought continues through 2015, it's likely the tipping point will move from voluntary conservation and mandatory restrictions to outright rationing.

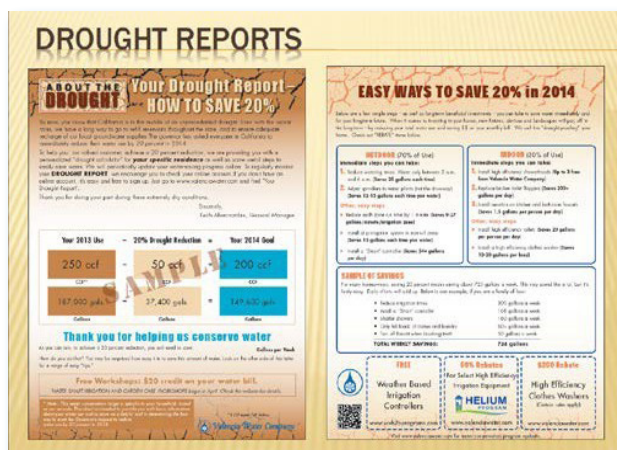
"Water Police – Does Tatting on Your Neighbor Really Work?" was the focus of the second panel, including Matt Dickens, Resource Conservation Manager, Valencia Water Company; Toby Goddard, Administrative Services Manager, Santa Cruz Water Department; and Patrick Pilz, Manager of Conservation and Efficiency, California American Water; with moderator Greg Milleman. Participants described methods of encouraging conservation beyond turning in water abusers and concluded outreach and education work well. One example is a Drought Response Integration

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MEMBER SPOTLIGHT

CWA'S ANNUAL CONFERENCE FOCUSES ON SOLUTIONS FOR CALIFORNIA'S DROUGHT

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Plan (DRIP), which includes annual reports sent to customers comparing their water consumption with the 20 percent reduction target and offers conservation tips. Customers also can monitor their real-time water usage online.

Some water companies employ field staff to check for water waste, while others offer online reporting or rely on water waste hotlines or call centers. The panel discussed consequences for violations, which range from a soft approach (we're here to help you) to repeated notices to tiered penalties up to disconnection of service. Although

penalties serve as an effective deterrent, most cases are resolved with a single contact. The panel concluded that tattling does not work as well as being proactive about water waste education and providing good customer service, with success measured by the gallons of water saved rather than the number of citations issued.

The morning's final presentation by Andrew Ulmer, Senior Director, Client Solutions, WaterSmart Software, addressed "Behavioral Science, Big Data and Conservation." Ulmer explained how behavioral science and big data from automating processes through technology to deliver meaningful output can be combined to deliver easy, targeted and measurable conservation programs. He described how WaterSmart Software offers a way to educate and engage customers through a turnkey, cloud-based engagement, analytics and behavioral water efficiency solution. WaterSmart's technology can personalize information to each customer and is capable of targeting communication, integrating multiple data sources, tracking customer satisfaction and engagement and sending real-time notices and e-alerts.

Lester Snow, Executive Director, California Water Foundation and former Secretary of the California Natural Resources Agency, presented the keynote luncheon address on "Entering a Fourth Year of Drought: Has California Become the Australia of the 2000s?"



Lake Oroville September 2014 - VIDEO

After providing a brief history of drought in California and actions taken by the governor and regulators in 2014, Snow discussed issues and opportunities for 2015. These include ongoing drought response measures, implementation of the Sustainable Groundwater Management Act of 2014 (SGMA) and Proposition 1, the Bay Delta Conservation Plan and federal policy shifts.

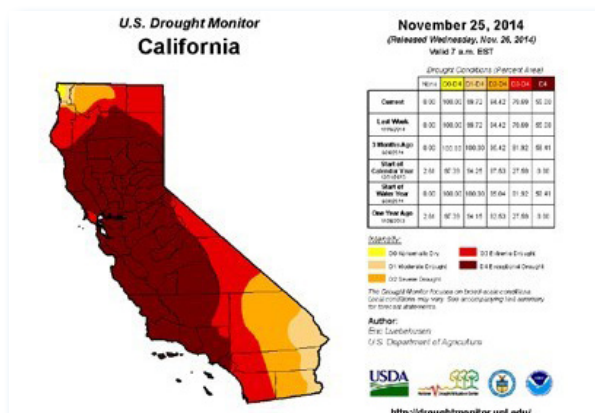
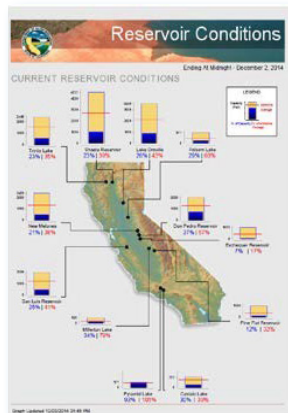
He illustrated how the drought monitor plan changed dramatically during the past 12 months and expressed concern about the conditions of statewide reservoirs, particularly Pine Flat and Exchequer with current levels at 12 and 7

percent respectively. Snow noted the reservoirs will not be filled next year, which will drive policy discussions. He addressed groundwater supplies, predicting 65 percent of the state's water will come from groundwater by year end, which is well over the 35-40 percent pumped in normal years. Snow explained the complexities of the SGMA and encouraged water utilities to take an active role in its implementation and the water bond's implementation.

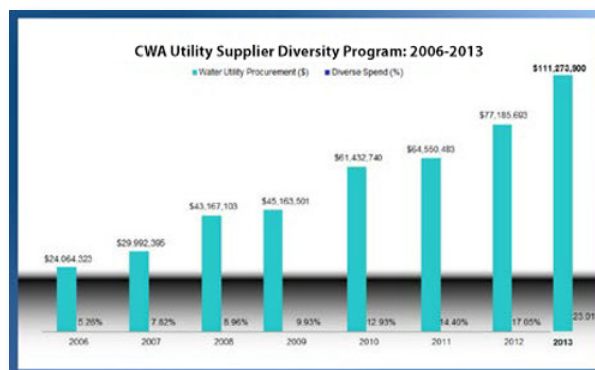
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MEMBER SPOTLIGHT




CWA'S ANNUAL CONFERENCE FOCUSES ON SOLUTIONS FOR CALIFORNIA'S DROUGHT



Following lunch, Charmaine Jackson, Chair of CWA's Utility Supplier Diversity Program (USD) Committee, and Manager of Supplier Diversity and Community Affairs for San Jose Water Company, provided an update on CWA's supplier diversity program since its inception in 2006. The Committee's efforts have set new standards for diverse supplier excellence in the water utility industry's supply chain through the companies' partnerships with community-based organizations and professional organizations serving women-, minority- and disabled-veteran-owned businesses. With 469 diverse businesses participating with CWA member water companies, the USD continues to realize cost savings and positive impacts on job creation and on local economies. In 2013, CWA member companies participating in the USD spent more than \$111 million with diverse businesses, a 23.01 percent increase over 2012. The Mentor Protégé Program also was launched in 2013 to assist potential vendors with capacity-building and technical assistance, and both California Water Service Company President and CEO Marty Kropelnicki and Golden State Water Company Vice President of Regulatory Affairs Keith Switzer represented CWA at the California Public Utility Commission's annual En Banc Hearing on supplier diversity in October.



WHAT BDCP DOES AND DOES NOT DO

BDCP Does: 	BDCP Does Not: 	Other Projects Do: 
✓ Guard against climate change, sea level rise, and seismic risk	○ Alter existing water rights	✓ Provide for additional water storage
✓ Secure water supplies for 25 million Californians	○ Increase the amount of water exported from the Delta	✓ Manage or replenish groundwater basins
✓ Restore and protect the Delta ecosystem and improves flow conditions for fish	○ Change other state or federal regulations on water quality or water allocations	✓ Mandate additional water conservation
✓ Protect and conserve 56 species		
✓ Modernize a critical piece of California's water infrastructure		
✓ Protect jobs for 1 million Californians		

Part 1 of 2
COURTESY OF CALIFORNIA

Given the significant role of the Sacramento-San Joaquin River Delta (Delta) in statewide water management, Janet Barbieri, Program Manager, Bay Delta Conservation Plan (BDCP) Public Outreach and Education Program, gave a status report on the BDCP. Governor Brown's Water Action Plan highlights priorities for key areas, including the Bay Delta as part of an overall solution. Barbieri said the BDCP is a long-term strategy guided by the best available science that will secure water supplies, create jobs and boost the economy, enhance the environment and restore the health of the Delta and its ecosystem, including plants,

fish and wildlife. With partial recirculation of the draft Environmental Impact Report/Environmental Impact Statement expected in 2015, Barbieri encouraged conference attendees to “stay involved!” Updates are available at www.baydeltaconservationplan.com.

MEMBER SPOTLIGHT

CWA'S ANNUAL CONFERENCE FOCUSES ON SOLUTIONS FOR CALIFORNIA'S DROUGHT

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Speaking about “A New Culture for Drinking Water in California,” Cindy Forbes, Deputy Director, Division of Drinking Water, State Water Resources Control Board (SWRCB), gave an overview of the Division of Drinking Water’s transition to the SWRCB. She outlined the responsibilities of the Division, the systems under its regulation, its field operations and the organizational structure. Forbes explained pending and recently adopted regulations, funding programs and policy changes, as well as the Division’s role in natural disasters such as earthquakes, wildfires, floods and the drought. She reviewed the new application process and announced major changes to the safe drinking water [ranking categories](#).

For IOUs facing eminent domain takeovers of water systems, California American Water (CAW) shared lessons learned from an extensive outreach campaign to defeat this year’s ballot Measure O, which was an attempt to have the Monterey Peninsula Water Management District condemn and take over CAW’s Monterey water system district. Company consultant Michael Terris, Principal, Terris, Barnes & Walters, described the campaign in his presentation, “Monterey’s No on O: It’s a Risk We Cannot Afford.”

Paid for by CAW’s owners, the outreach campaign focused on CAW’s stewardship of the local environment and its strong emphasis on the community and customer service. A key theme was the risk to the community if it took over the district by eminent domain. The campaign relied on a variety of outreach methods, including mailers, bill inserts, email blasts, print and television ads, YouTube videos and Facebook and Google ads. In addition, teams of local supporters of CAW knocked on almost 50,000 doors to communicate the primary messages.

Terris shared lessons learned such as: conducting early polling and focus group sessions to establish a clear road map; creating a detailed campaign plan; starting early to maintain control of the measure’s implications for voters; controlling the dialogue; and staying disciplined with the campaign’s primary message points.

The program ended with a panel on “Innovative Water IOU Responses to the Drought” with panelists Bob Day, Director of Customer Service, San Jose Water Company (SJWC), Ken Jenkins, Conservation Manager, California Water Service Company (Cal Water), Darleen Phares, Water Conservation Manager, Suburban Water Systems (Suburban), and Tiffany Tran, Conservation Coordinator, San Gabriel Valley Water Company (SGVWC), who also moderated the panel.

SJWC’s actions included: frequent bill inserts; postings on websites and social media; meetings with customers, community leaders and the media; partnerships with local stakeholders and universities; using advanced technology, including real-time data, to work with high water users; and on-site investigations and water audits.

Cal Water launched a school education program, [Cal Water H₂O Challenge](#), to inform, engage and motivate students to care about water and make a positive difference in their communities. The free classroom competition for grades four through six requires a portfolio with project goals, research, actions, community outreach, student reflections and teacher reflections. Various prizes were awarded, including a grand prize classroom tent camping trip to the Channel Islands with [NatureBridge](#).

Suburban partnered with the [National Theatre for Children](#) from Minneapolis to perform half-hour plays at local schools focused on water conservation, pollution and what students can do to save water. Reaching almost 10,000 students each year, the performances and classroom activities are a great way to provide conservation messages to customers through their children.

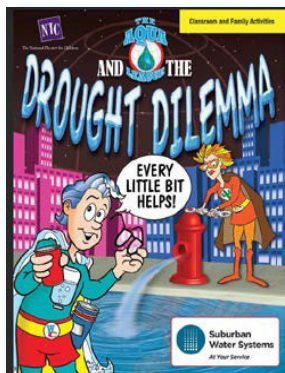


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MEMBER SPOTLIGHT

CWA'S ANNUAL CONFERENCE FOCUSES ON SOLUTIONS FOR CALIFORNIA'S DROUGHT

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SGVWC's conservation programs included education and public outreach, such as the National Theatre for Children and public events, as well as commercial and industrial instructional programs on indoor/outdoor school retrofits and turf removal. A residential program included the distribution of high-efficiency clothes washers and toilets. SGVWC's Smart City Challenge offered the first three cities to complete eight of 12 challenges a \$50,000 grant for a sustainable watershed project in their city.

The conference closed with a special dinner recognition of Nossaman Senior Policy Advisor Meg Catzen-Brown, who is retiring at the end of 2014, and who ably and successfully represented CWA in Sacramento for nearly 27 years. A number of former and retired utility executives attended the dinner to recognize Meg and share some special remembrances.

CWA appreciates the sponsors who made the 73rd Annual Conference possible: CoBank, the first evening dinner host; Allen Matkins, lunch sponsor; Manatt, Phelps & Phillips LLP, breakfast host; Baker Donelson, Bearman, Caldwell & Berkowitz, PC, lunch sponsor; WaterSmart Software, reception host; Nossaman LLP, second evening dinner sponsor; and BNA Communications, which furnished the name tag lanyards.



Nossaman Senior Policy Advisor Meg Catzen-Brown with her mother Penny



Caren Trgovcich, State Water Resources Control Board, Jack Hawks, California Water Association, Rami Kahlon, CPUC Division of Water and Audits, and Kurt Schwabe, University of California, Riverside



Sacramento Bee Columnist Dan Walters

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MEMBER SPOTLIGHT

CWA'S ANNUAL CONFERENCE FOCUSES ON SOLUTIONS FOR CALIFORNIA'S DROUGHT

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Patrick Pilz, California American Water, Matt Dickens, Valencia Water Company, Greg Milleman, California Water Service Company, and Toby Goddard, Santa Cruz Water Department



Ken Jenkins, California Water Service Company, Darleen Phares, Suburban Water Systems, Tiffany Tran, San Gabriel Valley Water Company, and Bob Day, San Jose Water Company



Charmaine Jackson, Chair, CWA's USDP Committee



Lester Snow, California Water Foundation



Conference Attendees

SAVE THE DATE
FOR CWA'S 2015
SPRING CONFERENCE
 May 13 - 15 at the Citizen Hotel,
 Sacramento



MEMBER SPOTLIGHT

SAN GABRIEL VALLEY GRADED ON GROUNDWATER USAGE

Throughout a 10-week campaign this fall, San Gabriel Valley Water Company, Suburban Water Systems and Golden State Water Company, along with other water utilities and cities, were graded by the San Gabriel Valley Water Association (Association) on their use of groundwater provided to their customers during this time of drought. The Association conducted weekly tallies of the amount of water extracted from local groundwater basins and compared it with the amounts drawn the previous year as the foundation for assigning grades. Regions received a passing grade if the amount of groundwater drawn was less and an “alert” if the amount of groundwater was more.

According to an [article](#) in the *San Bernardino County Sun*, the intent of the weekly reporting was to monitor how everyone within the Main San Gabriel and Raymond (Groundwater) Basins was doing as a whole, regardless of where water is acquired in the San Gabriel Valley. The article noted that, “During the first three weeks of the 10-week campaign, the San Gabriel Valley received two passing grades and one alert. On Oct. 10, the region used 730 million gallons less than the same week a year before and earned a passing grade. Week Two produced the mirror opposite: the Valley used 780 million gallons more than the same week in 2013.”

From a prepared statement referenced in the article, Association President Dan Arrighi, who is also Water Resources Manager for San Gabriel Valley Water Company, said, “Publishing the groundwater level on a weekly basis will help track our progress and help residents understand the importance of looking at drought solutions as a community effort.”

The issued alerts served as a signal for water companies and customers to take a harder look at water usage to determine where changes or improvements can be made. For example, water customers may think fall (October through December) is the end of hot weather and, consequently, will increase watering, but in this region, “temperatures can spike and humidity can drop” forcing the groundwater table to plummet.

The Association issued messages through multiple media outlets, including print ads, digital and social media, email blasts and website posts. 



MEMBER SPOTLIGHT

CAL WATER PARTNERS WITH NAAEE TO TEACH KIDS ABOUT WATER CONSERVATION



California Water Service Company (Cal Water) partnered with the [North American Association for Environmental Education \(NAAEE\)](#), an organization dedicated to accelerating environmental literacy through education, to develop two new water education programs for the classroom and home: [Cal Water H₂O Challenge](#) (www.calwater.com/challenge) and [Cal Water Town](#) (www.calwater.com/town). Building on Cal Water's commitment to improving the quality of life in the communities it serves, Cal Water H₂O Challenge and Cal Water Town provide in-class and at-home interactive experiences for students, parents and educators to learn and teach about the importance of water conservation through science and fun.

The programs include at-home activities and classroom competitions for grades 4-6 in Cal Water's service areas. The winning class receives an all-expense-paid [NatureBridge](#) nature exploration trip to the Channel Islands to discover the wonders of ecology, biology and conservation.

"With more than 80 percent of California in extreme drought conditions this year, it is more important than ever that we are educating younger water users about conservation," said Martin A. Kropelnicki, Cal Water President and CEO. "Cal Water H₂O Challenge and Cal Water Town provide opportunities for kids across California to learn and have fun through educationally sound programs."

"We are thrilled to be working with Cal Water on such crucial programs as the need for water conservation continues to rise," said Christiane Maertens, Deputy Director, NAAEE. "Through Cal Water H₂O Challenge and Cal Water Town, kids will be learning from programs developed by a consortium of education and science experts."

The programs were developed with the expertise of the WestEd K-12 Alliance to ensure educationally sound, grade-specific experiences that encourage connection with STEM (science, technology, engineering and mathematics) learning.

During the course of 4-8 weeks, classrooms participating in Cal Water H₂O Challenge will:

- Initiate, develop and implement a project focused on water through a community-based endeavor following project-based learning methodology.
- Create and submit a portfolio, including project goals, student research, science and/or engineering experimentation, actions to solve a local water issue and public outreach efforts as well as student and teacher reflections.

To ensure educators have access to the support they need, teachers will be provided with technical, expert and monetary support through:

- Online resources and logistical assistance.
- Targeted educational support and on-call teacher consultants from the WestEd K12 Alliance.
- Up to 20 \$500 teacher grants (chosen by lottery) to aid in the completion of classroom projects.

The **Cal Water H₂O Challenge** is a project-based competition for grades 4-6 in schools served by Cal Water seeking to enhance students' understanding of water-based science concepts. The in-class program offers a unique opportunity for upper elementary teachers to facilitate students' learning of standards-based content, while developing the core foundation of environmental principles necessary to becoming science-literate citizens.

Cal Water Town is an interactive program for kids from preschool through fifth grade allowing them to explore a digital town, where they are greeted by guide and town mascot "Mr. Fish," who explains the use and importance of water throughout the community. Programming is tailored to the grade level and skill sets of the children as they "click around the town" to engage in activities and learn water-related facts. Kids and families learn new ways to change their daily routines to conserve this precious resource, and quizzes are offered along the way to gauge learning and improvement. 🐟

MEMBER SPOTLIGHT

CWA MEMBERS GIVE BACK AT THANKSGIVING WITH OPERATION GOBBLE



Once again, California Water Association (CWA) member companies made Thanksgiving a reality for families throughout California with Operation Gobble. Partnering with local and state elected officials and nonprofits, the investor-owned water companies distributed turkeys to organizations that prepare meals for people who would not have a Thanksgiving dinner. Operation Gobble targets hunger in California.

This year, [Golden State Water Company](#) (GSWC) donated approximately 8,000 turkeys and, in conjunction with Senate President pro Tempore Kevin de León, distributed them to The

Salvation Army, Boy Scouts of America, Lions Club, churches, food banks, senior centers and other nonprofits.

“Operation Gobble provides a unique opportunity to give back to the communities we serve,” said President and CEO Robert J. Sprowls. “Since the program’s inception in 1990, GSWC has donated more than 208,000 turkeys, and we are proud to continue this tradition with our water industry partners.”



GSWC Employees Delivering Turkeys to the Boys & Girls Club



Senator Kevin De León and GSWC Employees Delivering Turkeys

Senator-Elect Tony Mendoza partnered with GSWC and San Gabriel Valley Water Company (SGVWC) to distribute turkeys to local charities. Mendoza said, “Operation Gobble enables organizations to distribute turkeys to those most in need. In these hard times, it is important to help our neighbors, so the holidays are great for everyone.”

[Assemblymember Ed Chau](#) joined SGVWC and [California American Water](#) to distribute more than 200 turkeys to local nonprofits and noted, “This annual program is devoted to raising awareness about hunger issues in California while helping those who need it most. This year more than ever, it is important that we all reach out to others in the community to ensure that every Californian doesn’t go without a meal this Thanksgiving season.”



Senator-Elect Tony Mendoza Distributing Turkeys with GSWC and SGVWC

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MEMBER SPOTLIGHT

CWA MEMBERS GIVE BACK AT THANKSGIVING
WITH OPERATION GOBBLE...CONTINUED

SGVWC Distributing Turkeys with Assemblymember Chau



SGVWC Distributing Turkeys



Suburban employees with Senator Bob Huff

SouthWest Water Company, through its Suburban Water Systems subsidiary, participated in multiple events for Operation Gobble. Suburban contributed a total of 900 turkeys at different giveaway functions, making Thanksgiving a reality for many families.

Through Operation Gobble, [California Water Service Company's](#) shareholders donated \$136,750 to local charities for holiday meals in 21 of its service areas.

"The holiday season can be particularly stressful for those who are having difficulty due to economic circumstances, and we are committed to being a good neighbor and improving the quality of life in the areas we serve," said Cal Water President and CEO Martin A. Kropelnicki.



California Water Service Company Presenting Gift Checks for Holiday Meals

California American Water partnered with local legislators and nonprofit charity organizations around the state to deliver 3,700 turkeys, totaling more than 23 tons, in its Sacramento, Larkfield, Monterey, Los Angeles, Ventura and San Diego Districts.



California American Water Staff Delivering Turkeys

THE QUALITY & SERVICE FOCUS

SAN GABRIEL VALLEY WATER COMPANY AND CITY OF MONTEBELLO DEDICATE RECYCLED WATER TREATMENT SYSTEM



SGVWC President R.W. Nicholson, Assemblymember Christina Garcia; Assemblymember Ed Chau; Central Basin Municipal Water District Interim General Manager Richard Aragon; and SGVWC Chairman and CEO Michael Whitehead


On October 20, 2014, state and local officials joined San Gabriel Valley Water Company and the City of Montebello in dedicating recycled water service to the 23-acre Grant Rea Park to irrigate the park's turf and landscape areas. Officials emphasized the value of utilizing recycled water to the park, which conserves 18 million gallons of drinking water per year, in addition to "supporting the city's ongoing efforts to implement environmentally friendly programs for the benefits of residents and the greater community." The project was made possible, in part, by

a grant from the Metropolitan Water District of Southern California that helped to reduce the cost of retrofitting the park to accept recycled water.

"Being able to use recycled water for irrigation purposes allows us to maintain our parks while lessening the demand for imported or ground water supplies," said Assemblywoman Cristina Garcia.

"In the midst of a severe drought, the recycled water project will alleviate the demand for potable water and is a huge win for the community," said Assemblyman Ed Chau.

"This is an important day for Montebello residents," said Mayor Pro Tem Jack Hadjinian. "It allows us to continue providing recreational space to our residents and conserving vital drinking water for them."

The recycled water comes from the County Sanitation Districts' San Jose Creek Reclamation Plant and is delivered through the Central Basin Municipal Water District's Southeast Water Reliability Project. 

THE QUALITY & SERVICE FOCUS

SAN JOSE WATER COMPANY INSTALLS INNOVATIVE IN-TANK AERATION SYSTEM



San Jose Water Company (SJWC) installed an innovative aeration system in its Los Gatos 12-million-gallon water storage tank to protect declining water supplies from contaminants such as trihalomethanes (THMs). As reservoirs filled in 2011 continue to be depleted during the drought, the organic matter in these reservoirs has become more concentrated resulting in higher THM levels. Additionally, more frequent taste and odor issues have also been reported due to the formation of algal blooms that typically occur during periods of warm weather and low water levels.

“With the California drought, there’s more pressure than ever to keep our remaining water supply at a high standard,” said Francois Rodigari, SJWC’s Director of Water Quality and Environmental Compliance. “We wanted to get out in front of this potential issue and ensure a high-quality supply for customers – our top priority at San Jose Water.”

PAX Water Technologies and Utility Service Group were selected to perform the system analysis, energy optimization, installation and commissioning. Their design consisted of an array of seven high-efficiency surface aeration units along with a large-scale air handling system and two water mixers. The system is designed to treat eight million gallons of water a day and creates bubbles on the surface of the water to ventilate THMs out of the drinking water. Additionally, an Aqua Metrology AMS-100 THM analyzer was added to the design to continuously monitor THM levels in the reservoir and dynamically control aeration to meet target levels while minimizing energy cost.



LEGISLATIVE AND REGULATORY UPDATE

CWA PLAYS KEY ROLE IN SWRCB'S ADOPTION OF NEW DRINKING WATER DISCHARGE PERMIT



The State Water Resources Control Board's (SWRCB) recent adoption of a new statewide permit for drinking water system discharges included several improvements offered by the California Water Association (CWA) and accepted by the SWRCB at its hearing in November. Among the most important were word changes in the permit designed to prevent costly and unwarranted third-party lawsuits against retail water purveyors as these entities move forward to bring their utility operations into coverage under the permit.

According to the SWRCB, water purveyors are regularly (and properly) required to discharge drinking water into storm drains or other conveyances that drain to surface "waters of the United States." Planned discharges are part of a water purveyor's essential operations and are necessary for compliance with the federal Safe Drinking Water Act, as well as the California Health and Safety Code, in providing safe, reliable drinking water. Unplanned surface water discharges also occur from pipe breaks, system failures and emergencies.

The SWRCB notes that Section 402 of the federal Clean Water Act requires that a point source discharge of any pollutant or combination of pollutants to surface waters that are deemed "waters of the United States" be regulated by a National Pollutant Discharge Elimination System (NPDES) permit. To provide coverage to discharges by drinking water purveyors in compliance with Clean Water Act section 402, the SWRCB adopted the *Statewide General NPDES Permit for Drinking Water System Discharges to Waters of the United States* on November 18, 2014. To get coverage under the permit, a water purveyor must submit an application to the SWRCB no later than September 1, 2015. Alternatively, if a water purveyor determines it does not need coverage under the permit, it must submit a notice of non-applicability to the SWRCB also by September 1, 2015.

The CWA changes accepted by the SWRCB involved clarifications in the language that reduced confusion regarding discharges that are actually authorized and are eligible for coverage under the permit. Additionally, CWA was successful in getting the SWRCB to agree that the intent of the permit was to make a "low-threat" determination for drinking water system discharges, thereby ensuring that authorized discharges under the permit shall not "cause or contribute to a violation of any applicable basin plan or water quality control plan ..." Further, the permit now provides that only discharges that actually cause or contribute to exceedances in water quality standards when measured in receiving waters can constitute violations of the permit and not simply those discharges with constituents that might be higher at the point of discharge than the water quality standards authorize for receiving waters.

"CWA's Water Quality Committee and its attorney from Nossaman LLP, Mary Lynn Coffee, deserve a lot of credit for these and other changes to the new statewide NPDES permit for drinking water system discharges," said CWA Executive Director Jack Hawks. "Their efforts will benefit the customers of all water utilities in the state by reducing the potential for financial damages in third-party citizen lawsuits against utilities that elect to take coverage under the permit." 🌍

POINTS OF INTEREST

CALIFORNIA WATER SERVICE GROUP ANNOUNCES PROMOTIONS

California Water Service Company's (Cal Water) parent, California Water Service Group, announced the following four promotions on December 10, 2014, all effective January 1, 2015:

- Shannon C. Dean to Vice President of Corporate Communications & Community Affairs
- David B. Healey to Vice President, Controller
- Lynne P. McGhee to Vice President, General Counsel
- Michelle R. Mortensen as Corporate Secretary



Dean, currently the company's Director of Corporate Communications, is responsible for overseeing the corporate communications, government and community relations and conservation functions of the company. Dean joined Dominguez Water Company in 1991, which merged with Cal Water, the largest subsidiary of California Water Service Group, in 2000. Accredited by the Public Relations Society of America in 2002, Dean also holds a Master of Arts in English and Bachelor of Arts in journalism/public relations from California State University, Long Beach. She is the current chair of the California Water Association's Public Information Committee and immediate past chair of the National Association of Water Companies Communications Committee.

Healey currently serves as Cal Water's Corporate Controller and Assistant Treasurer, a position he has held since 2012. In this role, he is responsible for all U.S. Securities and Exchange Commission filings and financial and tax reporting. Healey joined Cal Water in 2009 as Director of Financial Reporting. A certified public accountant and a certified management accountant, Healey holds a Bachelor of Science in business from the University of San Francisco.

McGhee, who has been with Cal Water since 2003, currently serves as Associate Corporate Counsel and Corporate Secretary. In this role, she advises the executive team in regulatory, commercial, real estate, risk management and other matters; manages legal proceedings; negotiates major vendor contracts; and oversees corporate governance. McGhee previously served as staff counsel at the California Public Utilities Commission and legal advisor to two commissioners. McGhee earned her Master of Laws from Georgetown University Law and Juris Doctor from Southwestern University. She also holds a Bachelor of Science in mathematics from California State University, Northridge.

Mortensen has served as Cal Water's Assistant Corporate Secretary since January 2014. In this capacity, her responsibilities include overseeing employee benefit plan funding and investments; developing and maintaining corporate policies, resolutions and governing documents; coordinating stockholder plan activities; and recording and filing corporate and board documents. Since joining the company in 2008, Mortensen also has served as regulatory accounting manager, assistant to the chief financial officer and treasury manager. Mortensen holds a Bachelor of Science degree in commerce/finance from Santa Clara University in California. 🌈

POINTS OF INTEREST

PRESIDENT DESIGNATES SAN GABRIEL MOUNTAINS AS NATIONAL MONUMENT




As reported on the [CBS](#) local news and the [Mid Valley News](#) on October 15, President Barack Obama, in conjunction with Congresswoman Judy Chu, the California delegation and Secretary of Agriculture Tom Vilsack, made the vision of San Gabriel residents a reality by designating the San Gabriel Mountains a national monument. Located in the Angeles National Forest north of Los Angeles, the mountains provide “one-third of the region’s clean water supply and 70 percent of the region’s open space.” Supporters of the

dedication included not only state and local officials but business and community leaders, churches, water districts, educators, thousands of residents and more.

San Gabriel Valley Water Company Chief Executive Officer Michael Whitehead and Nossaman LLP Attorney Fred Fudacz worked closely with officials to ensure water rights and unrestricted access to water resources were protected. According to the news article, “years of public meetings – plus more than 12,000 public comments – built support for better protection of the San Gabriel Mountains and rivers and improved visitor services.”

Mayor Andre Quintero of El Monte, located in the San Gabriel Valley, attended the dedication and commented, “For more than a decade, community support has steadily grown for the permanent protection of the San Gabriel Mountains. On behalf of San Gabriel Valley residents, I want to thank Congresswoman Judy Chu and the California delegation, Secretary of Agriculture Tom Vilsack and President Obama for working with our communities to make that vision a reality.”

In a statement, Los Angeles Mayor Eric Garcetti said, “The San Gabriel Mountains are a vital natural and cultural resource. Designating the area as a National Monument will ensure its resources are managed properly and protected for future generations to enjoy.” 

NEW YORK TIMES ARTICLE HIGHLIGHTS “RISK OF CHEAP WATER”

On October 14, 2014, the *New York Times* included a provocative article on the nation’s consumption of water, the arbitrary allocation of water and the variability of pricing coupled with the lack of incentives to conserve. According to the article, “The looming prospect of acute water scarcity demands a solution, however. It’s not only the West’s problem.” [Click here](#) to read the full article. 