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MESSAGE FROM THE PRESIDENT

With the hot topic of the drought still at the forefront of news in California, investor-owned water utilities (IOUs) continue providing direction to help customers use water more efficiently and meet conservation targets mandated by Governor Brown and the State Water Resources Control Board. In addition to imposing strict drought management measures and surcharges for violating prohibited water uses and excessive water use, the IOUs have been developing new programs and services and implemented public outreach campaigns on water-use reduction requirements throughout the state to ease the impact of the drought on customers.

IOUs also met in Sacramento for three days at the California Water Association's (CWA) Spring Conference to share their experiences, plans and lessons learned in complying with the new drought mandates. This edition of *On Tap* includes the following articles on these as well as other topics:

- Water IOUs Begin Compliance with State-Mandated Reductions by Hosting Comprehensive Customer Meetings
- State Audit Confirms Reasonableness of Apple Valley Area Water Utilities' Costs and Rates
- CWA's Spring Conference Highlights How Water Utilities Juggle Multiple Priorities
- California American Water Gets Green Light from the CPUC to Acquire Ox Bow Marina Mutual Water Company and Signs a Purchase Agreement for Adams Ranch Mutual Water Company
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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,

Greg Milleman
California Water Service Company
2015-2016 CWA President

For instant CWA news:



California
Water
Association



LEGISLATIVE AND REGULATORY UPDATE

**WATER IOUs BEGIN COMPLIANCE WITH
STATE-MANDATED REDUCTIONS BY HOSTING
COMPREHENSIVE CUSTOMER MEETINGS**

In response to a California Public Utilities Commission (Commission) resolution ordering its jurisdictional water companies to comply with Governor Jerry Brown's executive order requiring mandatory water-use cutbacks and the State Water Resources Control Board's (State Water Board) requirement to reduce urban water use by an average of 25 percent statewide from 2013 consumption rates, investor-owned water utilities (IOUs) held 95 customer meetings throughout California between May 15 and June 30. The meetings were attended by more than 16,000 customers and provided them an opportunity to understand and respond to the state's water-use reduction policies and the IOUs' approaches to complying with those mandatory reductions.

The IOUs are in different stages of their [Schedule 14.1](#) mandated water reduction plans. IOUs were directed to file and activate their Schedule 14.1 Water Shortage Contingency Plans with the Commission by mid-June, with compliance timeframes to begin as soon as possible thereafter. The plans detail the companies' approaches and the increasingly strict water-use stages necessary to achieve the mandated water-use reductions.

Because water usage levels and conservation programs differ throughout the state, the State Water Board's mandate of a 25 percent average statewide reduction provides for individual water provider reduction targets ranging from four to 36 percent for the 411 water utilities and agencies reporting to the State Water Board on a monthly basis. Like their public agency counterparts, the water IOUs are initiating stages of their water shortage plans at different times and to varying degrees. However, the water IOUs generally have moved forward with their plans aggressively, largely due to the Commission's directives.

Additionally, as directed by the Commission, the water IOUs are keeping track of any surcharges collected separately from regular revenues and allocating money to the previously approved accounts known as "lost revenues," "conservation" or "revenue adjustment mechanism." Utilities typically file an advice letter request seeking Commission approval for recovery, a process that undergoes full review before any decisions are made.

The state's largest water IOU, California Water Service (Cal Water), which serves nearly 2 million Californians, activated Stage 2 of its Water Shortage Contingency Plan. This includes assigning customers in Cal Water's districts individualized, mandatory water budgets that correlate with the districts' reduction requirements, implementing outdoor irrigation schedules, assessing penalties for violating prohibited water uses and adding surcharges to bills for excessive water use above those budgets. Cal Water completed its customer meetings in May and implemented its plan on June 1, 2015.



California Water Service Meeting in Chico – 800 Attendees



California Water Service Meeting in Visalia

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LEGISLATIVE AND REGULATORY UPDATE

**WATER IOUs BEGIN COMPLIANCE WITH
STATE-MANDATED REDUCTIONS BY HOSTING
COMPREHENSIVE CUSTOMER MEETINGS...CONTINUED**

Los Angeles County-based Park Water Company (PWC) is in Stage 1 of its plan, which covers multiple prohibited uses (mainly outdoor usage restrictions) and the installation of flow restrictors and real-time measurement devices. Because it has a much higher conservation mandate, Apple Valley Ranchos Water Company (AVR) in San Bernardino County already is in Stage 2. This encompasses all the prohibitions of Stage 1 plus limitations on outdoor watering to only two days a week for non-residential customers and requirements for customers to fix leaks within three days of being notified by AVR. With respect to residential customers' usage in excess of their allocation (in AVR's case, 2013 consumption levels minus 28 percent, which translates to between 7,362 and 11,968 gallons per month depending on the time of the year), the regular rate is charged plus a drought emergency surcharge equal to the utility's tier 1 rate. Non-residential customers are charged at the regular rate plus 15 percent.

Because mandated water usage reduction targets vary by company, the decision to activate a particular stage of a reduction plan also varies by company. Likewise, the strategies to achieve mandated reduction targets vary. Some utilities apply system-wide average reduction targets by customer, while others apply individual targets based on individual customer usage. For example, Golden State Water Company (GSWC), which serves more than a million people throughout the state, applies its reduction targets based on individual customer usage, while California American Water's (CAW) individual customer water reduction targets are calculated using each of its district's system-wide averages throughout the state.



Golden State Water Company Cowan Heights Public Meeting June 4, 2015

Due to constraints imposed by its local wholesale district, San Jose Water Company (SJWC) has implemented Stage 3 of its Water Shortage Contingency Plan. This stage includes mandatory outdoor water-use restrictions with a limit on irrigation to two days per week. Customers are required to fix leaks, broken irrigation systems and broken plumbing fixtures within 72 hours if notified to do so by SJWC. The residential allocation program is based on a 30 percent reduction from 2013 average residential customer usage on a monthly basis. SJWC's drought surcharges are activated for usage above the monthly allocation, beginning with an amount equivalent to SJWC's highest tiered rate.

To get the word out and encourage customers to attend informational meetings, the IOUs employed numerous communication channels. For example, GSWC sent direct mail pieces to customers and posted notices on the company's [website](#), along with a complete schedule of meetings. In addition to direct communications to their customers in Los Angeles County, Suburban Water Systems (Suburban) participated in several town hall

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LEGISLATIVE AND REGULATORY UPDATE

WATER IOUs BEGIN COMPLIANCE WITH STATE-MANDATED REDUCTIONS BY HOSTING COMPREHENSIVE CUSTOMER MEETINGS...CONTINUED

meetings to speak with local city officials and answer questions. The company also has been holding a series of meetings with city and school officials in its service areas that will continue into August.

Cal Water also employed direct mail and its [website](#) to promote the customer meetings as well as engaged heavily in social media and placed advertisements. San Gabriel Valley Water Company (SGVWC) used newspaper advertisements, [website](#) postings, direct mail and customer service representatives to get the word out. All of the IOUs worked with local media to inform customers of the meetings.

The meetings, ranging in attendance from less than 100 up to about 800, focused primarily on reviewing the new rules for customers' water usage, as well as discussing the multiple conservation and incentive programs available to customers by the IOUs. GSWC held 35 public meetings to cover its customer service areas throughout the state, with more than 400 customers in a single meeting. SGVWC held two meetings for its two divisions in Los Angeles and San Bernardino counties, including its Fontana Water Company [meeting](#) in the latter county, which had more than 300 participants. Likewise, Suburban held two public meetings – one in La Mirada that drew about 200 attendees and one in West Covina with 230 customers. Cal Water conducted 25 customer meetings with as many as 800 attendees in a single meeting. PWC and AVR held a combined total of three meetings with approximately 500 attendees at the AVR meeting. CAW held seven customer group meetings ranging from 40 to approximately 200 participants.

A majority of the time at the meetings was devoted to answering customers' questions and addressing their concerns. Common questions and concerns varied among customers, but the majority centered on water waste, usage restrictions and enforcement mechanisms as well as the IOUs' specific requirements and surcharges and details of their rebate/conservation programs. Others focused on how to monitor real-time water usage and appeals of individual allocations. Many questions arose regarding future supplies and the availability of utility conservation and rebate programs. Responses to the questions were tailored to the IOUs' specific districts, service areas and customer needs.

Through the public meetings, customers learn firsthand that when it comes to conservation, all of the IOUs currently offer an extensive selection of programs (see chart); however, in light of the drought, the IOUs are now offering new programs. For instance, GSWC has implemented a turf-removal program as well as Ultra-High-Efficiency Toilet, High-Efficiency Clothes Washer and Rain Barrel Rebate programs in service areas where not previously offered. In recognition of [Smart Irrigation Month](#), GSWC has asked customers who have converted lawns to drought-tolerant landscapes to share their photos for a chance to win a \$100 credit toward their water bill. The company is highlighting photos on Twitter throughout July, and winning landscapes will be featured in the August/September edition of its Waterways e-Newsletter (see www.gswater.com/contest).



San Gabriel Valley Water Company Meeting

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LEGISLATIVE AND REGULATORY UPDATE

**WATER IOUs BEGIN COMPLIANCE WITH
STATE-MANDATED REDUCTIONS BY HOSTING
COMPREHENSIVE CUSTOMER MEETINGS...CONTINUED**

Suburban has added landscape workshops for customers, purchased additional conservation kits and increased the number of requests for the free toilet-replacement program. In light of a number of customer inquiries, Cal Water is now offering a turf-replacement rebate program and seeing unprecedented utilization of its water-use efficiency evaluation program, while SGVWC is offering commercial, industrial and institutional (CII) water-use audits. CAW expanded its turf-replacement program both in total dollars for the entire program and allowances to individual customers. For residences, CAW now offers a \$2.00 per-square-foot allowance, up to a maximum of 3,000 square feet, which represents a doubling of the per-square-foot allowance and an increase in the maximum square feet of 150 percent. CAW also expanded rebates to include artificial turf as well as pool covers and rain barrels.



Evan Jacobs (left), External Affairs Manager, California American Water, and John Tang, Vice President, Government Relations and Corporate Communications, San Jose Water Company – Joint Presentation on the Value of Water and the California Drought at the Western Conference of Public Service Commission's Annual Meeting in Phoenix in Early June

To boost conservation efforts, CAW hosted a door-to-door walk and talk customer campaign in April and July aimed at promoting water savings and educating customers on ways to conserve water during the drought. Along with the customer campaign, CAW extended its drought communications to include email blasts to customers regarding rebates on pool covers and turf replacement as well as tips on how to save water. CAW also ran advertisements on national and local news websites, such as the New York Times and weather.com, and on social media. On July 20, National Public Radio began running a CAW sponsorship ad that will air until late November.

PWC will be offering a new conservation/communication mobile app pilot program with the technology firm, [Dropcountr](#), by the end of July. The program will allow customers to track their water-use history and notify them if they are meeting their goal. PWC will use the app to communicate with customers on conservation programs and rebates as well as provide updates on mandatory restriction notifications, events, etc.

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LEGISLATIVE AND REGULATORY UPDATE

WATER IOUs BEGIN COMPLIANCE WITH STATE-MANDATED REDUCTIONS BY HOSTING COMPREHENSIVE CUSTOMER MEETINGS...CONTINUED

Currently Offered Customer Conservation Service Programs	Cal Water*	GSWC*	PWC*	AVR*	SGVWC*	CAW*	SWS*	SJWC*
Turf Replacement	X	X	X	X	X	X	X	X
Large Landscape Survey	X	X	X	X	X	X	X	X
Toilet Rebates	X	X	X	X	X	X	X	X
Large Appliance Rebates	X	X	X		X	X	X	X
Irrigation Efficiency Rebates	X		X	X	X	X	X	X
Recycled Water Incentives			X		X	X	X	X
Indoor Fixtures Direct Installation			X		X	X	X	X
Residential Surveys	X	X		X	X	X	X	X
Residential Retrofit Kits	X	X		X	X	X		X
Pre-rinse Spray Valves		X	X	X	X	X	X	X
Other	Free sprinkler nozzles in most areas, weather-based irrigation controller rebates, low-income bathroom fixture replacement program	High-efficiency sprinkler rebates, weather-based irrigation controller rebates, low-income direct install program and rain barrel rebates						

**All of these programs are directly supplied by the IOU or sponsored by the IOU and referred to a third-party provider.*

Note: Cal Water offers additional programs, including conservation kits, high-efficiency toilet, clothes washer and toilet rebates and other outdoor rebates.

Note: CAW offers education only – no financial assistance for recycled water incentives.

Note: GSWC offers additional programs, including a CII Survey Program, CII Direct Install Program, free outdoor conservation kits, free indoor conservation devices, free spray hose nozzles, free moisture meters and CII rebates. Not all programs are available in all service areas. GSWC currently is reviewing a pilot social media program (Dropcountr, [AquaHawk](#), etc.).

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LEGISLATIVE AND REGULATORY UPDATE

WATER IOUs BEGIN COMPLIANCE WITH STATE-MANDATED REDUCTIONS BY HOSTING COMPREHENSIVE CUSTOMER MEETINGS...CONTINUED

Finally, each IOU recognizes the importance of keeping their employees informed about what the companies are doing relative to the drought. GSWC has developed talking points to equip staff with answers to questions or concerns customers may have about the drought. Additionally, staff receives regular updates on developments and drought news. Similarly, Cal Water has provided their staff with talking points and resource guides, while keeping up-to-date information on the website and intranet. SGVWC has ongoing internal conservation meetings and has provided employees with a list of frequently asked questions. Suburban holds informational meetings with employees and sends regular updates to them with current program information via email and the company's monthly newsletter.

SJWC's managers meet with the meter readers, field service inspectors and conservation staff weekly to provide updates regarding the drought, customer concerns and Schedule 14.1 and its implementation. There also is a monthly meeting with staff of the Distribution Systems Department. CAW has conducted employee meetings and workshops with handouts for employees to give customers. PWC and AVR will be providing employees with a fact sheet detailing the state mandates and the company's Water Shortage Contingency Plan, including information about PWC's and AVR's conservation rebates and programs. Additional training will be provided to customer service employees and, as needed, to other front-line employees. 🌍

MEMBER SPOTLIGHT

STATE AUDIT CONFIRMS REASONABLENESS OF APPLE VALLEY AREA WATER UTILITIES' COSTS AND RATES

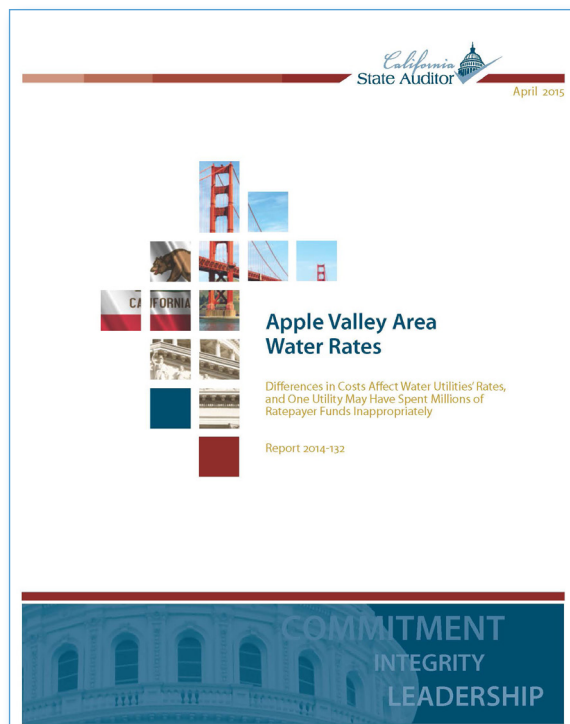
On April 30, 2015, the California State Auditor (Auditor) released a report, *Apple Valley Area Water Rates*, which examined the rates for fiscal years 2011 through 2014 for four water utilities. Included were two investor-owned water utilities (IOUs), Apple Valley Ranchos Water Company (AVR) and Golden State Water Company (GSWC), and two public water districts, Hesperia Water District (HWD) and Victorville Water District (VWD). The audit was a result of a state legislator's request that the Auditor examine the region's water utility costs and rates.

The report noted that all four utilities have been reducing costs to keep rates reasonable and affirmed the rate-making process for GSWC and AVR. The report provided a clear explanation as to why water rates differed in the region. First, it noted that although the two IOUs' rates were higher than the two public water districts, the operating costs for the four utilities are comparable. The rate differentials were primarily beyond the control of the IOUs for three reasons: (1) the two IOUs have significantly fewer customers than the public districts over which to spread fixed costs; (2) the IOUs must pay income and property taxes and fund additional initiatives such as low-income rate assistance programs, none of which are obligations of the public water districts; and (3) the public water districts are able to augment their operating revenues with taxpayer and homeowner subsidies through property taxes and other sources and with revenues from new service connection fees that are included in home mortgages, not water rates.

Additionally, the report noted that HWD and VWD have deferred investments and infrastructure improvements to keep rates lower (and artificially low, one might argue). The report contained information making it clear that if all of these cost and revenue/subsidy factors were normalized to eliminate the differences, the rates of the four utility systems would be comparable.

According to AVR's Vice President and General Manager Tony Penna, "This audit confirms that Apple Valley Ranchos' rates and supporting documentation are regulated, public, transparent and comprehensive. Unlike what appears may be happening in government-owned water utilities as this state audit indicates, it is important for Ranchos' customers to be confident the rates they pay for water service are authorized and set by an independent third party in a public, comprehensive and transparent manner."

As was the case with two other state audits of water utility rates in the past two years, this report found a questionable activity with an aspect of the public water districts' operations, not the IOUs. The report called into question VWD's decision in 2009 to lend \$21.9 million in ratepayer revenues to the city at a low interest rate, while borrowing \$20 million at a



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MEMBER SPOTLIGHT

**STATE AUDIT CONFIRMS REASONABLENESS OF
APPLE VALLEY AREA WATER UTILITIES' COSTS AND
RATES...CONTINUED**

higher interest rate, thereby, incurring interest costs. The Auditor also asserted that VWD's customers had not realized benefits from a decision to build a \$31 million wastewater treatment plant. In addition, the report said the use of water delivery fees may be in violation of Proposition 218. VWD strongly objected to the Auditor's conclusions about its operations, but the report's outcome remained unchanged.

The audit yielded the following three recommendations:

- Water districts should document their cost-saving efforts and quantify any specific cost savings achieved from their respective efforts to demonstrate how they are working towards keeping rates down.
- HWD and VWD should consider the feasibility of using revenues from sources other than water rates to implement rate assistance programs.
- VWD should revise its policies to prohibit transfers or loans of water fee revenue for non-water purposes and specify the circumstances under which it can invest water revenues. Additionally, it should seek reimbursement from the city for its unrecovered interest and construction costs.
- Public agencies need to find a way to assist low-income water customers. 🌍

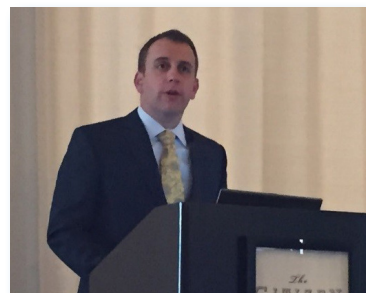
THE QUALITY & SERVICE FOCUS

CWA'S SPRING CONFERENCE HIGHLIGHTS HOW WATER UTILITIES JUGGLE MULTIPLE PRIORITIES

The California Water Association's (CWA) 2015 Spring Conference in Sacramento in mid-May drew water industry experts and regulators from across the state to share their thoughts on how regulated water utilities are juggling multiple priorities. CWA President Greg Milleman, Director of Finance and Field Administration at California Water Service, welcomed the conference attendees and enumerated these priorities:

- The State Water Resources Control Board's (SWRCB) emergency drought regulations;
- The California Public Utilities Commission's (CPUC) accompanying resolutions on compliance with the SWRCB, including restrictions, penalties and surcharges surrounding implementation of the drought emergency plans;
- Compliance with the new statewide drinking water discharge permit;
- Compliance with the new "Sustainable Groundwater Management Act (SGMA);
- The ongoing water quality challenges;
- The pending water and CPUC "transparency" legislation;
- The new CPUC rulemaking on conservation rates and drought management; and
- The ongoing infrastructure and customer service obligations.

In his opening keynote address, Assembly Member Marc Levine (D-San Rafael), chair of the Assembly Water, Parks and Wildlife Committee, discussed the various pieces of legislation his committee addressed this spring, including SGMA. Of particular note, he said CPUC-regulated water utilities should be members of the Groundwater Sustainability Agencies envisioned by SGMA and fully participate in the development of the requisite Groundwater Sustainability Plans.



Assembly Member Marc Levine

Evan Jacobs, External Affairs Manager, California American Water, moderated the first panel on "Managing the Investor-Owned Water Utilities' (IOUs') Role in Groundwater Sustainability Agencies." Panelists included Alfred Smith, Partner, Nossaman LLP; Toby Moore, Water Resources Manager and Chief Hydrogeologist, Golden State Water Company (GSWC); and Trevor Joseph, Supervising Engineering Geologist, California Department of Water Resources (DWR). The panel members covered the major points and requirements of SGMA, the role of DWR vis-à-vis the SWRCB and how water IOUs plan to address the statute's provisions that will handicap IOUs.



Francois Rodigari, Director of Water Quality and Environmental Services, SJWC

The panel on "Complying with the New Drinking Water Discharge Permit" was moderated by Diana Messina, Supervising Engineer, SWRCB, with panelists Brandy Hancocks, Manager of Environmental Compliance, GSWC; and Francois Rodigari, Director of Water Quality and Environmental Services, San Jose Water Company (SJWC). Messina summarized the new discharge permit, and Rodigari and Hancocks described their companies' compliance plans.



Brandy Hancocks, Manager of Environmental Compliance, GSWC

Rami Kahlon, Director, CPUC Division of Water and Audits, moderated the panel on "Managing the Drought – Where the Water IOUs Are Today." Panelists included Bob Di Primio,

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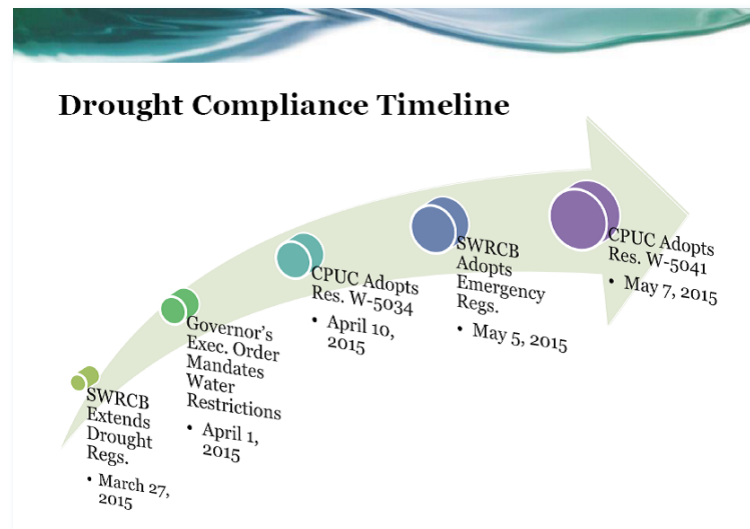
THE QUALITY & SERVICE FOCUS

CWA'S SPRING CONFERENCE HIGHLIGHTS HOW WATER UTILITIES JUGGLE MULTIPLE PRIORITIES...CONTINUED

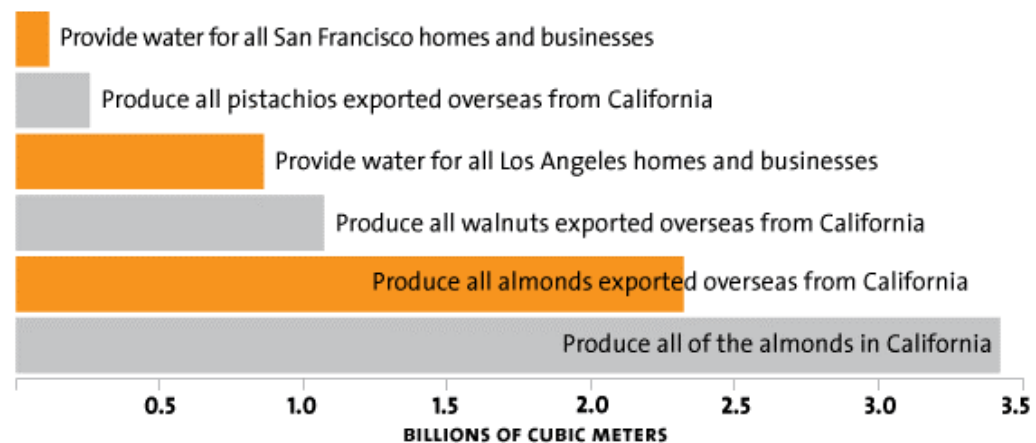
Vice President, San Gabriel Valley Water Company (SGVWC); Jeff Linam, Vice President of Rates, California American Water (CAW); Paul Townsley, Vice President, Regulatory Matters and Corporate Relations, California Water Service (Cal Water); and Richard Rich, General Manager, Suburban Water Systems (Suburban).

Kahlon provided a timeline of California's drought from 2007 to the CPUC's recent resolutions directing compliance with the SWRCB's drought regulations. He attributed the state's [Water Action Plan](#) (WAP) as a contributing factor to the IOUs being better prepared to meet mandates compared with public agencies. The four company panelists all previewed plans for implementing their Water Shortage Contingency Plans contained in their Tariff Rule/Schedules 14.1, which are in the process of being activated.

Below are some of the charts the panelists included during their presentations to illustrate their companies' varying situations:



How much water per year does it take to...



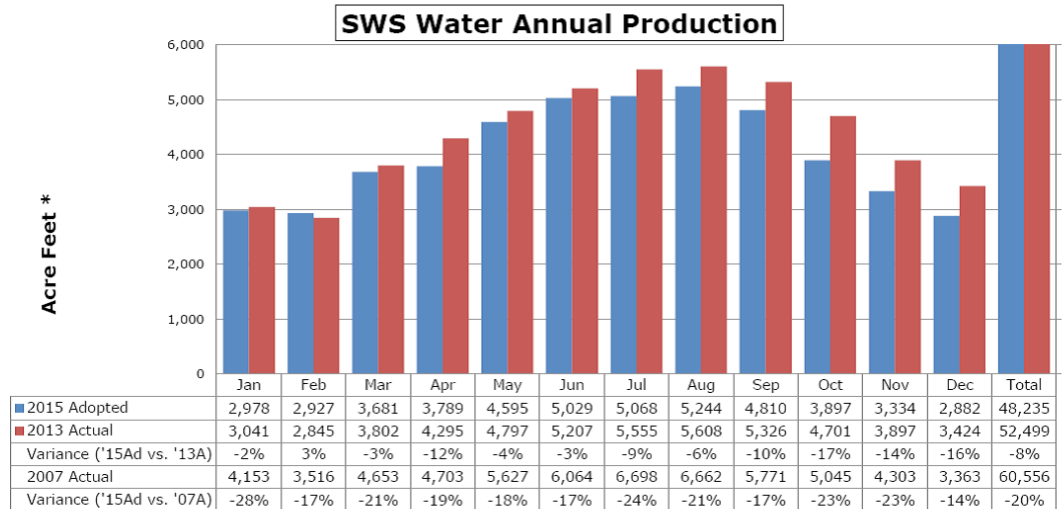
Mother Jones

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THE QUALITY & SERVICE FOCUS

CWA'S SPRING CONFERENCE HIGHLIGHTS HOW WATER UTILITIES JUGGLE MULTIPLE PRIORITIES...CONTINUED

Suburban Water Systems-Managing the Drought



- Suburban's conservation standards set by State Water Resources Control Board
 - San Jose Hills District is 24%
 - Whittier/La Mirada District is 28%
- 8% savings from 2013 to 2015
- 20% savings from 2007 to 2015

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Reductions by District



Water System	% reduction since 2013	% target reduction	Additional reduction needed
Los Angeles	7%	28%	21%
Monterey	11%	8%	-
Sacramento	17%	20%	3%
San Diego	8%	8%	-
Ventura	9%	32%	23%

- Our Larkfield District in Sonoma County which serves less than 3000 connections, falls under the 25% reduction category or limit of 2 days per week outside watering

Proposed Target Reduction % Comparison to Neighboring Utilities:

City of San Diego: 16%
 City of Thousand Oaks: 28%
 Placer County Water Agency: 32%
 Sacramento Suburban Water District: 36%

Reduction would be in total water use, including commercial and industrial

Attorney-Client Privileged

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THE QUALITY & SERVICE FOCUS

CWA'S SPRING CONFERENCE HIGHLIGHTS HOW WATER UTILITIES JUGGLE MULTIPLE PRIORITIES...CONTINUED

How Cal Water Can Help: Cal Water has a range of residential and commercial programs available to help our customers reduce their water use. These include:

RESIDENTIAL

- High-efficiency toilet rebate
- High-efficiency clothes washer rebate
- Smart Irrigation Controller rebate
- Free sprinkler nozzles
- Water use efficiency evaluation program
- **NEW!** Turf replacement rebate
- High-efficiency toilet delivery program
(available summer 2015)
- Home water use reports
(available summer/fall 2015)

COMMERCIAL

- High-efficiency toilet rebate
- High-efficiency urinal rebate
- High-efficiency clothes washer rebate
- Smart Irrigation Controller rebate
- Rotating nozzle rebate
- Spray body with integrated pressure regulation and check valve rebate
- Free sprinkler nozzles
- **NEW!** Turf replacement rebate
- Controller distribution
(available August 2015)

SWRCB Member DeeDee D'Adamo addressed the new emergency conservation regulations in her luncheon presentation titled "Managing the Tightening (Drought) Noose." D'Adamo noted that the governor's 25 percent statewide reduction in potable urban water use will result in a savings of 1.3 million acre-feet during the next nine months – the current amount of water in Lake Oroville. She outlined existing and new requirements for water suppliers and their customers as well as next steps for the SWRCB. These include working with water suppliers and others on rates, supporting incentive-based programs, such as appliance rebates and turf-removal programs, and tracking compliance through monthly reporting. Noting that the CPUC ordered all IOUs to implement the most dramatic rate plans and tiers (refer to illustration) with voluntary to mandatory water-use restrictions, D'Adamo concluded by noting the need for collaboration and that the SWRCB is looking to the IOUs for feedback on implementation of the new regulations.

Conservation Standard- Tiers for Percent Reduction Requirements

Tier	R-GPCD Range		# of Suppliers in Range	Conservation Standard
	From	To		
1	reserved		0	4%
2	0	64.9	23	8%
3	65	79.9	24	12%
4	80	94.9	44	16%
5	95	109.9	51	20%
6	110	129.9	48	24%
7	130	169.9	82	28%
8	170	214.9	54	32%
9	215	612.0	85	36%

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THE QUALITY & SERVICE FOCUS


CWA'S SPRING CONFERENCE HIGHLIGHTS HOW WATER UTILITIES JUGGLE MULTIPLE PRIORITIES...CONTINUED

Following lunch, Jack Hawks moderated a panel on “Dealing with Customer Concerns – Drought, Conservation and Rates.” Hawks noted the water IOUs are doing their part to implement the CPUC’s [Schedule 14.1](#), the mandatory water shortage/reduction program. Joining Hawks on the panel were Kevin Tilden, Vice President of External Affairs, CAW; John Tang, Vice President, Government Relations and Corporate Communications, SJWC; Yvonne Kingman, Corporate Communications Manager, Cal Water; and Christine Kohn, Principal, IN Communications, and CWA’s outside communications consultant.

The IOU panelists summarized their outreach efforts to customers, including both traditional media, such as advertising, direct mail, bill inserts, etc., as well as new approaches like email blasts, social media and mobile applications, including the [Nextdoor](#) app, a private social network for neighborhoods. Among the most significant challenges were the need to address customer confusion about the conflicting water-use reduction mandates, fines and outdoor water schedules issued by the governor and state and local water regulators. To dispel that confusion, company home webpages include clear and concise drought and conservation information and updates as well as a “report water waste” button. Also, company conservation coordinators have reached out to local officials, businesses and high-use residential customers and provided table tents and mirror stickers to restaurants and hotels/motels.

Kohn exhorted the companies to use the most effective “calls-to-action” such as limiting showers to five minutes, checking for leaks and planting low-water-use plants. She also suggested developing a regional information hub and citing best practices and third parties to lend credibility to messaging, including the governor and state regulatory agencies. Finally, Kohn urged water companies to document everything and demonstrate what they’ve done and are doing through social media, billboards, print ads and direct mail.

Following the panel discussion, Robb Barnitt, Founder and Chief Executive Officer, [Dropcountr](#), presented his company’s digital technology for water conservation, which connects customers and their utilities on mobile devices to help save water, money and time.

The final panel of the day, moderated by Jennifer Capitolo, Senior Policy Advisor, Nossaman LLP, centered on “Working the 2015 Legislative Session.” The panelists included Tina Cannon Leahy, Principal Consultant, Assembly Water, Parks and Wildlife Committee; Danielle Blacet, Director for Water, California Municipal Utilities Association; Kathleen Cole, Executive Legislative Representative, Metropolitan Water District of Southern California; Wendy Ridderbusch, Director of State Relations, Association of California Water Agencies; and Jennifer West, Managing Director, WateReuse California. The principal discussion topics were the Sustainable Groundwater Management Act, the rollout of the Proposition 1 funds for various water supply and drought management programs and the SWRCB’s proposed legislation for changing the fee structure for the state’s Drinking Water Program. 

POINTS OF INTEREST

CALIFORNIA AMERICAN WATER GETS GREEN LIGHT FROM THE CPUC TO ACQUIRE OX BOW MARINA MUTUAL WATER COMPANY AND SIGNS A PURCHASE AGREEMENT FOR ADAMS RANCH MUTUAL WATER COMPANY



On June 11, 2015, the California Public Utilities Commission (CPUC) approved California American Water's (CAW's) request to acquire the Ox Bow Marina Mutual Water Company (Ox Bow) located one mile from CAW's Isleton system near Sacramento.

Providing water and wastewater services to 97 connections and a 400-berth marina, the antiquated Ox Bow system must be upgraded to meet state and federal standards, including maximum contaminate levels for arsenic. CAW is working with Ox Bow and the California State Water Resources Control Board Division of Financial Assistance

on grant-funded improvements to connect the two systems. The water will be treated at CAW's Isleton arsenic treatment plant.

In a press release, Ox Bow's President Kimberly Korth noted, "It is with great pleasure that we have been able to work with California American Water to accomplish this by a future planned pipeline connection to their excellent water filtration plant in Isleton."

When the connection is completed, CAW's new customers will enjoy safe, reliable quality water at reasonable rates. They also may take advantage of CAW's low-income discount program and conservation tools to comply with California's mandatory water restrictions due to the drought.

CAW also entered into an agreement in June to acquire the operating assets of Adams Ranch Mutual Water Company, whose system serves residential customers and one commercial connection in Rosemead, California from one well built in 2001. Approximately 176 customers will be added to the more than 28,000 homes and businesses CAW currently serves in its Los Angeles County District.

CAW's Director of Southern California Operations Garry Hofer noted in a press release, "As a result of this acquisition, many of the Adams Ranch Water Company customers will have access to our various services such as our ambitious conservation program, paperless billing, web self-service portal, multi-lingual customer service and a low-income discount program."

CAW is filing an Advice Letter with the CPUC seeking approval of the acquisition. 🌍

POINTS OF INTEREST

CALIFORNIA AMERICAN WATER TO ACQUIRE OPERATING ASSETS OF MEADOWBROOK WATER COMPANY OF MERCED



California American Water (CAW) signed a contract to acquire the Meadowbrook Water Company, an investor-owned water utility based in Merced County, and assume responsibility for domestic water services within Meadowbrook's service area. The purchase will add approximately 1,650 water service connections to CAW's customer base in the Central Valley of approximately 200,000 Californians.

"As a result of this acquisition, Meadowbrook customers will have access to a range of customer services," said CAW's Director of Northern California Operations Audie Foster. "Our services include a customer service center available for emergencies with access to language translation services, web self-service, paperless billing and our H2O Help to Others Program, which provides low-income rate assistance to customers such as seniors on low fixed incomes and families facing financial hardships. California American Water's conservation programs, including in-home water efficiency programs and rebates, will help Meadowbrook customers in their wise use of water."

"This is most certainly a positive step to securing long-term quality service for our customers at Meadowbrook," said Meadowbrook Water Company owner David Walker.

The purchase of Meadowbrook Water Company is underway, and CAW will be filing for approval with the California Public Utilities Commission. 🇺🇸

MARYSVILLE WATER CONSERVATION DEMONSTRATION GARDEN

To celebrate Earth Day, April 22, 2015, California Water Service (Cal Water) and Marysville city representatives, including Mayor Ricky Samayoa, hosted a ribbon-cutting ceremony to commemorate the new Water Conservation Demonstration Garden at city hall. The garden features low-water-use plants, including trees, shrubs and groundcovers with signs indicating the names of the plants.



On Cal Water's [website](#), District Manager Lee Seidel commented, "This garden will show Marysville residents how beautiful a low-water-use garden can be and how they can create drought-tolerant landscapes in their own yards." The garden is expected to save about 175,000 gallons of water per year. 🇺🇸

POINTS OF INTEREST

**AMERICAN WATER EXECUTIVES JOIN ASSEMBLY
SPEAKER TONI ATKINS AT CALIFORNIA ROAST**

American Water executives Robert MacLean, President of California American Water (CAW), Aldie Warnock, Senior Vice President, External Affairs and Public Policy, American Water Works Company, and Kevin Tilden, Vice President of External Affairs, CAW, attended the 2015 California Roast in Sacramento honoring Assembly Speaker Toni Atkins (D-San Diego). The roast is a 30-year-old tradition and annual fundraiser, which includes a panel of high-profile leaders who entertain audience members with jokes, perspectives and political stories. Proceeds from the roast benefit Capitol Focus and the California Center Youth Programs. 🌈



California American Water Executives Robert MacLean, Kevin Tilden and Aldie Warnock with Assembly Speaker Toni Atkins and Her Spouse, Jennifer LeSar, at the 2015 California Roast