



Working Together. Achieving Results.

on tap

CALIFORNIA WATER ASSOCIATION

Working Together.
Achieving Results.

www.calwaterassn.com

IN THIS ISSUE:

- CWA Submits Comments on Legislation for “Making Water Conservation a California Way of Life” 2
- CWA Files Comments on State Water Board’s Options for a Statewide Low-Income Customer Assistance Program..... 4
- CWA Reiterates Statewide LICA Program Preference in CPUC Proceeding..... 6
- CWA Hosts Event for Small Businesses in Los Angeles 8
- Cal Water Employees Recognized by State Agency for Hatchery Assistance During Oroville Spillway Crisis..... 10
- California American Water Highlights IOWC Leadership on State’s Consolidation Policy 11
- Cal Water Honored for Erskine Fire Emergency Response 13
- CWA Member Company CEOs Participate in Infrastructure Panels at NARUC Summer Policy Summit 14
- Cal Water’s Endowment to Honor Robert (“Bob”) W. Foy 16

MESSAGE FROM THE PRESIDENT

With record-breaking heatwaves occurring in some areas of California, investor-owned water companies (IOWCs) continue efforts to “Make Conservation a California Way of Life.” At the same time, California Water Association members have been participating on water summit panels and hosting events for women-, minority-, disabled veteran- and LGBT-owned business enterprises offering goods and services to IOWCs. While delivering safe, reliable and high-quality water to customers remains the top priority for IOWCs, they also serve Californians by responding to emergencies such as floods and wildfires.

The following articles in this edition of On Tap cover those achievements as well as paying homage to one of the water industry’s champions, Robert (“Bob”) W. Foy:

- CWA Submits Comments on Legislation for “Making Water Conservation a California Way of Life”
- CWA Files Comments on State Water Board’s Options for a Statewide Low-Income Customer Assistance Program
- CWA Reiterates Statewide LICA Program Preference in CPUC Proceeding
- CWA Hosts Event for Small Businesses in Los Angeles
- Cal Water Employees Recognized by State Agency for Hatchery Assistance During Oroville Spillway Crisis
- California American Water Highlights IOWC Leadership on State’s Consolidation Policy
- Cal Water Honored for Erskine Fire Emergency Response
- CWA Member Company CEOs Participate in Infrastructure Panels at NARUC Summer Policy Summit
- Cal Water’s Endowment to Honor Robert (“Bob”) W. Foy

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

Sincerely,

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

QUESTIONS?

Contact the CWA office at:
700 R Street, Suite 200
Sacramento, CA 9511
Phone: 916.231.2147
E-mail: jhawks@calwaterassn.com
mdixon@calwaterassn.com

For Instant CWA News:



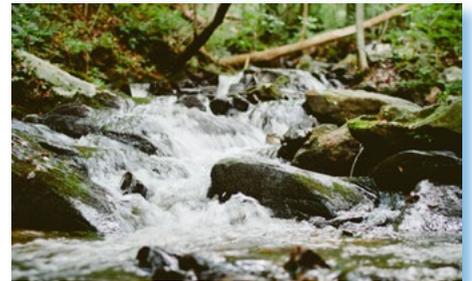
LEGISLATIVE AND REGULATORY UPDATE

CWA SUBMITS COMMENTS ON LEGISLATION FOR
“MAKING WATER CONSERVATION A CALIFORNIA
WAY OF LIFE”

In late July, the California Water Association (CWA) submitted a [comment letter](#) to Senator Hertzberg, Chair of the Senate Committee on Natural Resources and Water, on the proposed legislation to enact “[Making Water Conservation a California Way of Life](#).” CWA also joined a coalition of 112 organizations as a signatory to a [comment letter](#) submitted by the Association of California Water Agencies (ACWA) on the same legislation. The letters addressed [AB-968](#) and [AB-1654](#), successor bills to [AB-1667](#), [AB-1668](#) and [AB-1654](#).

CWA urged the Legislature to consider the 10 policy principles outlined in the ACWA coalition letter to enact meaningful water-use efficiency standards and drought-management planning:

1. Preserve the Legislature’s authority over long-term water-use-efficiency target setting. State agencies should **not** be granted the authority to set and revise water-use efficiency targets. Commercial, industrial and institutional performance measures must be determined by a broad stakeholder taskforce, not state agencies.
2. Ensure that any water-use-efficiency target-setting approach is flexible to account for the diversity among California’s communities and the urban retail water suppliers that serve them. Legislation [should] include alternative pathways or functional equivalents to compliance, variances and criteria for the data to be collected.
3. Protect water rights and preserve a water supplier’s ability to use water it has a right to access.
4. Protect and create incentives for the further development of potable reuse and recycled water.
5. Provide for appropriate, progressive enforcement authority that accounts for urban retail water suppliers’ authorities and responsibilities relative to their customers. The focus should be on corrective action instead of cease-and-desist orders.
6. Preserve local decision-making to determine actions to avoid or mitigate shortages. The state should not dictate what actions are to be taken at any stage or specific actions that must be included in a water-shortage contingency analysis.
7. Preserve and encourage investments in resilient water supplies. Potable reuse, recycled water and desalination should all be considered fully reliable.
8. Ensure that annual water supply and demand assessments are based on and accurately reflect local conditions.
9. Maintain the existing legislative intent and challenge period for urban water management plans.
10. Recognize that energy use is only one aspect of water supply planning.



LEGISLATIVE AND REGULATORY UPDATE

CWA SUBMITS COMMENTS ON LEGISLATION FOR “MAKING WATER CONSERVATION A CALIFORNIA WAY OF LIFE” ...CONTINUED

CWA’s letter focused on the jurisdictional responsibilities of the legislature, vis-à-vis the state agencies, and the standards that will be set for water-use efficiency. CWA also stressed the need for full consideration of recycled water in the new standards and the need for the Legislature to carefully weigh the enforcement authority given to the State Water Resources Control Board. Finally, CWA noted the new regulations would necessarily lead to a further reduction in water use, spreading fixed costs over a smaller demand base, thereby necessitating higher rates for customers. CWA said such an important public policy decision should rest with the Legislature.

The legislation has since been amended into identical Senate and Assembly bills (SB 606 and AB 1668, respectively). As of August 25, these bills continued to include language that wasn’t acceptable to the broader water utility community. CWA, as part of the coalition, continues to work to resolve the remaining contentious issues.



LEGISLATIVE AND REGULATORY UPDATE

CWA FILES COMMENTS ON STATE WATER BOARD'S OPTIONS FOR A STATEWIDE LOW-INCOME CUSTOMER ASSISTANCE PROGRAM

The California Water Association (CWA) submitted a comment letter on August 25 to the State Water Resources Control Board (SWRCB) recommending a statewide program with multiple funding sources for low-income households that qualify for financial assistance to pay water bills. The SWRCB is developing a plan for the Low-Income Water Rate Assistance Program (LIRA) in collaboration with the State Board of Equalization and other relevant stakeholders, including the California Public Utilities Commission (CPUC), to comply with the [law enacted](#) in 2015 (Assembly Bill 401 – Dodd). That bill requires the SWRCB, no later than January 1, 2018, to develop a plan for the structure, funding and implementation of the LIRA program and report on the plan to the Legislature by February 1, 2018, including any recommendations for additional legislative action.

Prior to a second series of public meetings in June, July and August, the SWRCB developed topics for comment, including three key program scenario features:

- **Eligibility:** the number of households qualified based on socioeconomic criteria
- **Household benefit:** the type and level of annual financial assistance
- **Potential annual program costs:** number of eligible households x household benefit

Additionally, the SWRCB developed four program scenario alternatives:

- Scenario #1: All state households below 200% of the federal poverty line (FPL) are enrolled in a statewide program offering 20% discount off their monthly bill.
- Scenario #2: All state households below 200% of FPL and paying less than \$100 on their monthly water bill receive a 20% discount; households below 200% of FPL paying \$100 or more on their monthly water bill receive a 35% discount.
- Scenario # 3: All state households below 200% of FPL who are not served by a CPUC-regulated water system with an existing LIRA are enrolled in a separate, unified program offering 20% discount
- Scenario # 4: All state households below 200% of FPL who are served by a water system not currently offering a compliant LIRA are enrolled in separate, unified program offering 20% discount



In its comment letter, CWA said an assistance program “whereby all state households below a well-considered affordability threshold would be eligible to enroll in a statewide program offering a benefit equal to an appropriate discount on the water bill” is the most preferable of the four program alternatives currently under consideration.

CWA pointed out that California should follow the lead of national organizations, including the U.S. Environmental Protection Agency and the Water Research Foundation, both of

LEGISLATIVE AND REGULATORY UPDATE

**CWA FILES COMMENTS ON STATE WATER BOARD'S
OPTIONS FOR A STATEWIDE LOW-INCOME
CUSTOMER ASSISTANCE PROGRAM...CONTINUED**

which shy away from a name, such as “Low Income Rate Assistance,” in favor of simply “Customer Assistance Programs.” CWA, for these purposes, favors “Low Income Customer Assistance” (LICA) as the label, with the corresponding acronym, that should be adopted by the state because it is more accurate (it is the customer being assisted, not the water rate).

CWA noted that a single, centrally administered statewide program should address one of the major challenges posed by a utility-specific subsidy program: the demographics of individual water service districts. Where a large percentage of households in a district is eligible for the low-income discount, the contributions of the few go to support the many. This raises concerns about the fairness of the burden placed on customers not eligible for assistance, especially those facing economic hardships. In CWA's view, statewide support for low-income assistance programs would remedy this problem without creating new burdens for those not eligible for such benefits.

CWA said all appropriate steps should be taken to avoid redundant or preventable administrative expense. A more critical and relevant question is whether the estimated costs for a large, statewide assistance program are reasonable and acceptable for the non-eligible customers to absorb. At this point, water bills for non-eligible customers are considered affordable. Even for eligible low-income households, the water bill itself is not the problem; it's the fact that all household costs are rising and certain low-income households need assistance in paying for their essential household needs, not just the water bill.

CWA explained that its Class A water utility members (i.e., those with more than 10,000 service connections) have had LICA programs in their service areas for many years. These programs vary to some degree from company to company to address district- and company-specific circumstances, but all of them provide qualified low-income customers with a discount on their water services. In addition to helping those customers, the programs also further the CPUC's Water Action Plan objective to “set rates that balance investment, conservation and affordability.” 



LEGISLATIVE AND REGULATORY UPDATE

CWA REITERATES STATEWIDE LICA PROGRAM PREFERENCE IN CPUC PROCEEDING

On a separate and potentially parallel track with the State Water Resources Control Board’s (SWRCB) work, the California Public Utilities Commission (CPUC) is conducting a rulemaking on the CPUC’s Low Income Customer Assistance (LICA) programs. The primary objectives of the full [Order Instituting Rulemaking 17-06-024](#) (OIR) are to:

- better understand the differences between the Class A water utilities’ LICA programs;
- evaluate whether consistency between the Class A water utilities’ programs is feasible and, if so, how such consistency can be attained;
- assess whether other water companies meet the definition of a public utility under the CPUC’s jurisdiction; and
- examine issues concerning affordability of clean, safe drinking water for low-income and disadvantaged communities, including greater pooling and consolidation.

In a filing submitted the same week as its comment letter to the SWRCB, the California Water Association (CWA) emphasized that the CPUC’s primary objective should be to balance the purpose and benefits of the programs against the burdens created to pay for and administer them – especially since those customers not eligible for assistance will bear the burden of additional costs in their rates to support the programs.

Additionally, CWA commented that the CPUC must account for government-owned utility assistance programs and ensure they do not create overlapping subsidies funded by both a utility-administered programs and a statewide program or with a customer-subsidized program, vis-à-vis a statewide program, subsidized by taxpayer or other non-ratepayer sources.

In this regard, CWA requested that the CPUC refrain from making significant changes to the water utilities’ low-income programs until the Legislature acts on a statewide low-income program as contemplated under AB 401 (Dodd, 2015). With the SWRCB’s recommendations due to the Legislature by February 2018, CWA recommended the CPUC proceed in close coordination with its sister agency. The desired outcome would be to avoid implementing changes that might generate customer confusion and expense. This would include double-charging of CPUC-regulated water utility customers that would necessitate duplicative and expensive billing system and administrative modifications.



LEGISLATIVE AND REGULATORY UPDATE

CWA REITERATES STATEWIDE LICA PROGRAM PREFERENCE IN CPUC PROCEEDING...CONTINUED

After answering a series of questions on the mechanics of the current LICA programs, as well as additional questions on jurisdiction and treatment of water users who are not customers (e.g., renters), CWA reiterated the need for CPUC-regulated utilities to be part of a state-administered and financed program. In the absence of a statewide program, however, the CPUC-regulated utilities are, of course, prepared to continue with their current customer assistance programs. 

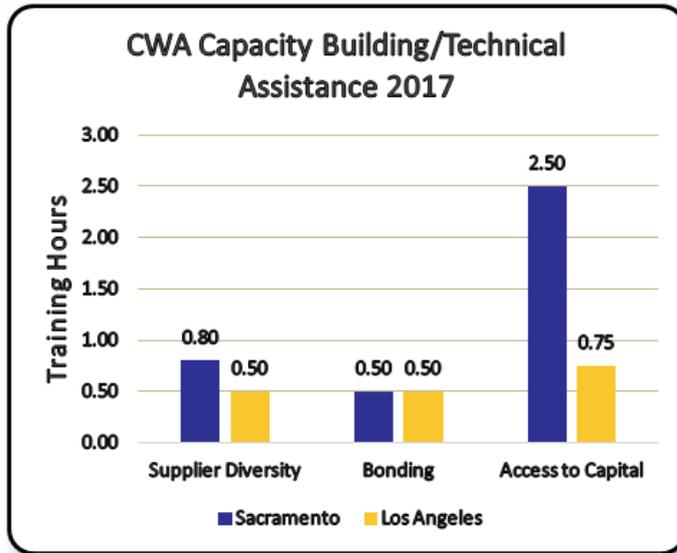
CPUC-Regulated Water Utility LICA Programs

| | | |
|---|--|--|
| California American Water | 20% off service charge; 20% off Tier 1 and 2 usage | Fixed surcharge of \$1.21 per billing cycle |
| California Water Service | 50% off the service charge | Monthly surcharge of 1.542% on total bill |
| Golden State Water | Varied credits (\$6 to \$29) depending on the district | Varied surcharges by region: <i>Region 1 - \$1.21</i> <i>Region 2 - \$1.23</i> <i>Region 3 - \$1.36</i> |
| Great Oaks Water | 50% off the service charge | Surcharge of \$0.0725 per 100 cubic feet |
| Liberty Utilities - Apple Valley Ranchos Water | Fixed credit of \$8.38 | Fixed surcharge of \$0.69 per billing cycle |
| Liberty Utilities - Park Water | Fixed credit of \$7.40 | Fixed surcharge of \$6.14 per billing cycle |
| San Gabriel Valley Water | Fixed credit of \$9.00 | Surcharge of \$0.2425-Fontana Division Surcharge of \$0.2128-Los Angeles Division |
| San Jose Water | 15% of total bill | Fixed surcharge of \$1.45 per billing cycle |
| Suburban Water | Fixed credit of \$6.50 | Surcharge of \$0.040 per 100 cubic feet |

THE QUALITY & SERVICE FOCUS

CWA HOSTS EVENT FOR SMALL BUSINESSES IN LOS ANGELES

On June 29, 2017, the California Water Association (CWA) hosted a second workshop for small businesses interested in providing goods or services to California water utilities. The seven CWA member companies with Supplier Diversity Programs joined with the [Los Angeles](#), [San Jose](#) and [Fresno](#) Minority Business Development Agencies to develop the workshop series, which focused on helping women-, minority-, disabled veteran- and LGBT-owned business enterprises (WMDVLGBTBEs) compete in providing goods and services to water utilities.



Emma Maxey, Supplier Diversity Manager for Golden State Water Company, and Jose G. Espinoza, Supplier Diversity Program Manager for California Water Service, discussed options for [“Doing Business with California Water Companies.”](#) Other presentations and panels addressed access to capital and bonding, the two biggest barriers facing diverse suppliers. Three lenders on the “Access to Capital” panel, Bank of America, Pacific Western Bank and Boston Private Bank and Trust, offered varied perspectives based on their size



Emma Maxey and Jose Espinoza Presenting at the Los Angeles Event



Attendees Networking at the Los Angeles Event

THE QUALITY & SERVICE FOCUS

CWA HOSTS EVENT FOR SMALL BUSINESSES IN LOS ANGELES...CONTINUED

“By bringing relevant topics to the target audiences, including the 95 workshop attendees in Los Angeles, our water utilities are doing their part to meet legislative requirements of providing technical assistance and capacity building in a very effective way,” said Maxey. CWA’s first workshop was held in Sacramento in May with more than 90 attendees, and the next event, [“Access to Capital,”](#) will take place in San Francisco at City National Bank. 🌍

| Water Utility Procurement Opportunities for WMDVLGBTBEs | | |
|---|------------------------------------|--------------------------------------|
| Accounting | Furniture | Paving |
| Advertising | General Plumbing Services | Pest Control |
| Audio Visual | Hauling | Printing and Promotional Items |
| Building Materials and Supplies | Janitorial and Industrial Supplies | Professional and Business Consulting |
| Catering and Food | Janitorial and Industrial Supplies | Recruitment and Contingent Staffing |
| Chemicals | Legal Services | Security |
| Computer Hardware and Software | Maintenance, Repair and Operation | Training and Education |
| Construction, Engineering and Architectural Services | Marketing Communication | Transportation |
| Electrician | Office Equipment | Utility Equipment |
| Environmental, Safety Equipment | Painters | Vehicle Purchases |
| Exterminator | | |

MEMBER SPOTLIGHT

CAL WATER EMPLOYEES RECOGNIZED BY STATE AGENCY FOR HATCHERY ASSISTANCE DURING OROVILLE SPILLWAY CRISIS

The California Department of Fish and Wildlife (CDFW) honored several California Water Service (Cal Water) employees assisting during the Oroville Dam spillway emergency in February. Nonprofit organizations California Trout, Golden Gate Salmon Association and the Nor-Cal Guides and Sportsmen's Association also presented awards to the employees.



(L-R) Cal Water Superintendent Greg Silva, California Assembly Republican Leader Brian Dahle, Cal Water Regional Community Affairs Specialist Shannon McGovern, and Cal Water Oroville District Local Manager George Barber

Working in conjunction with other emergency-response agencies at the Oroville Fish Hatchery, the Cal Water team helped supply fresh water from fire hydrants to keep millions of spring-run salmon alive long enough to be loaded for transport to other facilities. The team also partnered with CDFW and Cal Fire to save almost 1 million steelhead eggs that could not be relocated by filtering chlorine from the water before routing it to the eggs.

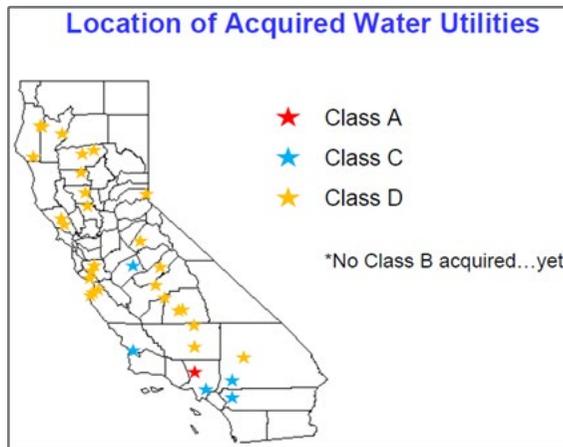
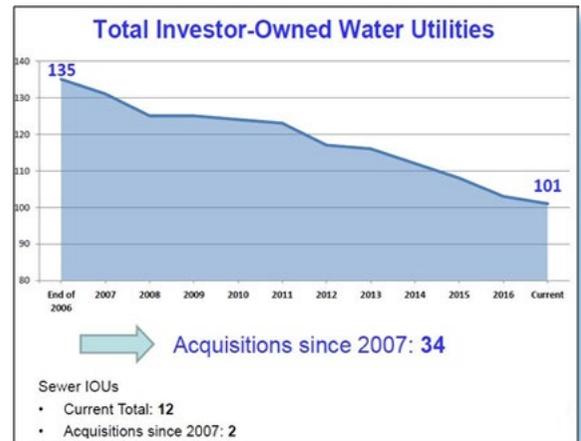
"The combined effort of our local Oroville staff and teams from other agencies working quickly to save these threatened species makes me proud to be part of this effort," said Cal Water Vice President and General Counsel Lynne McGhee in a [press release](#). "Whether in times of crisis or the average day, we remain committed to doing the right thing for both our community and environment." 

MEMBER SPOTLIGHT

CALIFORNIA AMERICAN WATER HIGHLIGHTS IOWC LEADERSHIP ON STATE'S CONSOLIDATION POLICY

In what started out as a low-income assistance workshop jointly sponsored by the California Public Utilities Commission (CPUC) and the State Water Resources Control Board (SWRCB), but transitioned into a discussion on water utility consolidation, California American Water (CAW) participated in a three-hour session on August 17 that included presentations from the SWRCB's Division of Drinking Water, the CPUC's Water Division, the Office of Ratepayer Advocates and the Eastern Municipal Water District. SWRCB Vice Chair Steven Moore, Board Member Dorene D'Adamo and CPUC Commissioner Martha Guzman Aceves attended the workshop.

The workshop began with staff presentations from the SWRCB's Darrin Polhemus and Leslie Laudon, respectively, the Deputy Directors of the Division of Drinking Water and the Division of Financial Assistance. They set the stage for the discussion by laying out the severity of the problem with thousands of public water systems in California lacking either the technical, managerial or financial (TMF) capabilities to sustain their water systems properly for the long term. They gave examples of the three types of consolidation – voluntary, regional and mandatory – and described the challenges for acquiring systems and the subsumed systems. Laudon also covered the financial incentives the SWRCB has in place.



for determining the rate base value of an acquisition. The CPUC followed up the 1997 law with a 1999 decision on “Guidelines for the Acquisition and Mergers of Water Companies.”

Suzie Rose of the Office of Ratepayer Advocates, which has significant concerns about consolidations involving IOWCs, summarized a recent CPUC decision on a different topic, intra-utility consolidations (rate or operational consolidations involving the four multi-district water utilities in the state,

Rami Kahlon, CPUC Water Division Director, noted that there had been 34 investor-owned water company (IOWC) acquisitions/consolidations since 2007. Of this total, 17 were acquired by other IOWCs, 10 by municipal or public agencies and seven by (or were incorporated into) mutual water companies. He explained that IOWC acquisitions were governed by the Public Water System Investment and Consolidation Act of 1997 (Public Utilities Code Sections 2718-2720), which, among other things, uses “fair market value” as the starting point

Public Water System Investment and Consolidation Act of 1997

- **Public Utilities Code Sections 2718 – 2720**
 - Needs of Water Utilities
 - Infrastructure
 - Capital
 - Scale
 - Incentives
- Use Fair Market Value
 - As opposed to “book value”
- Can Exceed Reproduction Cost
 - Reliability
 - Health and Safety Regulations
 - Economies of Scale
 - Effect on customers “fair and reasonable”

MEMBER SPOTLIGHT

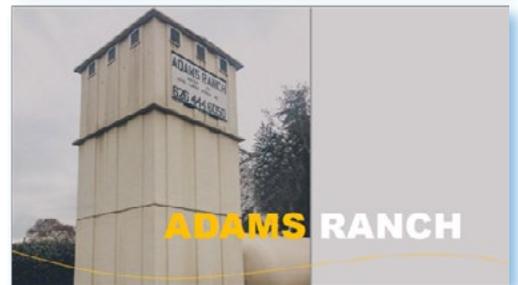
CALIFORNIA AMERICAN WATER HIGHLIGHTS IOWC LEADERSHIP ON STATE'S CONSOLIDATION POLICY ...CONTINUED

all regulated by the CPUC). Concerning inter-utility consolidations (consolidations or mergers between two different utilities), Rose recommended that the attendees assess the pros and cons of a given acquisition on a case-by-case basis with plenty of transparency, communication and coordination among the parties and their customers, and to make sure all decisions are well-informed by data

Paul Jones, General Manager of the Eastern Municipal Water District, described the dimensions of the problem, noting that 84 percent of the non-compliant water systems in the SWRCB's database served fewer than 1,000 people, and 70 percent of these systems were unregulated private systems and mutual (customer-owned) water companies. He recommended that the SWRCB pursue a new governance structure for addressing the problem – the creation of a “Regional Small System Water Authority” – that could take advantage of efficiencies of scale, centralized technical and managerial expertise, a larger rate base and the ability to enact local taxes or issue tax-free public financing. In effect, and as was pointed out later in the workshop, this concept extends the CPUC's long-time, multi-district regulatory concept to the public arena.

Evan Jacobs, Northern District External Affairs Manager, and Tim Miller, Director of Water Quality & Environmental Compliance for CAW, described how their company has been supporting the state's policy on consolidation and [described the challenges, solutions and lessons](#) learned with three of its recent acquisitions – Dunnigan Water Works (Yolo County), Adams Ranch Mutual Water Company (Los Angeles County) and Garrapata Water Company (Monterey County). All three systems had a variety of challenges, including water quality, operational deficiencies, water supply adequacy and aging/retiring workforces. Jacobs and Miller reviewed CAW's solutions for each of three systems, which involved injections of technical and managerial expertise and investments in new treatment systems as well as interconnections with secure supply sources, rate consolidation and enhanced planning and asset management.

As the seventh largest retail water utility in the state, CAW has been among the most active utilities supporting California's proactive policy on consolidating unsustainable community water systems into financially healthy water utilities. This includes reconstituting these systems to obtain the necessary TFM capacity to ensure that the acquired systems' customers have safe, reliable drinking water. Jacobs and Miller concluded their presentation by noting that water quality, water rates and water supply are the commonly anticipated issues to be considered in a consolidation. They alerted the audience to the less commonly anticipated issues that surface during an acquisition – unique operational challenges, data integration and customer relations and communications. These latter three often lead the “lessons learned” list when evaluating a consolidation's success. 



MEMBER SPOTLIGHT

CAL WATER HONORED FOR ERSKINE FIRE EMERGENCY RESPONSE

California Water Service (Cal Water) was honored for its emergency response efforts and helping residents during and after the [Erskine wildfire](#) near Lake Isabella in Kern County. The Erskine Fire Long-Term Recovery Group provided the commendation on the first anniversary of the devastating fire, which burned almost 50,000 acres, destroyed more than 280 homes and damaged hundreds of others. 



(L-R) Customer Service Representative Alden Ross and Kern River Valley District Local Manager Chris Whitley (in green shirts) accepting the honorary award on behalf of Cal Water.

POINTS OF INTEREST

CWA MEMBER COMPANY CEOS PARTICIPATE IN INFRASTRUCTURE PANELS AT NARUC SUMMER POLICY SUMMIT

The California Water Association was well represented at the 2017 National Association of Regulatory Utility Commissioners' (NARUC) Summer Policy Summit in San Diego when California Water Service President and Chief Executive Officer Martin Kropelnicki and California American Water (CAW) President Richard Svindland participated in separate panel discussions on infrastructure investment in the utility industry.

During one of the general session panels titled, "Infrastructure: It's All About the Benjamin\$," moderated by Commissioner Ann Rendahl of the Washington Utilities and Transportation Commission), Kropelnicki pointed out how the regulated investor-owned drinking water utilities in California compare favorably with their government-owned utility counterparts and the national average when it comes to consistent investment in important water utility infrastructure.

Every four years, the American Society of Civil Engineers (ASCE) issues a report card on the condition of the nation's infrastructure. Letter grades are assigned based on physical condition and needed investments for improvement. The nation's 2017 report card is in, and the overall grade for infrastructure generally is D+. Grades for specific utility sectors were no better: energy = D+; drinking water = D; wastewater = D+ (the telecommunications sector is not graded; however, it is well known that millions of Americans lack access to broadband service). Greg DiLoreto, ASCE Past President and current Chair of the ASCE Committee on America's Infrastructure, explained how the report card was developed, how the infrastructure grades were assigned and what the cost of failing to invest in infrastructure now really means. Kropelnicki selected a variety of metrics for his report card, which included basic distribution service, water quality investment, water supply investment and customer interface. He made a compelling case for his company's grades, which ranged from A- to C+.



(Second from Right) Cal Water President and CEO Martin Kropelnicki discusses how his company's infrastructure investment "report card" compares favorably with the drinking water utility industry nationally during the NARUC Summer Policy Summit. Joining him (from left) are the moderator, The Honorable Ann Rendahl, of the Washington Utilities and Transportation Commission; Greg DiLoreto of the American Society of Civil Engineers; and Phillip Moeller, Senior Vice President, Edison Electric Institute.

POINTS OF INTEREST

CWA MEMBER COMPANY CEOS PARTICIPATE IN INFRASTRUCTURE PANELS AT NARUC SUMMER POLICY SUMMIT...CONTINUED

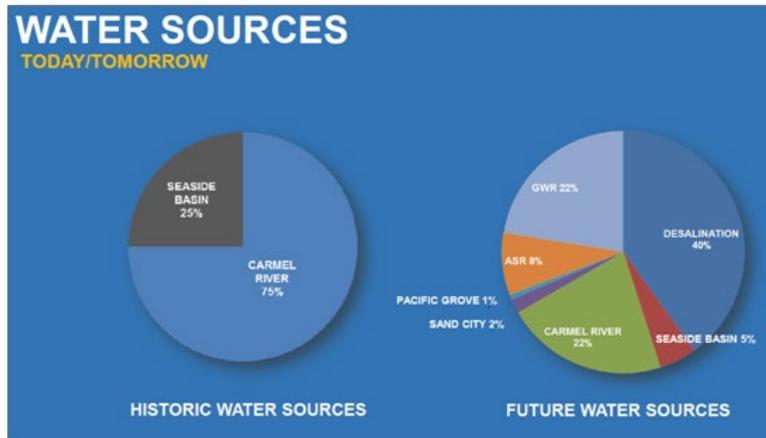


Richard Svindland

Appearing before the NARUC Committee on Water, which was meeting jointly with the Task Force on Innovation, Richard Svindland anchored the “Desalination as a Water Source” panel at the summit. He was joined by Commissioner Comer H. “Randy” Randall, South Carolina Public Service Commission, and Bob Yamada, Director of Water Resources, San Diego County Water Authority.

Svindland provided an [update](#) on the progress of CAW’s [Monterey Peninsula Water Supply Project](#), which is expected to be completed by 2020 and includes a desalination plant, slant intake wells and related pipelines and facilities. When completed, the desalination plant is expected to provide 40 percent of the community’s water needs, or approximately 6,250 acre-feet per year (af/y). The

groundwater replenishment project is slated for 22 percent, or 3,500 af/y, while the aquifer storage and recovery project is expected to contribute 1,300 af/y, or 8 percent. Interestingly, the Monterey Peninsula community is expected to reduce its reliance on the Carmel River, which historically provided three-quarters of the peninsula’s



water needs, by almost 70 percent.

Key benefits of the project include:

- Restoring the Carmel River to productive flows
- Replenishing the Seaside Groundwater Basin
- Minimizing ocean life impacts through the slant well technology with its associated subsurface intakes
- Seeking green energy sources to power the desalination plant and reduce the project’s carbon footprint



Rendering of the Monterey Desalination Facilities

Design and permitting activities for the \$300-million-plus project are expected to be completed by the second half of 2018, with construction to begin in the second or third quarter of 2018. If the remainder of the work proceeds on schedule, the projected commercial operation timeframe is the first quarter of 2020.

POINTS OF INTEREST

CAL WATER'S ENDOWMENT TO HONOR ROBERT ("BOB") W. FOY

Known for his honesty and integrity, as well as his signature bowties and colorful San Jose State University (SJSU) Spartans' jerseys and caps, Robert ("Bob") W. Foy [passed away on June 9](#) at age 80. He was born in San Francisco, raised in Palo Alto and settled in Stockton in 1962 after graduating from SJSU and serving in the United States Army.

In 1977, Foy became president and CEO of Pacific Storage Company and joined the Board of Directors of California Water Service (Cal Water) when Stockton was Cal Water's largest service area. He retired as Chairman of Cal Water's Board in 2012 and from Pacific Storage Company in 1995, where he remained on the board for several years.



Bob W. Foy

In 2009, Foy was named "[Stocktonian of the Year](#)," the city's highest honor. He also received two of the Spartan Foundation's most prestigious honors, the Dan Caputo Founder's Award in 2011 and the Alan & Phyllis Simpkins Tribute Award in 2015 for serving his alma mater for 50 years. Foy held leadership positions in several organizations, including United Way of San Joaquin County, the Greater Stockton Chamber of Commerce and St. Joseph's Medical Center's Board of Directors.

In a message to Cal Water staff, President and Chief Executive Officer Martin A. Kropelnicki described Foy as "a remarkable human being who cared deeply about our company, employees and customers. He was committed to preserving our legacy of service and served as a wonderful ambassador for the company in his hometown of Stockton. His charming personality, sincere interest in people and genuine concern for all made him the ideal chairman who helped champion our growth into three additional states and the company we are today."

Cal Water is establishing an endowment in Foy's honor to provide scholarships to San Jose State University student athletes. To contribute to the Robert W. Foy Memorial Scholarship fund, contact Mike Chisholm of the Spartan Foundation at 408-924-1218 or mike.chisholm@sjsu.edu.