

Director name: Gary Martin
Meeting attended: Urban Water Institute Spring Water Conference
Date of meeting: February 7 – 9, 2018
Location: Palm Springs Hilton
Board meeting to be presented at: February 20, 2018

Points of interest:

The conference included sessions on climate change, the future of dams in California, water rates, unintentional consequences of the recent drought (strange title as I don't think the drought had any intentions, intended or otherwise), a case study on finding a regional solution to groundwater contamination without litigation, water pricing and its effect on conservation efforts, a debate over Cal WaterFix, a discussion of various City water departments on "control of water," a panel discussion on water conservation legislation, including a presentation by Senator Robert Hertzberg, and finally a panel discussion on efforts to restore the Salton Sea.

Highlights:

1. The climate change session was a presentation by Dr. Jerry Schubel, CEO and President. Aquarium of the Pacific. Dr. Schubel made a very interesting presentation on the long range effects of climate change, based on the assumption that it is proven fact. I noted that Dr. Schubel is apparently an advocate of nuclear power, and in the end an advocate of greater seafood production / consumption as a viable solution to the coming food shortage by 2050.
2. With respect to dams in California, the discussion seemed to center around the need to do more and better with regards to integrated groundwater storage solutions, and some of programs being advocated by ACWA and what the California Water Commission is doing to roll out Prop 1 funding.
3. The discussion of affordable water rates included the different rules that govern the rate setting process for private and public water providers.
4. One of more interesting presentations was how the recent drought affected water suppliers: a) reduced water use, b) reduced revenue, c) increased water rates, d) reduced sewer flow, e) increased maintenance costs.
5. The litigation session was basically a case study on the Chino Basin Desalter Authority and how it was created to address the south Ontario TCE plume in a cooperative approach and thus avoided costly and unproductive law suits.
6. The water pricing session was presented by Jeffery Hughes, Director of Environmental Finances Center, School of Government, University of North Carolina, Chapel Hill. The major take-away was based on surveys and research, pricing has but a limited effect on conservation and is not the primary tool for most utilities. "Rate structures can only get you so far." But then, we already knew that.
7. The CA WaterFix session seemed to be opposing sides presenting their respective positions with no significant or meaningful common ground, and no solution in site. Noah Oppenheim, Executive Director. Pacific Coast Federation of Fisherman's Association, ended his slide presentation with "See You in Court Jerry."
8. The conservation session was very good and Senator Robert Hertzberg mad a presentation that showed a good understanding and appreciation of water issues across the state.

I thought that the conference was well done and I appreciate being able to attend.

Gary Martin



Urban Water Institute's Spring Water Conference
February 7-9, 2018 • Hilton Palm Springs Hotel • Palm Springs, CA

Wednesday, February 7, 2018

12:00 p.m. – Registration, Networking & Exhibits (Horizon Ballroom)

1:00 p.m. – Opening Remarks & Introduction

- Greg Quist, Chairman, Urban Water Institute

1:05 p.m. – Welcome To Palm Springs

- Mayor Robert Moon, City of Palm Springs

1:15 p.m. – Climate Change & It's Impact On Water Supply

Introduction: By Art Levine, Long Beach Board of Water Commissioners

- Dr. Jerry Schubel, CEO & President, Aquarium of the Pacific

2:00 p.m. – What Is The Future Of Dams In California?

Proposition 1, passed by voters in 2014, sets aside money for improvements and water storage projects including \$2.7 Billion for the California Water Commission to allocate for projects that offer "public benefits." Parts of projects that increase water supply cannot be paid with these funds. Also since the Oroville Dam spillway failure and the subsequent analyses of the failure, there may be less public confidence in dams, especially the ones that already exist. How will we develop policy and funding to pay for fixing our aging dams? Learn from these panelists how they see the future of new and old storage projects in California.

- Alvar Escrivá-Bou, Research Fellow, Public Policy Institute of California
- Cindy Tuck, Deputy Executive Director for Government Relations, ACWA
- Joe Yun, Executive Officer, California Water Commission
- Moderator: Rita Schmidt Sudman, Author & Senior Advisor, Water Education Foundation

3:15p.m. – Networking Break – Sponsored By Townsend Public Affairs, Inc.

3:30 p.m. – Affordable Water Rates & The Water Rate Payer

Acknowledging the human right to safe, affordable water, this panel explores the opportunities available to fulfill a need and encourage the efficient use of this valuable resource. The block rate structure has been an effective means of bringing the cost of water to the attention of the consumer and encouraging conservation. While all have the right to water, the means of conveyance has to be funded. Generally it is the consumer who bears this burden. When the consumer cannot meet this obligation, what is society's obligation?

- Debby Cherney, Deputy General Manager, Eastern Municipal Water District
- Dave Pedersen, General Manager, Las Virgenes Municipal Water District
- Jonathan Young, Regulatory Advocate, California Municipal Utilities Association
- Moderator: Mary Aileen Matheis, Board Member, Irvine Ranch Water District

4:45 p.m. – Adjourn - Welcome Reception Sponsored By Cadiz, Inc. (Poolside)

6:00 p.m. – Dinner On Your Own

Thursday, February 8, 2018

8:00 a.m. – Registration, Networking, Exhibits & Continental Breakfast Sponsored By Coachella Valley Water District (Horizon Ballroom)

9:00 a.m. – Opening Remarks

- Ane Deister, Executive Director, Urban Water Institute

9:15 a.m. – Unintended Consequences Of The Most Epic Drought In Recorded History?

What have been the impacts to potable water systems, water rates, recycling water, and water sewer systems?

- Gary Arant, General Manager, Valley Center Municipal Water District
- Wendy Broley, Assistant Director, California Urban Water Agency
- Shivaji Deshmukh, Co-General Manager, West Basin Municipal Water District
- Thomas J. Haglund, General Manager, Tuolumne Utilities District
- Dr. George Tchobanoglous, Professor Emeritus in the UC Davis Department of Civil & Environmental Engineering
- Moderator: Rich Nagel, Vice President, CH2M

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10:30 a.m. – Networking Break – Sponsored By Mesa Water District

10:45 a.m. – To Litigate, Or Not To Litigate
Cleaning up plumes of groundwater contamination is very expensive, and in many cases funding for cleanup is sought through litigation. Across the state, battles raged in courtrooms lasting ten years, or more, sometimes yielding adequate funding for cleanup, sometimes not, but always costing the parties dearly in fees and costs. This panel will discuss a case study representing a different approach—three public entities and four private companies, with help from the Regional Water Quality Control Board and a mediator, reached an agreement to fund a cleanup remedy for the South Ontario TCE Plume without anyone filing a lawsuit. The panelists will share their views on the benefits of this approach and the keys to make it work.

- Kurt Berchtold, Retired Executive Officer, Santa Ana Regional Water Quality Control Board
- Steve Elie, President, Inland Empire Utilities Agency
- Curtis Paxton, General Manager/CEO, Chino Basin Desalter Authority
- Moderator: Greg Newmark, Principal, Meyers Nave

12:00 p.m. – Industry Award Of Outstanding Service, Joe Grindstaff, General Manager, Inland Empire Utilities Agency (Retired)
Presented By Greg Quist, Chairman, Urban Water Institute

12:15 p.m. – Luncheon—Sponsored by Meyers Nave (Plaza Ballroom)

1:15 p.m. – Water Pricing, Customer Usage: It's Complicated

California Water Agencies have a variety of strategies and tools for influencing customer usage during both normal and emergency drought periods. Agencies can adjust irrigation restrictions, launch education programs, increase or target enforcement and/or create financial incentives for reducing usage through different pricing approaches. This session will present the results of a recent study that looked at water usage and pricing practices across the state before and during the drought. The results provide insight on the relative impact pricing played during the drought compared to other management tools. What pricing signals did utilities send across the state before and during the drought? How did customers respond to these signals? How did this tool compare to the use of other tools? Come find some clarity on an important issue for policymakers and senior management from a study that is hot off the presses!

Introduction: By Lisa Ohlund, General Manager, East Orange County Water District

- Jeffrey Hughes, Director of the Environmental Finance Center, School of Government, University of North Carolina at Chapel Hill

2:30 p.m. – Networking Break – Sponsored By Upper San Gabriel Valley Municipal Water District

2:45 p.m. – California WaterFix: Down For The Count 2? 1? or 0?

The Governor and some interests are considering downsizing the proposed Delta water project from two tunnels to one. Agricultural agencies and a major urban agency have refused to help pay for the \$17 Billion project. Can the State Water Contractors go it alone? While any tunnel project would improve fish protection and pumping reliability, many environmental and fishing groups oppose the project believing it would bring more harm to the Delta. California salmon runs are going extinct and thus the state's salmon fleet and the jobs of fishermen. The panelists will discuss the project from both a MWD of Southern California board and staff view and from a fishery group's perspective.

- ✓ ■ Steve Arakawa, Bay Delta Initiative Manager, Metropolitan Water District of Southern California
- ✓ ■ Larry Dick, Board Member, Metropolitan Water District of Southern California
- ✓ ■ Noah Oppenheim, Executive Director, Pacific Coast Federation of Fisherman's Association
- Moderator: Rita Schmidt Sudman, Author & Senior Advisor, Water Education Foundation



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4:00 p.m. – Adjourn – Chairman's Reception
Sponsored By Water Replenishment District
(Plaza Ballroom)

5:00 p.m. – Dinner On Your Own

Friday, February 9, 2018

7:45 a.m. – Registration, Networking, Exhibits
& Buffet Breakfast
Sponsored By Western Municipal Water District
(Horizon Ballroom)

Chairman's Drawing: Don't miss out on your opportunity to win an Apple Watch & a copy of Rita Schmidt Sudman's "hot off the press" 2018 edition book, Water: More or Less! Please pick up your raffle ticket at the registration desk.

8:30 a.m. – Control Of Water: The City View
Who owns California water? Historically, there are over 100 years of precedent that determines who owns ground water, surface water and river water. Ownership is defined as who has the right to capture and use this commodity. Today, there is a challenge to this view by State Government. The State is claiming that they are "owner" and have control over who uses it and how much they can use. This panel will share the Cities view of this issue.

- Mayor Rusty Bailey, City of Riverside
- Councilman Allan Bernstein, City of Tustin
- Councilman Bob Wunderlich, City of Beverly Hills
- Steven Ritchie, Assistance General Manager, Water Enterprise, San Francisco Public Utilities Commission
- Moderator: Honorable Dick Ackerman, President, Ackerman Consulting

9:45 a.m. – How Is Conservation Going To Be A Way Of Life?

Who's really in charge State or Local agencies or is there someone else lurking?

Senator Bob Hertzberg, Chairman of the
Natural Resources & Water Committee,
Opening Remarks

- Steve LaMar, Director, Irvine Ranch Water District & Vice President of ACWA
- Tracy Quinn, California Director of Water Efficiency, Natural Resources Defense Council
- Rem Scherzinger, General Manager, Nevada Irrigation District
- Moderator: Rich Nagel, Vice President, CH2M

11:00 a.m. – To Sea, Or Not To Sea?

With historic consensus on a feasible plan for a smaller but sustainable Salton Sea—founded on achievable projects that are based on real plans, realistic designs, approved permits and real funding—federal, state, and local partners are now embarking on the first steps in a long journey of recovery for the sea. The first ten years for this progress are now outlined but longer term plans are still being developed. This panel will discuss the first ten years of the state's Salton Sea Management Plan as well as what may come after it.

- Michael Clinton, President, Michael Clinton Consulting
- Kerry Morrison, Executive Director, The EcoMedia Compass
- Bruce Wilcox, Assistant Secretary, Salton Sea Policy at California Natural Resources Agency
- Moderator: Phil Rosentrater, Executive Director, Salton Sea Authority

11:55 a.m. – Chairman's Raffle!

12:00 p.m. – Conference Adjourns

Thank You For Joining Us & See You In August!

DIRECTOR AB 1234 REPORT

Director Name: Jacquelyn McMillan
Meeting Attended: Urban Water Institute's Conference at the Hilton Palm Springs Hotel
Dates/Times: February 7-9, 2018
Presented at: February 20, 2018
No. of Attendees: 200 representatives in the water industry
Brochure/Agenda: Agenda Attached
Points Of Interest: See below

The conference covered various subjects:

- Climate Change and It's Impacts on Water Supply
- The Future of Dams in California and the challenges of qualifying for \$2.7 billion of 20014 Proposition Bond Funding
- Affordable Water Rates and The Water Rate Payer. Who's obligation is it to pay for underserved areas?
- The unintended Consequences of the most recent drought and its impacts to portable water systems, water rates, recycling water and water sewer systems.
- How to avoid costly litigation when groundwater basins are polluted?
- Water usage and pricing practices across the state.
- Update on the California WaterFix from urban and fishery group's perspectives.
- Challenges of the State taking on more control over water.
- How to make Conservation and Way of Life.
- Updates on the Salton Sea.