



California Association of Mutual Water Companies

CalMutuals: The Voice of Small Water Systems

CalMutuals Monthly Newsletter January 2015

Letter from CalMutuals Executive Director

Dear CalMutuals Members:

Thank you for your continued membership!

I want to take this opportunity to personally thank all of our members and our Board of Directors for your commitment to the California Association of Mutual Water Companies.

Last year, we grew to 97 members and since the beginning of January, our Association has passed the 100 member threshold and continues to grow!

Your support enabled the incorporation of mutual water companies as eligible applicants in the water bond – Proposition 1 – approved by voters last November, and preserved duplication of service protections once threatened by AB 2443 (Rendon). We also increased our visibility among California's state agencies and most importantly, the State Water Resources Control Board, which is now seeking the Association's assistance in providing statewide training on the NPDES permit.

This year, we hope to continue to increase our visibility, provide greater member services, address concerns posed by the AB 240 financial review process and most importantly - monitor and address legislation impacting our members.

Thank you again for your support. **We look forward to continuing to represent mutual water companies statewide.**

Adán Ortega, CalMutuals Executive Director



CalMutuals Submits Formal Comments on the Safe Drinking Water Plan

On December 11th, CalMutuals' Executive Director, Adán Ortega, submitted a letter to the State Water Resources Control Board ("the Board") on behalf of the Association regarding concerns with the draft of the Safe Drinking Water Plan ("the Plan") which – among other issues – proposed the (i) consolidation of small water systems, (ii) mandatory installation of meters, and (iii) asset management planning for infrastructure improvements.



Our letter to the Board outlined the following five major concerns:

- Safe Drinking Water Standards Disproportionally Affect Small Water Systems in Economically Disadvantaged Areas
- A More Stable Source of State Financial Resources Must Be Provided
- Consolidations Must Be Carefully Considered
- Share Solutions May Be Problematic
- A Water Use Fee Must Be Thoughtfully Considered

In addition to the submission of formal comments, CalMutuals staff, board members, and members attended the public workshops held by the Board in November and December. During those workshops staff and members provided comments on the various concerns posed by the Plan and urged the Board to better understand what the Plan's impacts would be to small systems, specifically mutual water companies, as we seek to continue to serve safe, reliable and affordable water to our customers/shareholders.

We are confident that our presence made an impact as CalMutuals was the organization with the most representation. We look forward to continued communication with the Board on this and other important matters impacting our members.

To read more, [click here](#)

2015 CFCC Funding Fairs

The California Financing Coordinating Committee (CFCC) has announced this year's schedule for Funding Fairs.

This year's fairs will take place in the following cities:

San Diego (May 6th)

Tulare (June 3rd)

Eureka (June 3rd)

Truckee (August 5th)

Watsonville (September 2nd)

Sacramento (September 23rd).



CalMutuals staff will be attending the San Diego fair and will be sharing pertinent information and materials with members.

For more details on the fairs and to download the flyer, [click here](#).

Governor Brown Issues 2015-2016 State Budget Plan

On January 9th, Governor Brown issued his 2015-16 state budget plan. Including bonds, the full financial plan is \$163.7 billion with a reserve budget of \$534 million and \$2.8 billion rainy day fund. For a detailed outline of the budget, [click here](#).



“This carefully balanced budget builds for the future by saving money, paying down debt and investing in our state’s core needs,” said Governor Brown. *“Our long-term fiscal health depends on the wise and prudent actions we take today.”*

From the Governor’s Office: The Budget includes the first \$532 million in expenditures from the Proposition 1 water bond to continue the implementation of the Water Action Plan, the administration’s five-year roadmap towards sustainable water management. Additionally, the Budget includes the last \$1.1 billion in spending from the 2006 flood bond to bolster the state’s protection from floods. It also proposes \$1 billion in cap-and-trade expenditures for the state’s continuing investments in low-carbon transportation, sustainable communities, energy efficiency, urban forests and high-speed rail. The successful implementation of these projects and continued and even steeper reductions in carbon pollutants are necessary to address the ongoing threat posed by climate change.

Additional Budget Information:

From Cal/EPA Secretary, Matthew Rodriguez: State Water Resources Control Board (SWRCB) is to receive \$268 million in new water bond funds, primarily for water recycling, safe drinking water, and disadvantaged communities.

From Senate Natural Resources Secretary, John Laird: California Water Action Plan: approximately two years for the completion of bond allocation funds by the California Water Commission in consultation with the Department of Water Resources (DWR).

From California Department of Food & Agriculture Secretary, Karen Ross: SWRCB and DWR are the agencies responsible for Water Bond funds; however, the California Department of Food & Agriculture (CDFA) is working closely with those agencies to address interests by the agriculture sector such as water efficiency.

CalMutuals Bill Tracker

On January 5th, the State Legislature reconvened for its first week of Regular Session.

"We anticipate that, as in 2014, the legislature will be focused on water management. Our staff is closely monitoring legislation and will be updating our members on issues that may impact our operations," CalMutuals Chairman Jim Byerrum.



Listed below are the bills that CalMutuals staff is tracking:

- AB 78 (Mathis-R) Groundwater basins**
- AB 148 (Chávez-R) Urban water management plans**
- SB 7 (Wolk-D) Housing: water meters: multiunit structures**
- SB 8 (Hertzberg-D) Taxation**
- SB 13 (Pavley - D) Groundwater**
- SB 20 (Pavley-D) Wells: reports: public availability**
- SB 37 (Nielsen-R) Water:floods**

Although currently in draft form, meetings with stakeholder groups are taking place. Staff is diligently monitoring the bills in the event that significant amending takes place resulting in potential concerns for our members.

To download the CalMutuals Bill tracker (with information and links on all of the above listed bills), [click here](#).

AGWA-AGWT ANNUAL CONFERENCE

Details are now available for the 2015 groundwater conference hosted by the Association of Ground Water Agencies (AGWA) and American Ground Water Trust (AGWT). This annual conference provides an important exchange of information and networking opportunities for California's water agencies as well as water professionals, end-users of water and local and state elected officials involved with water policy issues. The focus of the conference is on current groundwater management issues within California.



Date: February 9-10, 2015

Location: Ontario Airport Hotel (700 North Haven Avenue, Ontario, CA 91764)

Conference Registration Fee: \$365 (General Registration)

For conference details (including keynote speakers and presentations), [click here](#)

State Water Resources Control Board Proposes Continued Conservation and Efficiency Regulations in 2015

At its first regular meeting of the New Year, the State Water Resources Control Board ("the Board") outlined continued conservation and efficiency regulations.



In July of last year, the Board adopted the following emergency regulations:

- Eliminate the use of potable water to:
 - Wash down sidewalks and driveways
 - Water outdoor landscapes in a manner that causes excess runoff
 - Wash a motor vehicle with a hose, unless the hose is fitted with a shut-off nozzle
 - Operate a fountain or decorative water feature, unless the water is of a recirculating system
- Larger water suppliers (those with more than 3,000 water connections or that supply more than 3,000 acre-feet of water annually) are required to activate their Water

Shortage Contingency Plan to a level where outdoor irrigation restrictions are mandatory. In communities where no water shortage contingency plan exists, the regulation requires that water suppliers either limit outdoor irrigation to twice per week or implement other mandatory conservation measures that achieve comparable conservation.

- Large water suppliers must report water production on a monthly basis to track progress.

Local agencies can fine those who violate the individual prohibitions up to \$500 a day. The state can issue a cease and desist order against water agencies that do not impose mandatory conservation measures upon their retail customers. The Board's attorneys advised that Mutual Companies can discourage over-use of water by charging higher rates past defined limits but not fines. If a Mutual Water Company wishes to fine customers who over-use water, the fines must be assessed by the County government. Water agencies that violate cease and desist orders are subject to civil liability of up to \$10,000 a day.

Prior to the adoption of the Board's regulations, CalMutuals submitted a comment letter outlining concerns and recommendations on impacts to mutual water companies.

The current regulations are set to expire in April of this year. The Board is currently obtaining more information on how to potentially implement permanent conservation and efficiency regulations. The Board will be working with the California Public Utilities Commission (CPUC) to coordinate such regulations and may also— to the extent possible- place unspecified restrictions on grant and loan funding.

Renewing regulations in their current form requires a recurring vote by the Board every 180 days while revising the emergency regulations would require a public hearing process.

CalMutuals staff will continue monitoring this issue as more information becomes available.

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