AGENDA

WORKSHOP
OF THE
BOARD OF DIRECTORS

WEDNESDAY, MAY 1, 2019
10:00 A.M.

INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS
BOARD ROOM
6075 KIMBALL AVENUE
CHINO, CALIFORNIA 91708

CALL TO ORDER
OF THE INLAND EMPIRE UTILITIES AGENCY BOARD OF DIRECTORS
WORKSHOP

FLAG SALUTE

PUBLIC COMMENT

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a “Request to Speak” form which is available on the table in the Board Room. Comments will be limited to three minutes per speaker. Thank you.

ADDITIONS TO THE AGENDA

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.
1. **WORKSHOP**

   **A. CURRENT LEGISLATIVE PROPOSALS FOR ASSURING SAFE, ACCESSIBLE AND AFFORDABLE DRINKING WATER STATEWIDE**
   Mr. Darrin Polhemus – State Water Resources Control Board
   Ms. Danielle Coats – Eastern Municipal Water District
   Mr. Jonathan Nelson – Community Water Center
   Ms. Cindy Tuck – Associations of California Water Agencies

2. **ADJOURN**

   *A Municipal Water District

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary (909) 993-1736, 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

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**Declaration of Posting**

I, April Woodruff, Board Secretary of the Inland Empire Utilities Agency*, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. at the Agency's main office, 8075 Kimball Avenue, Building A, Chino, CA on Thursday, April 25, 2019.

April Woodruff

* A Municipal Water District

Proofed by: [Signature]
"Re-imagining" Safe and Affordable Drinking Water: through Partnership

Darrin Polhemus, P.E.
Deputy Director
Division of Drinking Water
State Water Resources Control Board
AB-685: “Every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.”
Human Right to Water Website

- 7,400 Public Water Systems

- Red Stars Represent Water Systems with Violations in Community Water Systems or Schools

- 90% of Violations Occur in Water Systems Serving Less than 500 connections

[Link to website: https://www.waterboards.ca.gov/water_issues/programs/hr2w/index.html]
Small water systems have poor economies of scale and **limited emergency response capabilities.**
Comparison with Other Utilities

- Public Water Systems: 7442
- Wastewater Treatment Plants: 900
- Electricity Utilities: 75
Short-term Drinking Water Goals

1. **Zero** water systems with violations through partnership & consolidation whenever possible

2. Decreasing unsustainable water systems through partnership & consolidation whenever possible

3. Stopping the formation of new unsustainable water systems
<table>
<thead>
<tr>
<th>Internal Changes</th>
<th>Informal Cooperation</th>
<th>Contractual Assistance</th>
<th>Joint Powers Authority</th>
<th>Ownership Transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installing meters</td>
<td>Sharing equipment</td>
<td>Contracting Operation and Management</td>
<td>Sharing system Management</td>
<td>Ownership Transfer</td>
</tr>
<tr>
<td>Changing billing</td>
<td>Sharing Bulk Supplies</td>
<td>Outsourcing Engineering Services</td>
<td>Sharing Operators</td>
<td>Management Transfer-</td>
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<tr>
<td></td>
<td>Mutual Aid</td>
<td></td>
<td>Sharing Source Waters</td>
<td>Administrators</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sharing Treatment</td>
<td></td>
</tr>
</tbody>
</table>
Other States are Getting it Done!

**Natural Consolidation**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TNCWS</th>
<th>NTNCWS</th>
<th>CWS</th>
<th>PWS</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1974</td>
<td>1058</td>
<td>252</td>
<td>868</td>
<td>2178</td>
<td></td>
</tr>
<tr>
<td>1979</td>
<td>805</td>
<td>252</td>
<td>755</td>
<td>1812</td>
<td>-17 %</td>
</tr>
<tr>
<td>1989</td>
<td>400</td>
<td>215</td>
<td>639</td>
<td>1254</td>
<td>-31 %</td>
</tr>
<tr>
<td>1999</td>
<td>199</td>
<td>85</td>
<td>497</td>
<td>781</td>
<td>-38 %</td>
</tr>
<tr>
<td>2009</td>
<td>49</td>
<td>26</td>
<td>409</td>
<td>484</td>
<td>-38 %</td>
</tr>
<tr>
<td>2016</td>
<td>26</td>
<td>15</td>
<td>356</td>
<td>397</td>
<td>-18 %</td>
</tr>
</tbody>
</table>
Building the Toolbox

• Needs Assessment
  - $3 M to assess the cost of providing safe water state-wide

• AB-72 – Administrator, Schools, Urgent Needs Funding
  - $10 M for Administrators
  - $10 M for Urgent Needs
  - $6.8 M for Schools
Medium-Term Drinking Water Goals

- Financial Capacity-Asset Management
- Ensuring adequate water rates to deal with aging infrastructure—which may result in higher rates
- Ensuring that disadvantaged residents can afford safe and accessible drinking water
So many great tools...

Arizona, Kansas, Iowa—Rural States Deal with these same problems in different ways!
“Re-imaging” Water Utilities

- Fire
- Aging Infrastructure
- Green Energy
- Population Growth
- Drought
- Security
- Conservation—Demand Hardening
- Affordable Housing
Long-Term Water Utility Drinking Water Goals

- Infrastructure Replacement
- Diverse Sources
  - Groundwater storage
  - Desalination
  - More surface water storage
  - Recycled Water
- Green Energy
- Security (IT & Fire Protection)
Thank you!

Contact:
darrin.polhemus@waterboards.ca.gov
Safe Drinking Water Solutions for All Californians

Inland Empire Utilities Agency
Board Workshop
May 1, 2019
Human Right to Water

• AB 685 (Eng, 2012): "Every human being has the right to safe, clean, affordable and accessible water adequate for human consumption, cooking and sanitary purposes."

Accessible

Affordable

Reliable

All Californians Deserve Safe Drinking Water - What is the Most Effective Way to Make this Happen?
### What are the Statistics of the Statewide Challenge?

<table>
<thead>
<tr>
<th>Non-compliant systems (Population)*</th>
<th>Number of Systems</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,000 or greater</td>
<td>9</td>
<td>3%</td>
</tr>
<tr>
<td>1,000 to 9,999</td>
<td>40</td>
<td>15%</td>
</tr>
<tr>
<td>100 to 999</td>
<td>128</td>
<td>48%</td>
</tr>
<tr>
<td>Under 100</td>
<td>87</td>
<td>33%</td>
</tr>
<tr>
<td><strong>Total =</strong></td>
<td><strong>264</strong></td>
<td></td>
</tr>
</tbody>
</table>

*SWRCB State Drinking Water Data Base, December 19, 2018 database*

81% of the non-compliant systems serve less than 1,000 people (~400 service connections)

**These non-compliant community water systems cross all sectors including public agencies and schools (~40%) and privately owned or mutual water companies (~60%)**
SB 414 - Small System Water Authority Act Implementation

**State Water Resources Control Board**
- Notice of chronic violations and non-compliance
- Opportunity to appeal SWRCB and remedy
- Required to dissolve and merge into newly public entity or consolidate under SB 88 provisions

**Private System Dissolution**
- System valuation
- Dissolution of private/mutual water companies

**Local Agency Formation Commission**
- Dissolution of public agencies
- Determine merged successor agency boundary comprised of former public agencies, privates and mutual water companies
- Consult with SWRCB-appointed administrator on plan for service development
- Formation proceedings for new agency – appoints Board of Directors

*System brought into compliance*
*System dissolved and consolidated under SB 88*
Benefits and Small System Water Authority Act

- Merger of like entities into viable public water agency
- Participatory public governance
- Substantial reduction in number of small failing systems
- Merger provides economies of scale – frees-up operating rate revenue
- Establishes staff with technical and managerial expertise
- New internal and external financial resources
- Supplements existing private/public consolidations

A sustainable solution to address underlying governance issues

Example Grouping of Non-Compliant Systems

17 systems
- MWC or Private
- Public Agency
- School

6 systems

18 systems

Larger stars denote proportionately larger populations of small systems noted as “Out of Compliance” on SWRCB database.
Contact Information

Danielle N. Coats, Senior Legislative Program Manager
(951) 928-3777 x 4526
coatsd@emwd.org
A Safe and Affordable Drinking Water Fund for All Californians

Jonathan Nelson, Policy Director
Overview

• The Problem

• The Solution: Safe and Affordable Drinking Water Fund
Our Mission
Act as a catalyst for community water solutions through organizing, education and advocacy in California’s San Joaquin Valley.

Our Vision
Ensure that ALL Californians have access to safe, clean and affordable water.
Advancing community-driven water solutions through organizing, education, and advocacy
2012 Human Right to Water Act

“Every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.”
More than 1 million Californians impacted by unsafe drinking water each year!

SWRCB
The Operations and Maintenance Gap

Safe drinking water requires effective water treatment systems.

Effective water treatment systems require operations (power, chemicals, supplies and people to run the facilities) and maintenance (keeping facilities in good repair).

Effective operations and maintenance requires reliable, sustainable, multi-year funding.

The Safe Drinking Water State Revolving Fund cannot fill the gap.

Small, rural, and/or disadvantaged communities cannot fill the gap.

The California General Fund cannot fill the gap.
A Safe and Affordable Drinking Water Fund for ALL Californians

- Provide universal access to safe drinking water. Focused on most vulnerable communities and households (like domestic wells).

- Ensure funding is recession-proof.

- Ensure we can pass something this year that actually solves the problem.

- Designed to cover gaps in funding (like O&M).

- Benefit both urban and rural California.
A Safe and Affordable Drinking Water Fund for ALL Californians

- $140 million annually through new fees on agriculture and new very small (less than $1) monthly fee on water bills – Californians under 200% of FPL exempt

- Fees are capped
  - $.95 cents monthly for single family homes
  - Max up to $10 monthly for largest water users (e.g., industrial)

- Multiple ongoing transparency measures

Water agencies can reimburse for implementation costs
A Safe and Affordable Drinking Water Fund for ALL Californians

- Address systems that are out of compliance (or vulnerable to moving into being out of compliance)
- Ensure water affordability post-consolidation
- Address lead remediation
- Flexible to address future water challenges
- Prevent erosion to trust in drinking water
SB 669 (Caballero) – Trust Proposal

- Trust Proposal requires 4+ billion dollars (according to Legislative Analyst’s Office)

- Would leave out 2 million Californians not served by a community water system (including nearly 400 schools)
AB 217 (E Garcia)  
SB 200 (Monning)  
Governor’s Trailer Bill Proposal  
CLEAN WATER is NOT a LUXURY!
 Took my Cabinet on a surprise trip to the Central Valley to hear directly from folks who lack access to affordable, clean water.

Our first stop: we met with residents who cannot drink or bathe with the water in their homes — while paying more for it than those in Beverly Hills.
Because clean water is a right, not a privilege.

Communitywatercenter.org
Safewaterforca.org

Jonathan.Nelson@communitywatercenter.org