

FISCAL YEAR
2018

CUWA

ANNUAL REPORT

California Urban Water Agencies (CUWA) is a non-profit corporation of 11 major urban water agencies that collectively deliver drinking water to approximately two-thirds of the state's population.

CUWA's mission is to provide a forum for combining the expertise and resources of its member agencies to advance reliable, high-quality water supplies for California's current and future urban water needs in a cost-effective manner for the public, the environment, and the economy.

Fiscal Year 2018 Highlights

CUWA agencies are taking a leadership role in advancing the Governor's California Water Action Plan through local and regional efforts. CUWA's collaborative partnerships and new integrated approaches are enabling real progress in several crucial areas.

Strengthening Water Supply Reliability through Water Use Efficiency

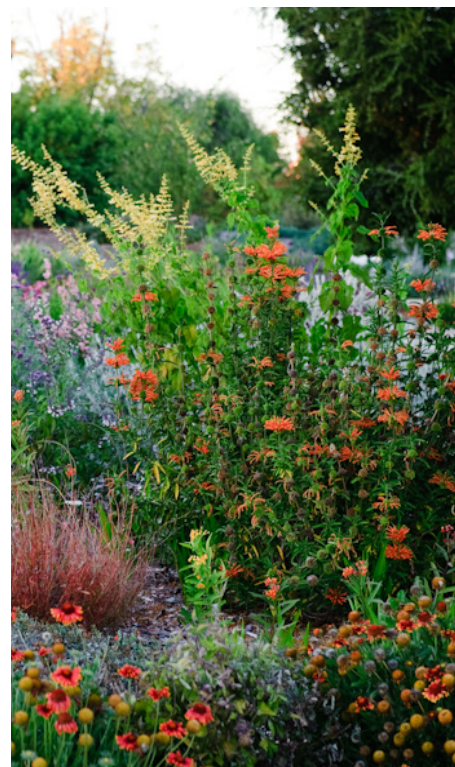
Wisely managing demands is foundational to ensuring reliable water supplies in years to come. In line with the state's goal to "make conservation a California way of life," our agencies are leading in long-term water use efficiency (WUE), as highlighted in CUWA's [Water Supply Reliability Fact Sheet](#). Based on a compilation of CUWA agencies' 2015 Urban Water Management Plans (UWMPs), the fact sheet demonstrates how California's largest urban water suppliers were well prepared for the recent drought and are continuing to improve reliability and resilience to prepare for future uncertainties. CUWA agencies' efforts include substantial investments in system reliability improvements, expanded storage, and supply diversification, in addition to long-term WUE programs. Our agencies are thinking of water in new ways – developing alternative supplies, such as potable and non-potable water reuse, and advancing regional partnerships to pursue a broader set of projects that wouldn't be possible individually.

Thanks to the efforts of water agencies statewide, efficient use of water is becoming the new normal. CUWA is a member of the Project Advisory Committee for the Alliance for Water Efficiency's Outdoor Water Savings Studies. The studies analyze water savings from drought response actions and landscape transformation (i.e., turf replacement) programs, which have contributed to this new trend in water use. With the passage of new long-term WUE legislation, the state has reemphasized its commitment to making these water savings permanent.

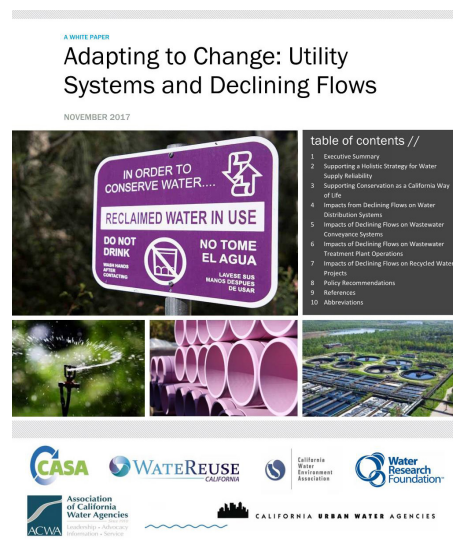
Encouraging a Holistic, One Water Approach

While Californians' shift toward embracing long-term WUE has been a huge success, this new normal also brings new challenges. CUWA and several collaborative partners (WaterReuse, WRF, CWEA, CASA, and ACWA) explored the unintended impacts of WUE—particularly indoor WUE—on the urban water cycle in the [Adapting to Declining Flows White Paper](#). Low flows from reduced indoor water use can have unintended consequences on water, wastewater, and recycled water systems—such as increased odor and solids deposition in wastewater conveyance systems. CUWA's white paper highlights the importance of a holistic, integrated water management approach and helps to inform long-term indoor WUE targets. The paper has garnered interest from other agencies and organizations statewide—and even internationally. In FY 2018, CUWA staff spoke at nearly a dozen conferences on this topic.

In parallel with the white paper, CUWA published new policy principles on [WUE, Conservation, and Declining System Flows](#) to emphasize the importance of considering the full urban water cycle in long-term WUE policies.



CUWA agencies have implemented landscape transformation programs to permanently reduce outdoor water use.



Similarly, multiple CUWA agencies are developing One Water plans to manage their various facilities (e.g., water, wastewater, and recycled water), ecosystems, groundwater basins, and other resources through a more integrated approach.

As an outgrowth of the conversation on declining flows, there is growing interest in how to best allocate finite urban wastewater flows among various reuse options—leveraging a distributed systems approach (i.e., regionally optimized centralized and decentralized reuse options) to incorporate the full range of considerations. CUWA is in the process of developing a white paper to offer guidance to utilities evaluating the implementation of water reuse systems through the distributed systems approach. The white paper will also inform businesses and developers that are considering different water reuse options and seeking long-term sustainability.



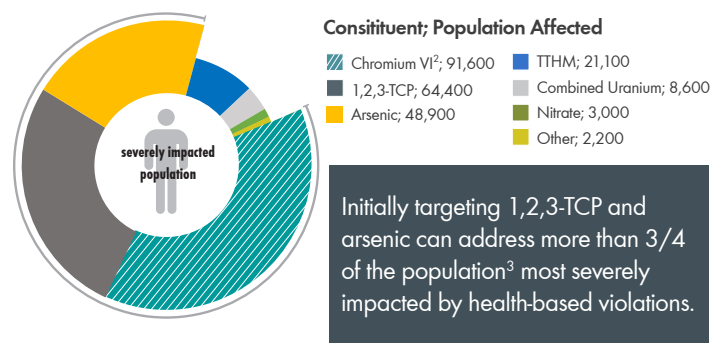
The distributed systems approach considers competing demands for wastewater, along with other considerations related to policy, community & environment, economics, operations, and treatment performance.

Advancing Solutions to Achieve Safe Drinking Water for All Californians

Previously, CUWA performed analyses to quantify the magnitude of drinking water quality violations and identify the sources of various constituents. In 2018, CUWA redoubled efforts on rural accessibility challenges, building on prior analyses of water quality problems to develop ideas to achieve near-term positive outcomes for small, failing systems with persistent water quality issues. CUWA's new issue brief, [Restoring Water Accessibility in California](#), identifies systems that can be targeted first for immediate progress, recommends a strategy to achieve compliance, and encourages the state and other partners to take a leadership role in breaking the cycle of unsafe drinking water.

CUWA recommends targeting the most severely impacted systems (i.e., small systems with persistent water quality violations¹) and first addressing 1,2,3-TCP and arsenic, since these contaminants affect three quarters of the severely impacted population. Achieving compliance in these systems will involve **technical solutions** (applying treatment technologies that are proven, cost-effective, and reliable) and **institutional arrangements**—regionalizing or consolidating separate small systems where feasible to enable economic viability and long-term sustainability. Capital needs for small systems can be funded through existing sources, such as SRF, WIFIA, and Proposition 1. Additionally, there is a need for O&M funding, including a long-term strategy to support self-sustaining revenue.

In addition, CUWA recommends incorporating proposed new systems into a broader framework with sufficient rate base, technical capacity, and managerial capacity to be sustainable. Stronger coordination with land use planning authorities will help to ensure that sustainable water management is considered before development is approved. This will be especially important as new requirements, such as those under the Sustainable Groundwater Management Act (SGMA), create additional constraints on accessing certain water sources.



Engaging with the State and Other Partners to Continue Progress

As noted in the California Water Action Plan, “collaboration is essential” to a sustainable future for California Water. In FY 2018, CUWA committees engaged in dialogue with State partners, including comment letters on proposed prohibitions on wasteful water use, proposed surface water augmentation regulations, and considerations for development of a statewide low-income rate assistance (LIRA) program.

¹Health-based violations in at least 12 out of 20 quarters (2013-2017)

²Potential future violation

³Chromium VI not included in the total population affected

In the past year, CUWA also expanded outreach related to recent work products to inform statewide policy. FY 2018 outreach included meeting with State Board members to discuss water affordability issues and implications of declining flows. The State Board's interest in this topic compelled CUWA to further evaluate the extent of impacts relative to percent reduction in water use, type of system, size of utility service area, and other variables. CUWA is working on an addendum to the Adapting to Declining Flows White Paper that includes a more detailed analysis and identifies trends in the systems that experienced complications.

CUWA invited several guests to Board meetings this past year, including DWR leaders and State Board members to discuss ways CUWA and state leaders can jointly advance state priorities and make real progress on California's rural water accessibility problem. CUWA and state leaders agree it's unacceptable that many Californians do not have access to safe drinking water and are working together to implement solutions.



CUWA agencies support clean, safe drinking water for all Californians - this includes strengthening urban water supply reliability through system improvements and partnering with others to address the needs of small, rural water systems.

In addition to state agencies, CUWA collaborates with industry associations and other organizations to advance thinking and inform policy on important issues. This past year, CUWA engaged with many organizations, including PPIC, WaterReuse, WRF, CWEA, CASA, ACWA, CalWEP, and others on the topic of declining flows, and Eastern Municipal Water District, Tulare County, DDW, California Water Association, and CalMutuals to explore solutions to California's rural water accessibility problem. CUWA will continue to build and expand partnerships in FY 2019 and beyond to make progress on the state's most pressing issues.



For more information, including a list of agency representatives and recent publications, visit www.cuwa.org.

CUWA MEMBER AGENCIES

RETAIL

- Alameda County Water District ([ACWD](#))
- City of [Fresno](#)
- East Bay Municipal Utility District ([EBMUD](#))
- Los Angeles Department of Water and Power ([LADWP](#))

RETAIL/WHOLESALE

- Contra Costa Water District ([CCWD](#))
- City of San Diego Public Utilities Department ([San Diego](#))
- San Francisco Public Utilities Commission ([SFPUC](#))

WHOLESALE

- Metropolitan Water District of Southern California ([MWD](#))
- Santa Clara Valley Water District ([SCVWD](#))
- San Diego County Water Authority ([SDCWA](#))
- Zone 7 Water Agency ([Zone 7](#))

CUWA STAFF

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POPULATION SERVED: 26 MILLION