



MEMO

To: Board of Directors
From: Steven Farrell
Date: Jan 14, 2018

Subject: ACWA/JPIA Fall Conference Report / Nov 27 – Dec 1 2017

See attached pages. I will report on highlights orally and of course be available for any questions at the board meeting.

JPIA

Monday

Executive Committee Meeting

I did not attend the Executive Meeting this year. Reports from others were it was a short “public” meeting of little note, with the committee quickly adjourning to a closed session.

Pre-Board Meeting Lunch w/ Keynote

Anticipated Keynote was unavailable, but the JPIA Executive Director Andy substituted and gave a very well-received talk, mostly focusing on the possibility of JPIA creating its own ‘Captive Insurance’ company allowing JPIA to essentially self-insure for some portion of its current excess insurance. I can discuss if interested.

Board of Director’s meeting

Normal business and reporting. JPIA continues to do very well.

Discussion about a terrible work incident at Yuba County Water, but with a positive ending with the employee returning to work, and CAL/OSHA very positive with the District’s policy and procedure documentation. Emphasis on the importance of having not just good policies, but good documentation and communication.

A priority for the Executive Committee this year will be to explore the possibility of creating a leadership program for Directors, (modeled after the program Alan is taking this year for staff.)

Town Hall

An “Open Topic” session and discussion on JPIA and related topics.

The challenge of dealing with the new legalization of cannabis was raised, with much interest. JPIA will be examining this issue, with an eye toward appropriate policy development. (More to come...)

Further discussion about the Captive Insurance concept.

Networking Reception

A nice appetizer reception; and the first good opportunity to network.

ACWA

Tuesday

Local Government Committee

Chair –Larry McKenney – Orange County Water Director, MWD Director, and Counsel for SAWPA.

This was a more active session than usual.

Committee Lunch Break

Had to miss networking at the Committee Lunch. Needed to return to room and work.

Water Management Committee Meeting

An always excellent overview of what’s happening in water management across the state, and across most water issues. Reports from the water management subcommittees with highlights of upcoming sessions and working groups.

Membership Committee/Communications Committee (2nd Afternoon session)

Had to miss Tuesday’s 2nd afternoon session as well.

Welcome Reception in Exhibit Hall

The “traditional” kickoff of the official conference and exhibitions. Reviewed exhibits, and talked with new and old acquaintances.

Wednesday

Opening Breakfast

Beyond the Brink

Jim Thebaut previewed a synopsis of his new followup documentary, “Beyond the Brink,” The film explores society’s future in a world where water, food and natural resources teeter on the edge of sustainability. In spite of the rather pessimistic status reporting, Jim reassured the group the film also provides a vision for a path forward, exploring efforts already underway to shift our “water” course.

I found it equally surprising and reassuring that ACWA chose to feature Mr. Thebaut’s film and recent efforts to highlight our water crisis at the Opening Breakfast. I recall his first film was a hit in the environmental circuit, but not so much with water agencies.

Also, as per usual, there were the typical kickoff welcome speeches and announcements.

Region 3 Issue Forum -**Headwaters: Navigating Climate Change in the Sierra**

A slightly mis-named session, I nonetheless found this a very stimulating panel. Three different presentation topics, though each revolved around studies and reactions to what's happening to our climate and how it is and will be affecting our water infrastructure.

First was a rather technical presentation on the effects of climate change to water precipitation, snowpack storage and runoff modeling for the Sierra and the state. Bottom line, same as you've already heard, but only more so. Less snow, earlier runoff, and bigger, earlier flooding. (recall Oroville) Second was another more or less technical pitch regarding atmospheric rivers, from a UCLA study, that fit nicely with the earlier presentation.

What I found most surprising and interesting was a presentation by Swiss Re, the world's largest international re-insurance company that provides disaster coverage for both primary and secondary ('excess') insurance. Obviously, they are in the business of predicting disasters and their potential impacts, and climate change is a huge issue for them. Although the speaker tried to keep the focus on impacts to California water (and agencies), her talk and experiences were worldwide.

A novel concept (to me at least) was a type of coverage Swiss Re has developed that addressing the need for immediate funding and payout in emergencies, particularly for the public sector, like water agencies and governments that must expend dollars immediately to recover from a disaster. Typical insurance does not payout timely, since claims are made based on expenditures.

Swiss Re now offers what's called "Parametric Insurance Products" that are not based on damages, but insurance that pays out on "events". I can explain this further during our meeting, but the simplest example is insurance that pays out, not on hurricane damage, but when a hurricane hits a particular location. For example, if a hurricane eye hits a particular geographical area, with a barometric low of a particular value,... the payout occurs immediately; making funds available for recovery efforts. I was very intrigued.

Later in the week, I talked to one of our JPIA staff about this type of coverage, and he was very interested as it was new to him as well. We may very well hear more of this at the Spring Convention...

Luncheon**My First 100 Days at DWR****Speaker: Grant Davis, new Director, California Dept of Water Resources**

As with the Spring Convention, our lunch speaker focused on all that's happening at DWR with a particular focus on Oroville Dam.

(A side note today: Grant Davis is now back at Sonoma County as GM – a rather short tenure)

Region 9 - Issues Forum

“Connecting the Dots – Salton Sea and Western Water Security”

I attended this session for my personal interest, but also because I was still a Region 9 boardmember for this convention.

There was a nice short video, produced by Coachella Valley WD, narrated by our Region 9 chair, Patrick O’Dowd, that was pretty darn good. If the board is interested, I could share it and give an update on the Salton Sea sometime in the future?

That being said, I found the presentations a little disappointing, as their focus seemed to be centered around the argument that if the State does not live up to its commitment to fund a fix, which was an enabling prerequisite to the IID to San Diego water transfer agreement, all future water transfers would be undermined. I was not convinced. My fault or theirs? I don’t know. I wish they had instead focused on the state and local environmental hazards and the enormous inevitable immediate costs, as well as future costs to remediate after the fact.

Salton Sea remains a huge issue that is making solid but only slight progress.

Legal Affairs Committee Meeting

One of my favorite meetings. But this time, uneventful. Except that the committee pulled out of a commitment to sign onto an amicus brief, when the brief arrived very late for review and appeared sloppy, and beneath the standards of ACWA. Respect!

Thursday

Exhibit Hall and Networking Breakfast

Town Hall –

State Water Board’s Development of a Plan for a Low-Income Water Rate Assistance Program – Can the State and Local Water Agencies Get on the Same Page?

A revisiting of the status of the LIFA program, I reported on from the Spring ACWA.

Again, a very well attended session, with lots of interest, and confusion about details that are still to be resolved.

Of note, Joaquin Esquivel, new SWRCB member substituted, at his request, for Max Gomberg who reported in May. There was much discussion and questions, as the panel reverted to a Q&A rather quickly. Issues of implementation responsibility were raised and addressed, but not much more than acknowledged as a real challenge. ACWA members seemed to move toward solutions that are implemented by the state, rather than requiring water agencies to develop business and accounting procedures themselves. Tax

rebates, perhaps. Questions like, “How can you make water agencies responsible for determining income qualifications?” were raised. Agencies don’t have access to that information. How to control fraud? All seem to support solving affordability, but fear the overhead and administrative requirements if obliged to take on the responsibility locally.

Luncheon

Keynote – US Bureau of Reclamation: Closing Out a Remarkable Year.

A substitute presenter for the Bureaus that was surprisingly off-putting. The speech was seemingly a prepared promotion piece that was rigidly adhered to, with little in the way of insight or expansion by the speaker. I found no one who thought it worthwhile.

I took no notes (unusual for me), and recall little content.

Water Industry Trends Program -

What’s the Potential for Increased Groundwater Replenishment?

ACWA has adopted a new policy goal to “provide leadership on strategies to increase groundwater replenishment”. Obviously driven by the exigencies of SGMA and its requirements, nonetheless the state needs to figure out a way to capture and store more water into the ground than it uses.

First was an overview of the importance of replenishment since on average, CA water tables are dramatically lower with a continuing net negative curve. (An aside – I read recently that a couple of Central Valley aqueducts are operating at less than 50% capacity due to land subsidence.)

Then, a nice overview of several approaches and techniques for replenishment, including flooding farmland which seems to be rising in interest. Flooding fields has the very important parallel benefit of reducing flood risk, which is also a rising concern highlighted by climate change projections of earlier, heavier precipitation and runoff modeling.

As has been brought up several times in previous Attorney Programs I have attended, one important issue is that Groundwater Recharge is not considered (or counted) a public benefit.

Nothing resolved, but barriers are highlighted: Need for better clarity for 1) governance, 2) permitting process, and 3) water right (recognition and preservation)

Another quote I found interesting, “Overdraft is in inverse proportion to supply”. Central Valley POV, of course. Elsewhere, confidence in water reliability and adequacy was “lost” long ago.

Region 9 Business Meeting

My swansong meeting as a regional board member.

As is usual, it consisted primarily of reports and updates, from our assigned regional committee members, on various ACWA business and committee activities during the convention. Still not a very productive meeting, with lackluster attendance, I shared a number of items for those committee meetings I attended.

Friday

**ACWA’s Hans Doe Past Presidents’ Breakfast in Partnership with ACWA/JPIA)
Devastation and Destruction: A Story of Response and Resiliency**

A mesmerizing account of the Sonoma Area fires and how several local water companies were affected. Several employees lost their homes, but no lives lost. Resilience was manifest and credited to prior preparation and emergency procedural reviews.