California
WATER COMMISSION

Workshop Minutes DRAFT

California Water Commission
Workshop on Small Water Systems in Southern California

Monday, March 3, 2014
Caltrans District 11 Office Complex
4050 Taylor Street, Garcia Room
San Diego, California 92110
1:00 p.m. to approx. 4:30 p.m.

1. **Welcome by California Water Commission Members**
   Chairman Byrne provided opening remarks and explained that the purpose of the workshop is to allow the Commission to better understand the unique challenges faced by small urban and rural water systems in California.

2. **Overview of California Drought Conditions and Department of Water Resources Activities**
   Jeanine Jones, Deputy Drought Manager for the Department of Water Resources (DWR), provided an overview of drought conditions and the impacts of drought on small water systems. There have been several recent notable storms, but they have not been sufficient to end the drought. The precipitation received in California in the last three years is far below average. The current water year may end as the third driest in recorded history. The wettest part of the year has concluded and chances are extremely remote that California can regain average rainfall. Ms. Jones explained that most small water systems rely on groundwater, and after multiple dry years there can be significant impacts to groundwater. It is common to increase groundwater pumping in dry years, which has led to large drops in groundwater levels in some areas. DWR's California Statewide Groundwater Elevation Monitoring (CASGEM) program tracks data on groundwater levels. Drought can have significant impacts on groundwater, which in turn affects small systems. The impacts of drought are incredibly site-specific because they depend on location and water sources. Large water suppliers are typically equipped to respond to drought, but small systems generally are not. Small systems are usually the first areas where health and safety effects of drought are seen. Small systems generally do not have the ratepayer base to afford water supply reliability projects and do not have the staff resources to respond to many issues.

   Ms. Jones noted that there are multiple ways to define a small water system. The U.S. Environmental Protection Agency (EPA) defines a small water system as one that serves 10,000 people or less. DWR defines a small system as one that serves a population of 3,000 or less. Most of California is served by large water agencies, but there are simultaneously a large number of small systems. Many are in rural areas which make connecting with larger systems difficult. There are several drought considerations that are unique to small water systems. During drought, small systems lose revenue due to selling less water, which exacerbates the existing financial problems caused by their small ratepayer bases. Small systems often lack the staff resources for conservation, leak detection, and groundwater monitoring programs.

   Small systems generally lack the infrastructure that allows flexibility in drought response. Many small water systems are located on fractured rock groundwater basins, which increase their vulnerability. Rock has a limited capacity for capturing and holding water, which limits the

available supply. If systems and residents drill new wells to try to find new water sources in fractured rock, there is no guarantee that a quality well can be found. DWR recognizes 515 groundwater basins and sub basins. Those basins are better equipped to respond to drought because they are not on fractured rock. Ms. Jones provided a map which overlaid groundwater basins and small systems. At least 700 water systems serving fewer than 3,000 people are outside these basins and rely on fractured rock groundwater sources and are among the most vulnerable to drought. Many small systems in San Diego County, the Sierra Nevada, and the Coastal Range rely on fractured rock groundwater.

Ms. Jones outlined several types of assistance for small water systems, including infrastructure improvement, financial assistance, technical assistance, and system consolidation (though it is not always feasible). The California Department of Public Health (CDPH) regulates drinking water systems and administers the state revolving fund, while DWR provides water planning and water data collection. Safe Drinking Water Act emergency plans are required for Integrated Regional Water Management Plans (IRWMP), and Urban Water Management Plans require water shortage contingency plans, but many small water systems are not covered by these tools. Small systems are also disproportionately impacted by water treatment costs in response to increasing water quality regulations. Funding is most frequently cited as a solution, particularly specified funding in a bond act. Interconnection and consolidation of systems is another often suggested solution; however, these solutions are often not well suited to rural terrain. Requiring suppliers with as few as 2,000 connections to participate in urban water management plans has also been suggested.

Commissioner Delfino asked if there is any funding directed at small systems in the recently passed drought legislation. Ms. Jones said the largest portion of money will go to DWR's Integrated Regional Water Management (IRWM) program. Most IRWM plans are focused on large agencies, so there will probably be little assistance for small systems through that funding. Another portion of money from the drought legislation will go toward water conservation funds, which will provide more of an opportunity for assistance to small systems. Ms. Jones also noted that many small systems need assistance to go through the grant application process, and that DWR conducts funding fairs around the state to assist with that process.

Commissioner Orth stated that DWR has done a good job prioritizing water quality issues in disadvantaged communities (DACs), but there has been a disconnect because many DACs and small systems lack the capacity to participate in IRWM. The Kings River area is trying to incorporate small systems in IRWM planning, but expertise is needed to develop feasible projects in those communities.

Commissioner Ortega said there could be statewide benefits if improvements to small systems were seriously pursued and asked if there has been an assessment of the efficiency improvements that would result from making serious investments in small systems. Ms. Jones said the American Water Works Association (AWWA) has done work to understand water losses from outdated infrastructure. Mr. Ortega noted that systems that function properly typically have 5-10% losses, and Ms. Jones stated that old systems that are not properly maintained can have system losses in excess of 50%.

A representative from the Rural Community Assistance Corporation noted the San Diego IRWM is doing a good job of working with DACs. Ms. Jones noted that in a prior bond act there was special recognition of the need to incorporate DACs into IRWM planning processes, and many small systems are also DACs.

Chairman Byrne asked what the threshold is for Public Utilities Commission (PUC) regulation. Mr. Ortega said there are a variety of small systems, and any that are investor-owned utilities are regulated by the PUC, while water systems that are governed by an elected body are not.

3. **Briefing on the National Integrated Drought Information System (NIDIS) Drought Pilot**
Dr. Anne Steinemann, Scripps Institution of Oceanography, UC San Diego and Research Scientist for NIDIS, University of Colorado, provided an overview of the NIDIS Drought Pilot for California. Dr. Steinemann first noted that the majority of drought impacts are often faced by small systems. California is one of the NIDIS pilot regions, but the state's needs are so complex that there are four pilot activities within the program. NIDIS works with groups of stakeholders to determine what is most useful to them in preparing for and responding to drought. Drought is a local issue that has complex and diverse impacts across the state. There are many indicators and definitions of drought, but drought can generally be defined as having supplies that are, for any reason, inadequate to meet demand. One of the goals of NIDIS is to develop useful drought indicators, which are ways to measure drought. Useful indicators are comparable terms and scales that can be compared and combined, can be compared to historical conditions, and can be found in a central location. Dr. Steinemann works to define drought in terms of percentiles of precipitation, which provide context and can be used in different geographical areas. The percentiles are created by using the historical record of precipitation. The drought percentiles demonstrate a drought's level of severity and can be used to determine the likelihood of recovery in a given period. For example, Dr. Steinemann said there is less than a 2% chance that California's 2-year precipitation deficit will return to normal by October 1, 2014. The pilot programs are ongoing; they work with small systems to determine what they and their users need, and how to provide for those needs. One of the goals of NIDIS is to link information to the decisions that are made to reduce vulnerability.

Sergio Carranza, Executive Director of Pueblo Unido Community Development Corporation, asked if population trends have been considered in Dr. Steinemann's analyses. Dr. Steinemann said the percentiles only incorporate precipitation, but it would also be useful to consider indicators that incorporate demands.

Mr. Ortega asked about the role of drought accelerators. There are problems with hexavalent chromium in the Coachella Valley which exacerbate drought impacts. Dr. Steinemann noted again that the percentiles she discussed only incorporate precipitation, but precipitation is one of many drought indicators and different factors impact different communities during drought.

4. **Public Health Agency Perspective**
None of the invited State or public health officials were able to attend the workshop, so a video was shown of a presentation made by Dr. Mark Starr of the California Department of Public Health. The presentation from the ACWA Drought Briefing on February 14, 2014 discussed the

status of public drinking water systems due to drought, with a focus on small water systems. CDPH has 7,500 public drinking water systems under their jurisdiction. Last month, CDPH identified 17 rural communities with vulnerable drinking water systems due to drought conditions. The water systems identified serve communities that range in size from 39 to approximately 11,000 water users. He noted that these communities have fewer options and resources to prepare and respond to drought. CDPH has worked with county partners to provide technical assistance and help to identify potential solutions and funding sources. Proposition 84 includes funding dedicated to drinking water system emergencies. There is funding from the U.S. Department of Agriculture that may also be used to respond to critical drinking water supply emergencies. Recent emergency funding included $250,000 provided to the City of Willits for the purchase and installation of new pipes, new well pumps, and disinfection needed to maintain basic water supply. CDPH will continue to identify problems and work with the California Office of Emergency Services and the State and Regional Water Boards to coordinate outreach, messaging, and actions. CDPH will continue to assess water supply status throughout the state and provide financial and technical assistance to the water systems that are most at risk.

5. **Discussion with California Rural Water Association**

Krista Reger, Storm Water Protection Specialist and Trainer for the California Rural Water Association (CRWA), discussed CRWA's work with small systems and the drought impacts to those systems. CRWA is an affiliate of the National Rural Water Association, which mainly advocates for rural and urban small water systems. CRWA is a non-profit that was established in 1990 to provide free training and technical assistance to water systems that serve populations of 10,000 or less. Ms. Reger said that about 30% of all water systems use groundwater, but a larger portion of small systems rely on groundwater, particularly in the southern and eastern areas of California. Media coverage of the drought typically focuses on surface water, so many small systems do not consider drought to affect them directly if they rely on groundwater. There should be more of a focus on drought's impacts on groundwater. As less surface water is available, more groundwater is pumped, which leaves less water for small systems that then face water quality impacts. Small systems also typically lack the resources required to find new water sources. One of the main concerns is that small systems do not get the necessary information about drought and regulations. Not enough information from state and local agencies is reaching small systems. Ms. Reger suggested that more support from local and regional media would be helpful. Drought is localized, so different regions need individualized messages.

Ms. Reger noted that there are different drought triggers for different water systems. Some systems may not notice a change in their quality or quantity of water during drought. Infrastructure is also a major challenge for many small systems. Aging infrastructure and inefficient wells and pumps require more water to operate. Replacing or fixing infrastructure requires resources that most small systems do not have. Leak detection is costly and labor intensive. Small systems generally do not have water meters, or have water meters that are not read because of a lack of staff resources. There are often 'unaccounted for' water losses. Leak detection is costly and labor intensive. Small water systems often do not have the money or time for public outreach for conservation. Small systems are often accountable to shareholders, and this makes it difficult to pass regulations such as mandatory water restrictions. Enforcement of water conservation regulations is also difficult, especially in rural areas which may not have a local code enforcement program. Small systems generally do not have the funds to provide rebates for

water efficient appliances; these systems do not have the opportunity to use the "friendlier" methods of conservation. Most small systems work with very limited budgets because they have few customers. Most systems still use flat rate billing and drops in revenue are a key concern if water conservation is enacted. That is typically counteracted by drought fees or surcharges, but it is difficult to get the public agreement necessary for those fees. Proposition 218 requires water conservation rate planning, but that is often forgotten in small systems. The community make up of small water systems also often makes it difficult to raise rates or add fees.

Mr. Carranza asked if there is a trend in how small systems charge to replace infrastructure. Ms. Reger said small systems often wait for something to go wrong, and then do an emergency assessment to pay for repairs. When small systems do decide to reevaluate their rates, they often have to increase rates by upwards of 50% at one time because smaller increases were not made earlier.

Mr. Orth said the State's policy on IRWM planning is meant to reach out to cities and counties and that information on groundwater levels is publically available through CASGEM. He asked where communication is breaking down and what the State and IWRMs can do to improve communication with small systems and DACs. Ms. Reger said she is grateful to IRWM programs, but each has done outreach differently. What is often missing in communication is the science behind drought. The connection between the larger message and the individual situations of small systems is missing. Ms. Jones noted that one big challenge is that CASGEM functions in large groundwater basins, but many small systems are on fractured rock where it is difficult to collect data.

A member of the audience pointed out that in the video shown of Dr. Starr, he said that less than 50% of small systems are regulated by CDPH, the rest are governed by counties. In rural agencies, there are often groups of homeowners that do not have communication with an IRWM program or DWR. Small systems are typically managed by homeowners who are doing their best, but they are not professional system operators. It would be helpful to provide grants to non-profit groups that communicate with small systems. Those groups have the connections to small systems, but lack resources. Ms. Reger said many mutual water companies (mutuals) are managed by homeowners with other jobs. They lack the time and resources to complete the paperwork and studies required to apply for state funding for infrastructure improvement projects. Ms. Reger followed up my noting that these homeowners have full-time jobs and operate the water system as volunteers. They generally do not have the time or expertise to seek grants.

Maria Elena Kennedy, DAC Coordinator for the Greater Los Angeles County Integrated Water Management Plan and DAC/EJ Caucus Co-Chair for the California Water Plan, noted that it is difficult to find small systems to participate in Los Angeles' IRWMP because it is costly. It is likely even more difficult to find small systems to participate in rural areas. The cost to apply to be an IRWM is $20,000. DWR does not have technical assistance for IRWMP, but technical assistance is needed for small systems to participate. There should be a system-wide approach to bring together large and small systems. Ms. Reger noted that one issue might be that many people in small system do not understand what IRWMP is, and thus do not want to participate. You can only have meaningful participation when everyone understands the program.

Mr. Carranza said many small systems are charged an annual fee by local government, which is another expense that can hinder small systems. These systems are not seeing benefits from the local governments in terms of training or technical assistance. Grants and assistance are needed to compensate for such fees. Ms. Reger said that most small water systems do not feel that they get any benefits from the large agencies they have to pay. Ms. Reger noted that in adjudicated basins, many suppliers do not understand the role or benefit of the water master and that, in general, small systems do not feel that they can call state agencies and get the help they need.

An audience member stated that all IRWMPs and large agencies have a difficult time understanding outreach to small communities. It is a slow process to engage small communities in IRWM and get projects off the ground. It is not enough to distribute flyers; small communities often require one-on-one outreach.

Mr. Ortega said that there is a missing link because small systems are not part of a regional water system, but they still have to pay regional fees. They are run as non-profits but are treated as profit making organizations. This works to their exclusion from regional issues. Mr. Ortega questioned why small systems should care about drought if they are not connected to the regional system. He also asked if IRWMPs are good doing a good enough job at identifying projects that would be beneficial for small systems, given IRWM's emphasis on multiple benefits projects. Ms. Reger said that all small systems should be concerned about the drought because any time there are shifts in the overall system, there will be some sort of ramifications. Mr. Ortega asked about the lack of affordability for systems improvements; grant programs often require a local cost share component which makes these grants unattainable to small systems. Ms. Reger said that non-profit water suppliers are treated as revenue making organizations and often cannot meet the revenue threshold for funding opportunities. They have difficulty raising rates to meet that threshold. Ms. Reger suggested if revenue requirements are built into funding opportunities, there should be some sort of exemption from Proposition 218. Mr. Ortega asked if larger agencies are exempt from the requirements of Proposition 218 as long as money is going into the system itself. Mr. Orth said that an increase in water rates requires a Proposition 218 hearing; a water fee must go through a majority approval process; and a property fee must go through a majority protest process. Ms. Delfino noted that the California Water Action Plan includes language about making changes to Proposition 218. Mr. Orth said there has been discussion with the administration that Proposition 218 is a barrier that should be addressed.

Ms. Delfino said that at least one of the current water bond proposals includes funding for technical assistance and asked if this would help with small systems' issues. Ms. Reger said the current technical assistance funding from the State goes toward assistance with funding applications, but does little to help with water quality and water shortage issues.

An audience member from the California Office of Emergency Services said one of their actions has been to hold weekly conference calls and asked for a representative from a non-profit that works with small-systems assistance that could participate in the calls and disseminate pertinent information to small systems operators. She noted that their agency has trouble finding small water systems. Multiple audience members responded to her request.

Ms. Jones noted that when the IRWM program was developed, it was oriented as a tool for larger agencies. IRWM might be the wrong tool to solve the problems of small systems and that it may be unrealistic to expect mutual water companies to participate in IRWMP.

6. **Discussion with California Association of Mutual Water Companies**
Lisa Yamashita-Lopez, who serves on the board of the California Association of Mutual Water Companies (CAMWC), discussed the issues facing mutual water companies. CAMWC engaged over 150 mutuals statewide in 2013 and serves 1.3 million Californians. Because mutual water companies are directly accountable to their shareholders, they are the most direct form of democracy. CAMWC believes a comprehensive approach is needed to address the challenges faced by mutuals. Ms. Yamashita-Lopez outlined suggestions. There should be a statewide survey of the full needs of both small and large mutuals. State funding should be available to those who need it, especially DACs, and especially during a drought. SB 848 (Wolk) includes small systems as eligible applicants for funding, and other legislation should include mutuals as well. Ms. Yamashita-Lopez also said there is unnecessary legislative interference in mutuals. This increases the costs that mutual water companies must bear, which get passed on to their water users. She also expressed concern that AB 2443 would allow a second party to serve recycled water to customers served by a mutual water company without having to pay for lost revenues from those customers; second parties would be required to pay for losses to investor-owned utilities. She said that this legislation would be especially damaging on top of the current loss of revenue due to drought. All legislative efforts should be calculated to complement a statewide drought plan. Now is not the time to legislate mutuals; any deficiency that is found in mutuals can also be found in city water districts. The State should invest in infrastructure and research to prepare for future droughts.

An audience member noted that SB 848 does include mutuals, but it includes conditions under which most small mutuals and small systems are ineligible due to urban water management plan requirements.

Ms. Yamashita-Lopez said she operates a small system that is just over the threshold for compliance with Urban Water Management Planning requirements so that she understands both the requirements of larger systems and the hardships faced by small systems. CAMWC hopes to do community outreach to assist small systems with applications as DWR and CDPH are not aware of all the smaller systems.

Mr. Ortega asked about AB 240, which established new transparency requirements for mutual water companies. Ms. Yamashita-Lopez said the bill mandated that mutuals be run as public entities with all the requirements that would typically be seen in city government. It felt like an attack that implied that mutuals were not properly conducting business. Mr. Ortega noted that the bill included funding for three mutual water companies in Los Angeles and wondered how the specific amount of funding was decided upon. Mr. Ortega said a needs assessment is necessary to truly understand what financial assistance is needed by small systems. Mr. Reger said CRWA does needs assessments for the individual systems they work with, but if there were a consolidated effort to gather data on a large scale there could be huge benefits.

7. **Discussion of Challenges Facing Disadvantaged Communities**
(Agenda Items 7 and 8 were combined into a single panel discussion.)
Colin Bailey, Executive Director for the Environmental Justice Coalition for Water (EJCW), provided an introduction to environmental justice (EJ) and DACs. While they often overlap, DACs are not synonymous with small water systems. The EJ community addresses class and race divisions. Most communities were created in a system within which infrastructure development, education, and transportation were distributed through a racial lens. Many systems today replicate preexisting advantage and disadvantage. Mr. Bailey also asked for an overview of the Commission's duties and authority to frame the conversation.

Mr. Byrne stated that some of the Commission's key duties include oversight of the State Water Project, approval of DWR regulations, and advocating for federal funds. The Commission was primarily reconstituted because the current water bond contains funds for the public benefits of water storage projects that are to be distributed by the Commission. Mr. Bailey asked how the Commission's role overlaps with water quality. Mr. Byrne said water quality is one of the public benefits eligible for funding. Mr. Ortega said water quality also overlaps with water supply. Mr. Byrne noted that certain criteria in the water bond stipulates that some public benefits must be ecosystem benefits, and those benefits must tie into Delta water quality. Mr. Byrne also said the Commission also advises the director of DWR and serves as a public forum for water issues. Ms. Delfino and Mr. Ortega pointed out that AB 1331 (Rendon) would increase the size of the Commission.

Maria Elena Kennedy serves as the Co-Chair of the EJ/DAC Caucus for the California Water Plan, and serves as a liaison representing DACs on the Water Plan public advisory committee. Ms. Kennedy said her goal is to ensure that DACs are represented and engaged in a meaningful way. She hopes the Commission will bring the message back to DWR, the legislature, and the public that DACs need to be further engaged. Engaging and improving DACs makes economic sense because we are only as strong as our weakest link. She also acknowledged the attendance Mayor Pro Tem Victoria Baca of Moreno Valley, who is working diligently to repair leaky pipes in her city.

Sergio Carranza is the Executive Director of the Pueblo Unido Community Development Corporation (Pueblo Unido), which works in the Coachella Valley. Mr. Carranza emphasized that small water systems encompass the issue of affordable housing. Small communities have limited funding for infrastructure, so it is difficult to build new affordable housing. Many small systems provide water to farm workers. Small communities in the Coachella Valley need training and technical education. There are more than 200 small water systems in east Coachella Valley alone. Many of those systems are mobile home parks known as Polanco parks, which are exempt from local planning and use on-site wells. Pueblo Unido created a program to provide outreach to the Polanco parks and technical assistance to maintain quality control of their water. The programs have created a space for dialog between the parks and the Coachella Valley Regional Water Management Group. Mr. Carranza noted that the reality in most rural communities is that consolidation with larger water systems is impossible. Instead, there should be alternative approaches to providing quality drinking water to Polanco parks. Pueblo Unido assisted in installing devices under sinks in Polanco parks to remove arsenic from water at the point of use. Pueblo Unido works with State and regional agencies; they coordinated successful public outreach with the Coachella Valley IRWMP. Pueblo Unido also developed a mapping plan to use surveys to

generate a list of all the mobile home parks in a large area. The Coachella IRWM has a very comprehensive outreach program, and has worked well with local non-profits partners. The Polanco parks face many challenges. Only 50 of the 200 mobile home parks are in compliance with local government regulations. Many water systems that are out of compliance with water quality regulations lack the funds to achieve compliance. Many systems suffer from leaks and septic issues. Resources are key to assisting these systems, but typical institutional solutions are not the only answer. For example, one small system was unable to consolidate with a larger system, but they installed a state-of-the-art well for a much lower cost. There are many other issues and many complexities to working with these communities. Mr. Carranza asked for the Commission's help and influence. State agencies should be more flexible and should consider alternative solutions. Pueblo Unido has been successful in gaining community participation, but needs more resources to continue helping those communities.

Guadalupe Rosales, Executive Coordinator of La Union Hace La Fuerza, provided testimony of her work in her community. (Her testimony was translated by Victoria Baca, Mayor Pro Tem of Moreno Valley.) Ms. Rosales lives in a low-income community of farm workers. Her community has struggled for many years to live a dignified life, and it faces many challenges. Water is one of their biggest challenges. For example, they are building new wells, but those wells contain large amounts of dirt, which ends up in pipes and in homes. This water also has a terrible odor, which is of great concern to the community who worry about potential contaminants. Previous analyses of water in Ms. Rosales' community have shown levels of arsenic to be 23% over the amount permitted by EPA regulations. Another challenge is the lack of piping and septic drains, which constantly clog, fail, and leak contaminated black water through the neighborhood and roads. There are documented complaints of persistent odors from sinks in kitchens and bathrooms. The absence of maintenance and proper treatment negatively impacts the residents. These issues particularly impact the mobile home parks in the eastern Coachella Valley. The conditions cause illness and worsen quality of life. Such conditions should not be found in a first world nation such as the United States. Ms. Rosales said that there is a movement to improve the conditions in the eastern Coachella Valley, including the roads. They are good projects, but it is important to consult the community to ensure that projects benefit the community. She noted that if pipes are replaced to bring potable water, the newly improved roads will have to be re-done again. Ms. Rosales also noted that many mobile home parks have their rent raised without justification as conditions continue to worsen. There is a great need for resources for infrastructure in these communities, but resources should be targeted to truly provide the benefits needed. Ms. Rosales said agencies like the Commission can take a stronger position to help the residents of these communities. Such communities should have an easy, understandable system for filing and following up on complaints, especially in communities where mobile home park residents are threatened by the park owners. Ms. Rosales stated that she would be unsurprised if she were threatened for publically sharing her testimony with the Commission. There are many community leaders who are exercising their right to live in dignity. They are working together to find solutions in order to improve their quality of life.

Mr. Bailey stated that there is no technical assistance funding for DACs going forward. In April 2013, an EJCW IRWM workgroup outlined the ways in which IRWM is failing disadvantaged communities. Mr. Bailey learned that DWR had $1 million for technical assistance for DACs, but returned the money to the legislature because no one applied. More community outreach is

necessary and there is an existing infrastructure of non-profits. There have been higher rates of participation in areas where there has been DAC outreach. Ms. Kennedy said that one of the reasons she approached DWR about the Water Plan DAC/EJ Caucus is that she saw a void in outreach. The lost funding Mr. Bailey described demonstrates the importance of bringing stakeholders together with DWR. One of Ms. Kennedy's concerns is that there are still few agencies embracing the need for authentic DAC outreach and participation. All IRWMPs should incorporate DAC outreach. One concern for the third round of IRWM funding is California's recently enacted human right to water legislation. There is uncertainty regarding how to include the human right to water in the IRWM review process. Ms. Kennedy suggested that the Commission should work to find projects with meaningful DAC engagement. The current round of IRWM funding is on an expedited schedule, which will likely make DAC participation and funding even more difficult. Ms. Kennedy urged the Commission to ensure that the human right to water is embodied in all water projects. Mr. Bailey noted that the human right to water is now enshrined in Water Code Section 106.3 which requires all relevant state agencies to consider the human right to water in executing policy, budgetary, and programmatic duties. The third round of IRWM funding will be among the first state agency actions to fall directly under that section.

Mr. Carranza said Pueblo Unido has demonstrated that there are solutions to the problems faced by small systems and DACs. He noted that the eastern Coachella Valley has not suffered from a decline in groundwater, and that the water table has actually risen, which has caused other infrastructure issues. Mr. Carranza asked the Commission to make technical recommendations to improve the IRWM process to better address making repairs to wells and infrastructure. There are also issues with high levels of arsenic and fluoride in Coachella Valley water. System maintenance and energy consumption must be cost-effective and affordable for farm workers. Mr. Carranza said it would be helpful for the Commission to visit some DACs to learn what solutions have been working. One of the greatest victories in the eastern Coachella Valley is the openness of the IRWMP process. Mr. Carranza also noted that the economic turmoil of these small systems does not allow for traditional consolidation, so solutions must be flexible.

Mr. Bailey stated that DWR does not have a reputation for flexibility, and that should improve. There is a need for an inter-agency workgroup to examine the high density of mobile home parks in the Coachella Valley. Most populations are served by water systems that have many code violations or do not have permits. EJCW provides assistance to such communities, but resources are a challenge. Many of the systems are sustainable, despite being out of compliance with codes.

Ms. Rosales (translated by Ms. Kennedy) said there must be more meaningful engagement of residents in the mobile home parks. Ms. Kennedy said there is a lack of communication with residents. The Greater Los Angeles County IRWMP has a DAC outreach program, but most residents still lack a basic understanding of IRWMPs. There is urgency because DAC residents must be able to participate in the third round of IRWM funding.

In response to Ms. Rosales' request for conservation information for mobile home park residents, an audience member commented that the Imperial Irrigation District has water conservation resources on their website in both English and Spanish. Ms. Kennedy said that most communities who need the information lack computers to access online information which is part of why DAC outreach requires door-to-door outreach. Mr. Ortega pointed out that there is a difference

between going to a community to sell them on a project and truly engaging that community to understand its needs. He also noted that implementation of the Human Right to Water will come down to a question of "who pays;" larger agencies may need to provide assistance to smaller agencies, which may cause Proposition 218 issues for the larger agencies. Mr. Bailey said the operative word in the human right to water legislation is 'consider,' and there will be legal opinions regarding what 'consideration' entails. Mr. Bailey stated that the Berkeley law analysis of the Human Right to Water is more process oriented and will not address Proposition 218 issues. There are other efforts underway that will deal with those issues.

Ms. Yamashita-Lopez asked what large agencies surround the small systems in the Coachella Valley. Mr. Carranza said that nearby large agencies include the Coachella Valley Water District, Indio Valley Water Authority, and Mission Springs Water District. Ms. Yamashita-Lopez asked if they provide any assistance to the small systems. Mr. Carranza said that there is a new IRWMP report that highlights how much effort they expended for outreach by using grassroots leaders to go into the communities and find the most relevant issues. That effort was documented and is the largest outreach effort that any IRWMP has done. Mr. Carranza said public policy must keep DACs in mind. The eastern Coachella Valley produces a large amount of agricultural revenue. The raw materials produced there sustain many other jobs, so the issues that impact residents impact the regional economy. The solutions and approaches implemented through legislation need to be beneficial for families.

Ms. Rosales (translated by Ms. Kennedy) said that as a leader in her community, she would like the community to be informed of the importance of caring for their water and the consequences of improper care.

8. **Panel Discussion with Small System Operators**
   See above.

9. **Public Comment and Discussion of Next Steps**
   Mr. Byrne thanked all the participants and audience members and suggested discussing the next steps for the Commission at the March 19 meeting.