

A G E N D A

CFEE Virtual Conference on California Water

Plumbing the Future... Fulfilling Our Vision of a Resilient Water System

February 4-5, 2021

With the final draft of the Water Resilience Portfolio, the Newsom Administration laid out its bold plan to set California's water system on the path to resiliency for the coming years and decades. At the same time, the California Senate and Assembly continue to hatch their own ideas on infrastructure enhancement, water supply diversification, ecosystem vitality, and the security of clean, affordable drinking water. What comes next for everyone is the hard part – reconciling our complementary, and sometimes competing, visions of resiliency and translating them into a functioning reality. What will it take to get it done?

Virtual Conference Etiquette and Guidelines

Name: Please input your full name and organization when you join by clicking the three dots in the upper right hand corner. Our guests and other participants appreciate knowing who you are. We also ask that whenever possible, you activate your video feed to help simulate the sense of attentiveness and respect that permeates our traditional in-person gathering.

Submitting Questions and Comments: You may 1) type your questions into the chat window or 2) use the "raise your hand" function on Zoom to indicate you would like to ask your question directly and you will be called on. We will provide an opportunity for 2-3 questions and comments immediately following each presentation. We will still reserve time after all panelist remarks for our traditional roundtable conversation. Please limit your comments and questions to two minutes.

Chatham House Rule - Cyber Edition: Those of you familiar with CFEE conferences are aware of the time-honored "Chatham House Rule" by which the Foundation operates. This means specific comments are not to be attributed to any one person in the goal of promoting a more candid exchange of knowledge and insights. At this time, video conferencing is an inherently less private forum and confidentiality is not guaranteed; however, we ask that you help us to uphold our longstanding and respected tradition. To that end, this conference will not be recorded, and we ask you not to record the discussions in any fashion or to share specific, attributable remarks. We appreciate you respecting and supporting the Chatham House Rule.

Materials. You have been emailed the final conference agenda, participant list, speaker biographies, a water "glossary," and several news articles of interest. You may also access these material on our website at <https://www.cfee.net/water>.

THURSDAY, FEBRUARY 4th

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| 12:15 – 12:30pm | Virtual Arrivals & Check-In |
| 12:30 – 12:45pm | Welcome – Conference Overview and Roundtable Introductions |

- Preview of conference topics, speakers, and goals

Jay Hansen, President & CEO, CFEE

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| 12:45 – 2:10pm | Session 1 Checking the Meter – Surveying Our Political and Economic Waterscape |
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After a year unlike any other, it's time to update the political and economic context for 2021. Our first panel will provide an overview on key dynamics shaping water policy and what it means for our ambitious plans to invest in the resiliency and dependability of our water delivery system.

- What are the thorny political issues that will shape California water policy discussions in the coming months and year?
- What might we expect from the Biden Administration and the federal-state relationship going forward?
- How have state and local coffers been affected by the pandemic? What does it imply for our ability to invest and operate our system?
- Amid forecasts for a drier winter, what are the short and long term implications of another drought?
- What are the attainable ways to add water to the California water system?

Jared Huffman, Congressman, 2nd District of California, U.S. House of Representatives & Chair of the Water, Oceans, & Wildlife Subcommittee
(5-10 min)

Ellen Hanak, Vice President and Director Water Policy Center, Public Policy Institute of California (5-10 min)

Jennifer Pierre, General Manager, State Water Contractors (5-10 min)

Robbie Hunter, President, State Building & Construction Trades Council of CA
(5-10 min)

Roundtable Discussion

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| 2:10 – 2:20pm | Break |
| 2:20 – 3:35pm | Session 2 Dollars and Sense: The Costs of COVID and Quest to Maintain Affordability |

Even before the pandemic triggered the most severe economic downturn since the Great Depression, the affordability of our water system investments and essential utility services was a top of mind consideration for policymakers,

agencies, and communities. Now, with declining public revenues and millions of California households feeling the economic crunch, the challenge of re-investing in critical infrastructure and operations without cost-burdening the public and ratepayers has intensified in scope and complexity. Add in the growing need for cleaner water systems with heightened pollution controls and the escalating impacts of a changing climate, how can we smartly pay for large, systemwide improvements while containing costs and keeping rates low?

- What does the Governor’s proposed 2021-22 budget say about the pandemic’s effect on the state’s fiscal health? Beyond the budget, are there worrying “soft spots” in our economy that signal more hard times ahead?
- How are climate impacts layering on costs to our way of life, and what is the state doing to begin defraying and averting those costs?
- How is the state helping to leverage federal, state and private funds to invest in water infrastructure and ecosystem stabilization?
- During the first months of the pandemic, utilities suspended service disconnections for non-payment of bills – do we know how much money must still be collected? What has been learned about consumer behavior, and who was paying or not paying?
- With Proposition 218 constraining what costs can be passed onto customers, what options can local agencies consider to develop funding streams to invest in and operate the water system?
- What about waste management and recycling? Why is this basic utility bill projected to increase significantly and further saddle the average household with rising expenses?

Kate Gordon, Director, Governor's Office of Planning and Research (5-10 min)

Eric Sandler, Chief Financial Officer, San Francisco Public Utilities Commission (5-10 min)

Denise Kruger, Senior Vice President, Regulated Utilities, Golden State Water Company (5-10 min)

Doug Kobold, Executive Director, California Product Stewardship Council (5-10 min)

Roundtable Discussion

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| 3:35 – 3:45pm | Break |
| 3:45 – 4:30pm | Session 3 A Peek Behind the Curtain: California Water Rights 101 |

The allocation of California’s limited water supply is governed by a longstanding mix of “water rights” that determine who gets water and how much. This session will provide a primer on this complex coordination of entitlements and explore

how this historical framework continues to shape our water system and the decisions we make to this day.

- Why do water rights matter? What happens when there is not enough water for all water rights holders?
- Can water rights be transferred, sold, or shared?
- What's the distinction between "beneficial" and "reasonable" use? Does groundwater recharge and storage constitute a beneficial use?
- Can the legislature change any of California's water rights system?

Tina Cannon Leahy, Office of Chief Counsel, State Water Resources Control
(15-20 min)

Question and Answer

4:30 – 5:45pm

Session 4
Keeping Our Ear to the Ground: Where Do We Stand on SGMA?

Any road to resiliency will require the sustainable management of California's groundwater resources. And after several years of implementing the Sustainable Groundwater Management Act (SGMA), newly formed Groundwater Sustainability Agencies have begun to deploy their plans to manage medium and high-priority basins. What have locals learned as they operationalize groundwater management regimes, and what more must be done to set us on the path to sustainability?

- What additional surface storage and conveyance might we need to enable aquifer recharge on the scale needed to bring our systems into balance?
- What progress have we made in integrating surface and groundwater management?
- How might strategic flooding of crops and natural floodplains be incorporated into basin management?
- What data and science are guiding groundwater management?
- What challenges remain in SGMA implementation that new legislation can help to address?

Steven Springhorn, Acting Deputy Director, Statewide Groundwater Management, California Department of Water Resources (5-10 min)

Patty Poire, Executive Director, Kern Groundwater Authority (5-10 min)

Jonathan Nelson, Policy Director, Community Water Center (5-10 min)

Ann Hayden, Senior Director, Western Water, Environmental Defense Fund
(5-10 min)

Roundtable Discussion

FRIDAY, FEBRUARY 5th

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| 8:15 – 8:30am | Virtual Arrivals and Check-In |
| 8:30 – 10:00am | <u>Session 5</u> Fighting Fire with Fire: Controlled Burns, Watershed Management, and Big Science for the 21st Century |

As California forests, grasslands, and communities continue to be scorched by devastating wildfires, our attention must shift to our watersheds where many of these conflagrations begin. Dead, dry, and bunched trees and plants are not only readymade kindling for megafires, but also impediments to the health of our ecosystems and water supply. What more must be done in our forested spaces to reduce the risk of wildfire and improve the condition of our watersheds?

- Who is responsible for managing California’s 33 million acres of forestland?
- How can the mix of federal, state, local, and private forest owners coordinate with one another to develop a strategy to mitigate fire risks by restoring and maintaining healthier watersheds?
- Do we have a plan to do more controlled burns in at-risk areas? What additional regulatory streamlining can be accommodated to support these efforts?
- What rural economic development opportunities can be generated from a more concerted watershed management strategy?

Thom Porter, Chief, California Department of Forestry and Fire Protection
(5-10 min)

Angela Avery, Executive Officer, Sierra Nevada Conservancy (5-10 min)

Jay Ziegler, Director of External Affairs and Policy, The Nature Conservancy
(5-10 min)

Roundtable Discussion

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| 10:00 – 10:15am | Break |
| 10:15 – 11:45am | <u>Session 6</u> Where Regulations Collide – How Do We Harmonize Inter-Agency Workflow? |

California has a proud track record of prioritizing public welfare and environmental stewardship, a commitment requiring thoughtful rules and well-staffed agencies to execute our ambitious plans. However, with a hearty bureaucracy comes the potential for disharmony between different state agencies as each work to deliver considered but sometimes conflicting objectives. What steps can be taken to

better align overlapping rules, agency priorities, and regulatory processes as we work to enhance the resiliency of our water system?

- How are agencies already collaborating with each other to implement the Water Resilience Portfolio?
- How do we reconcile air, land use, and water regulations when one regulatory domain urges an action that others inhibit?
- What type of projects will we need in the coming years, and what can be done to streamline their approval?
- How can the legislature play a role in facilitating project development and program success?

Wade Crowfoot, Secretary, California Natural Resources Agency (5-10 min)

Grant Davis, General Manager, Sonoma County Water Agency (5-10 min)

Paul Townsley, VP Regulatory Matters & Corporate Relations, California Water Service Group (5-10 min)

Kristin Peer, Deputy Secretary & Special Counsel for Water Policy, California Environmental Protection Agency (5-10 min)

Roundtable Discussion

11:45 – 12:00pm

Summary, Next Steps, and Adjournment

Jay Hansen, President & CEO, CFEE