



July 27, 2020

Anne N. Granlund, Foreperson
2019-2020 Contra Costa County Civil Grand Jury
725 Court Street
P.O. Box 431
Martinez, CA 94553-0091

SUBJECT: Response to Contra Costa County Civil Grand Jury Report No. 2002

Dear Foreperson Granlund:

This letter is the response of the Contra Costa Water District (CCWD) to Report No. 2002, issued by Contra Costa County Civil Grand Jury on April 27, 2020. The Grand Jury examined the vulnerability of the county's water supply to cyberattack, including whether or not CCWD and the East Bay Municipal Utility District (EBMUD) as water districts serving Contra Costa County, were taking all required measures to secure against such attacks. The report also examined the water districts' efforts to inform the public and customers about efforts made to keep the public water supply safe.

The Grand Jury's review of the water districts was motivated by broader concerns. Recent ransomware attacks in Contra Costa County highlighted local cybersecurity vulnerability. Additionally, the American Water Infrastructure Act (2018), as federal law, mandates assessment and development of strategies to improve the resilience of infrastructure to malevolent acts, including cyberattacks.

The Grand Jury concluded both districts have plans in place to protect Contra Costa County's water supply from cyberattacks and meet the new federal requirements. Recommendations from the report suggest updating existing assessments using the latest federal guidelines, updating and publishing security policies, and taking advantage of grant funding to offset implementation costs.

Specifically, the Grand Jury Final Report outlined twelve (12) findings and five (5) recommendations and assigned each to either CCWD or EBMUD. This letter presents CCWD's review of Findings F7 through F12 and provides a response to Recommendations R4 and R5. This letter also presents some clarifications to various statements in the report. EBMUD is separately responding to the Findings and Recommendations assigned to them.

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FINDINGS

The Grand Jury Final Report made the following findings regarding CCWD:

Finding 7 (F7). CCWD's response to the American Water Infrastructure Act is timely and conforms to all requirements of this Act.

CCWD agrees with Finding F7.

Finding 8 (F8). CCWD's use of staff and an outside consultant for the Risk and Resilience Assessment complies with the American Water Infrastructure Act requirements.

CCWD agrees with Finding F8.

Finding 9 (F9). CCWD's designated Risk and Resilience Assessment & Emergency Response Plan team received specific, relevant training in the areas specified under Section 2013 of the American Water Infrastructure Act.

CCWD agrees with Finding F9.

Finding 10 (F10). There is no CCWD public website statement on the issue of cybersecurity or its program to counter cyberattacks.

CCWD has posted a public website statement on the issue of cybersecurity and its programs to counter cyberattacks here: <https://www.ccwater.com/763/Cybersecurity-and-Enterprise-Systems>.

Finding 11 (F11). The Grand Jury found no evidence regarding CCWD's National Institute of Standards and Technology Tier level. The National Institute of Standards and Technology Tier level is releasable to the public and essential to inform CCWD of how safe its water supply is from cyberattacks.

CCWD conducts on-going annual audits of its cybersecurity systems and addresses any critical issues identified. The District assesses itself to be at National Institute of Standards and Technology Tier 3, Repeatable. CCWD's cybersecurity practices are regularly updated and based on assessments conducted both internally and externally. CCWD continuously monitors the cybersecurity risk of all technological assets, and there is an organization-wide agreement on staying consistent with industry best practices. CCWD regularly collaborates with outside entities and receives and shares information for the betterment of the organization. A cybersecurity governance committee was also established to

further enhance policy implementation and partnerships.

Finding 12 (F12). Federal funding is available through the Drinking Water Infrastructure Risk and Resilience Program that could strengthen CCWD's cybersecurity infrastructure. These grants help offset water rate increases that customers might otherwise pay.

CCWD agrees with Finding F12. CCWD will consider application for various grants to offset costs to ratepayers. Grant opportunities will be reviewed by CCWD's grants program. CCWD's full-time Grants Coordinator will continue to monitor to ensure opportunities are pursued whenever possible.

RECOMMENDATIONS

The Grand Jury Final Report made the following recommendations:

Recommendation 4 (R4). CCWD Board of Directors should consider publishing a cyber policy acknowledging the cyberattack threat and informing the public of its programs to overcome and prevent attacks on the public water supply by December 31, 2020.

This recommendation has not yet been implemented. CCWD expects to draft a policy for consideration and potential adoption prior to December 31, 2020.

Recommendation 5 (R5). CCWD Board of Directors should consider applying for a grant to offset new technology costs and strengthen its cybersecurity infrastructure under the Drinking Water Infrastructure Risk and Resilience Program by December 31, 2020.

This recommendation has not yet been implemented. CCWD will consider application for various grants to offset implementation costs to ratepayers. Grant opportunities are being tracked by CCWD's grants program.

CLARIFICATIONS

In addition to the comments on the specific findings and recommendations, CCWD would like to clarify and correct the following statements in the Grand Jury Final Report.

Page 1, 3rd paragraph:

Emergency response plans, per AWIA, are not due until September 30, 2020.

CONCLUDING REMARKS

In conclusion, we thank the Grand Jury for its thoughtful review of CCWD's cybersecurity preparedness and compliance. We appreciate your recognition that preparedness, assessments, and documentation comply with all applicable laws. We also appreciate your recommendations for improving and increasing engagement with customers regarding their water supplier's preparedness.

These recommendations align with CCWD's on-going commitment to public transparency and access.

We again express appreciation for the hard work and careful review of the Grand Jury.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Welch", written in a cursive style.

Stephen J. Welch
General Manager

SJW/sw

cc: Clifford Chan (EBMUD)
Rachel Murphy
Pete Schoemann