



**Association  
of California  
Water Agencies**

*Since 1910*

Leadership • Advocacy  
Information • Service

# Water Counts: Delivering Safe and Reliable Water in California

Coachella Valley Water Rates Forum

April 20, 2016 • Kathleen Tiegs, ACWA President

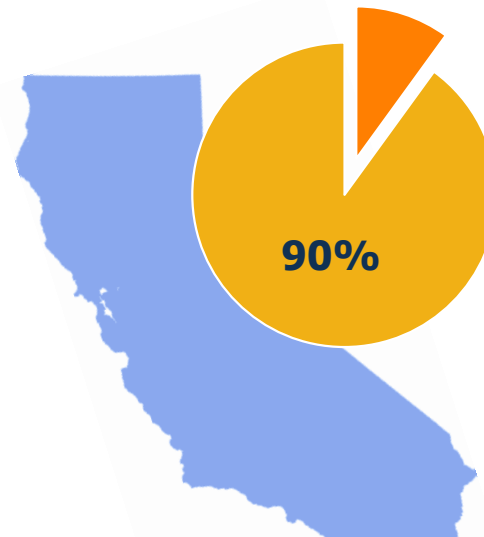
# About ACWA

## Who We Represent . . .

- ACWA members responsible for 90% of the state's distributed water

## Water Sources & Services

- Federal, state and local projects
- Surface and groundwater
- Agricultural, urban, industrial customers
- Wholesale, retail



# About Local Water Agencies

- Public, non-for-profit agencies governed by locally-elected boards to represent ratepayers
- They plan, build and operate critically important water infrastructure
- As stewards of local ratepayer dollars , water agencies take their responsibilities seriously



# Local Water Agencies and Transparency

- They conduct open and public meetings with opportunities for public engagement
- Board members must complete regular ethics training and file forms with the FPPC
- Agencies undergo rigorous auditing to ensure public funds are managed properly
- Local water agencies are accountable to local voters



Summary	2012	2011
	13	13
	11	14
	10	15
		17



# Investing in Clean, Safe Water

A lot goes into delivering clean, safe, reliable water 24/7:

- Regular maintenance of complex water systems
- Advanced water treatment
- Investments in new technology, infrastructure and resources



**All of these things require time and money**

# Investing in Clean, Safe Water

- Since the 1990s, water agencies have invested close to **\$20 Billion**
- Investing in everything from water recycling to water use efficiency to storage to desalination
- These local investments protected the state's overall economy during the drought



# How are Ratepayer Dollars Used?



Local water agencies use ratepayer dollars to:

- Invest in the future
- Maintain, repair and upgrade infrastructure
- Develop drought-resilient supplies
- Make your water system more efficient
- Deliver high-quality drinking water

# What Increases the Cost of Water?

Some cost-drivers include:

- Compliance with drinking water standards (such as Chromium-6)
- System maintenance & repair
- Aging infrastructure
- Water treatment costs
- Investments in drought-resilient supplies
- Environmental requirements
- Increased energy, gas, materials costs

**These costs affect the amount you pay for your monthly water bill**





# What's the Drought Got to Do With It?

Droughts are costly for local water agencies:

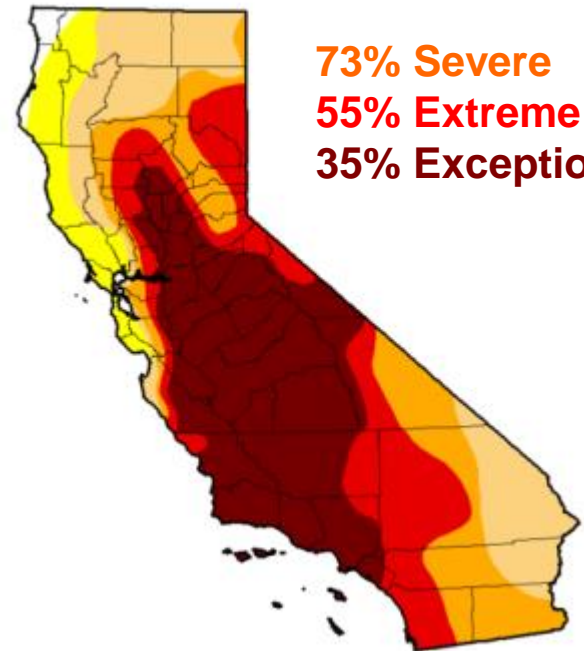


- Unbudgeted costs for outreach & rebates
- Enforcement of water restrictions
- Purchase of supplemental supplies
- Lost revenue as a result of mandatory conservation

# The Drought is Not Over

- Improved conditions in Northern California, but not much elsewhere
- Recovery of some Northern California surface reservoirs
- Some adjustments to state's emergency conservation regulation possible in May
- Investments in drought-resilient supplies will continue

## U.S. Drought Monitor – March 29, 2016



# Examples of Local Drought-Resilient Investments

- MWD's Diamond Valley Lake
- CCWD's Los Vaqueros Reservoir
- IRWD's Strand Ranch Groundwater Bank
- Carlsbad's Bud Lewis Desalination Plant
- OCWD's Groundwater Replenishment System
- Mesa Water's Reliability Facility



# ACWA's Drought Survey

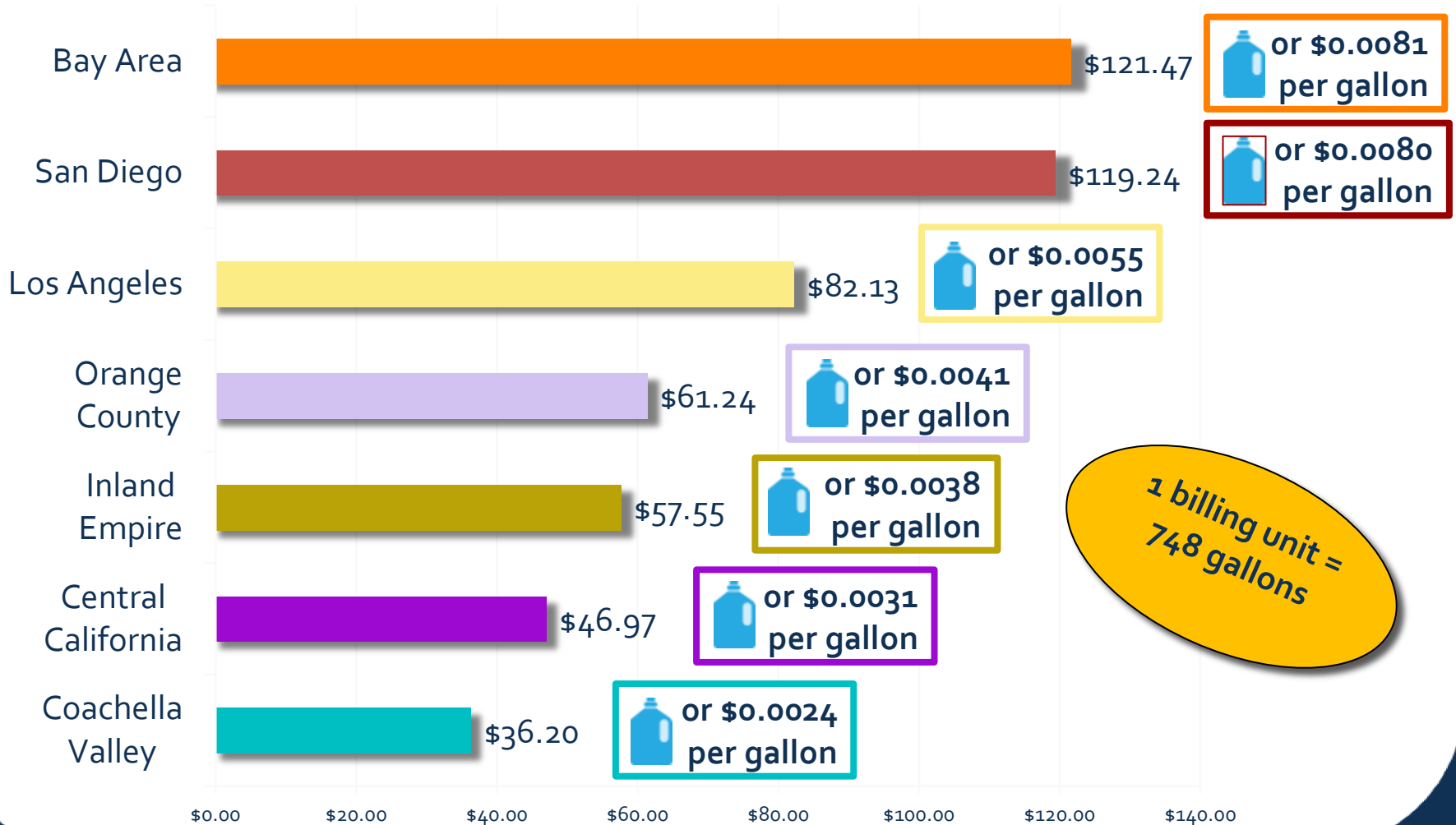


- 59% of surveyed agencies raised rates in 2015 due to the drought
- Another 33% planned to raise rates in 2016
- These rate increases are necessary to cover costs and protect water service

# Regional Bill Comparison

Based on average Coachella Valley Household of 20 billing units

Chart Source: CV Water Counts



# Rate Increases Around the State

- **City of San Diego Utility Department:** Effective Jan. 1, typical residential rates will increase by \$6 per month
- **Zone 7 Water Agency:** Adopted October 2015, typical residential rates will increase by \$7.90 per month
- **City of Sacramento Dept. of Utilities:** If approved by City Council, typical residential rates will increase by \$5 per month each year from 2017-2020.



# Rate Increases Around the State

- **LADWP:** Effective April 2016, typical residential rates will increase by \$4.20 per month each year from 2016-2020.
- **East Bay MUD:** a two-year increase effective in 2016, raised typical residential rates by \$4.50 per month and will increase another \$4.50 per month in 2017 for users in the lowest tier.
- **Contra Costa WD:** Adopted in January, typical residential rates will increase by \$2 per month. A temporary pricing adjustment for drought also remains in effect.



# The Value of Water

## Key Takeaways:

- Water is an expensive but essential resource
- Local water agencies are doing everything they can to keep costs lower
- The cost of delivering water is increasing
- Clean, safe, reliable water is worth the investment!





# Water is Worth the Investment

Yes, water service costs money...



...but not having clean, safe, reliable water costs a lot more.

# Questions?

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