A MESSAGE FROM THE GENERAL MANAGER

I was appointed ACWD’s General Manager on November 2, 2009 and am looking forward to serving the Board, the District, and the public in the Tri-City area. From 2007-2009, I served as ACWD’s Operations Manager, and before that worked for the Santa Clara Valley Water District for 25 years. I am honored to have been selected to follow Paul Piraino, who worked so effectively to fulfill our mission: to provide a reliable supply of high quality water at a reasonable price.

As an ACWD customer, you can expect that your water will be available when you turn on the faucet, the shower, or your irrigation system. You can expect excellent customer service, and you can be assured that your water always meets or exceeds quality standards.

However, our water supply reliability and quality are increasingly challenged by a growing state population, drought, and Delta ecosystem and supply problems. This year will be an important one with regard to Delta challenges.

Ensuring that your water remains reasonably priced in the face of such challenges requires controlling costs and generating sufficient revenue. Your water rates allow us to operate and responsibly maintain the wells, pipes, pump stations, and treatment plants that are part of our delivery system. Please see the adjacent article on the State Legislature’s comprehensive water package on page 2.

The following chart, comparing ACWD’s new 2010 rates with existing 2009 rates for 30 other Bay Area cities and districts, shows that even with these changes, ACWD’s rates are still among the lowest in the Bay Area.

On January 14, 2010, the ACWD Board of Directors adopted new rates and charges for the 2010 calendar year.

Beginning February 1, 2010, the base commodity rate on the bimonthly water bill for the typical customer will increase by 8.8%, from $2.531 per unit (one unit equals 748 gallons), to $2.754 per unit. This increase will help to: 1) maintain existing levels of service in light of lower water revenues resulting from the economic downturn and reduced demand; 2) offset the financial impact of greater reliance on expensive Hetch Hetchy water over the past several years due to cutbacks in our Delta water deliveries; 3) recover the cost of rising prices for purchased water and other operating expenses; 4) fund major capital projects needed to comply with public health and environmental standards and maintain water system reliability. The bimonthly service charge, which is based on the size of your water meter, will also increase by 8.8%, from $10.68 to $11.62 for most residential customers. This charge covers fixed costs such as meter and service line maintenance, meter reading, customer service, debt service, etc.

For the average residential customer using 23 units bimonthly (about 283 gallons per day), these changes will result in a billing increase of about 10 cents per day, or $3.04 per month over rates in effect during 2009. Even with these increases, ACWD’s rates will remain in the lower third of 30 other annually surveyed Bay Area water agencies.

ACWD is committed to keeping our customers’ rates as low as possible through a variety of cost saving measures. These include:

- Deferring capital projects, where possible, in response to lower projected demands.
- Securing grants and settlements.
- Refinancing of existing bonds at lower interest rates.
- Deferring Information System upgrades and vehicle replacements, where possible.

In addition, customer conservation will allow us to reduce the amount of expensive Hetch Hetchy water we will need to purchase in the future.

The 2010 Water Rates

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2010 Cost Comparison – Average Water Bill

Based on 23 units (or 283 gallons per day) average use, billed bimonthly.

Compare ACWD 2010 rate with 2009 rates for other agencies shown. Totals include both bimonthly commodity rate and service charge.
In November, 2009, the California legislature passed, and Governor Schwarzenegger signed, the most comprehensive water resources package to come out of the state since the 1960s. The goal of the plan is to ensure a reliable water supply for future generations of Californians and restore and protect the alluvial Sacramento-San Joaquin Delta to health. The plan is comprised of four policy bills and an $11.4 billion bond. The package establishes a Delta Stewardship Council, sets ambitious water conservation policy, ensures better groundwater monitoring, and provides funds for increased enforcement of illegal water diversions. The bond will fund, with local cost-sharing, drought relief, water supply reliability, Delta sustainability, and statewide water system operational improvements, land acquisition for groundwater protection, and water recycling and water conservation programs. Five separate bills were signed by the Governor, and collectively they form the basis for remaking California’s water system.

State Crafts Plan to Meet California’s Growing Water Challenges

The Conservancy will implement ecosystem restoration activities within the Delta and assist in the preservation, conservation, and restoration of the region’s agricultural, cultural, historic, and living resources.

Statewide Water Conservation

This bill creates a framework for reducing California’s water use. It requires urban water agencies to reduce water consumption 20 percent by 2020, and for the first time in California’s history, requires the development of agricultural water management plans. Urban or agricultural water suppliers that do not comply with these requirements lose eligibility for state grant funds.

Water Diversion Reporting

This bill requires that in-Delta water users report all water use and redeline the types of diversions that are exempt from the reporting requirement. Water diversers who fail to submit the required reports, or who willfully make misstatements or tamper with monitoring equipment, will be subject to civil liability and monetary penalties.

Safe, Clean, and Reliable Drinking Water Supply Act

This is an $11.14 billion general obligation bond proposal that would provide funding for California’s aging water infrastructure and for projects and programs to address ecosystem and water supply issues in California. The bond will go before voters in November 2010.

The four policy bills have already been signed into law by Governor Schwarzenegger. The bond proposal, however, will only be on the ballot if it has been approved by voters. Successful implementation of the policy bills will, to a large degree, be dependent upon funding derived from the bond. Watch future issues of the Aqueduct, as well as your local media, for additional information on this very important bond measure.

ACWD Becomes Official Supporter of Bay-Friendly Gardening

On November 12, 2009, ACWD became an official supporter of the Bay-Friendly Landscaping & Gardening Coalition and adopted the Seven Principles of Bay-Friendly Landscaping & Gardening. The goal of the Coalition is to create urban environments that enhance the quality of life by encouraging and supporting practices that foster healthy soil, conserve water and other resources, reduce waste, and prevent pollution. ACWD has a long history of incorporating Bay-Friendly principles into its operations:

- Our extensive composting program allows us to collect trimmings, leaves, and plant waste at District properties, compost it, and then reuse it as mulch.
- Our Drought Tolerant Demonstration Garden helps us to educate the public about native, Mediterranean, and Australian drought tolerant plants and basic irrigation system design.
- For over five years, we have hosted several Bay-Friendly Gardening workshops.

We look forward to finding additional opportunities to incorporate Bay-Friendly practices into our activities and continuing our collaboration with the Bay-Friendly Landscaping & Gardening program.

Free Water Efficient Landscaping Class and Bay-Friendly Garden Tour to be Offered

ACWD will once again host a FREE water efficient landscaping class for service area residents. The class will be held on April 10th beginning at 9:30 a.m. Last year, a professional landscape designer presented basic water efficient design concepts and plant selection. For more details about the class being offered this year, please visit www.acwd.org or call our Water Conservation Administrator, Stephanie Nevins, at (510) 668-4207.

The Bay-Friendly garden tour will be held on April 25, 2010, from 10:00 a.m. to 4:00 p.m. ACWD’s garden will be one of several featured gardens located in the Tri-City area. For information about ACWD’s demonstration garden, please visit www.acwd.org. For more information about the Bay-Friendly garden tour, please visit www.stopwaste.org.

The new water plan will guide actions in the Sacramento-San Joaquin Delta, which supplies water to two-thirds of California.

Groundwater Monitoring

This bill requires, for the first time in California’s history, that local agencies monitor the water elevations in their groundwater basins. This will allow for more effective management of this important resource during both normal water years and drought conditions. Agencies that fail to implement a monitoring program lose eligibility for state grant funds.

ACWD’s Bond Rating Upgraded to AAA

California’s bond rating may be in the dumps, but ACWD’s is flying high.

In April 2009, Standard and Poor’s, a nationally recognized independent credit rating agency, upgraded ACWD’s bond rating from AA- to AAA, their highest rating available. The AAA rating and low bond refunding rates enabled the District to refinance outstanding bonds and to achieve savings in debt service payments in excess of $3.98 million. The rating upgrade was due in part to the District’s investment in a diverse water supply portfolio and its sound financial planning.