Meeting Local Needs for Safe, Reliable Water

For nearly as long as California has existed, public water agencies have delivered the product that no community, farm or business can survive without: safe and reliable water.

Water agencies are tailor-made to meet the needs of their communities. They carry out highly specialized functions that protect public health, enhance local economies and maintain a high quality of life. The majority of California’s public water agencies receive their water from a local public water agency.

Since the days of the earliest irrigation districts more than a century ago, local communities have entrusted public water agencies to work on their behalf. As the job of managing and delivering water has grown more complex, local water agencies have become increasingly sophisticated. Today, they are aggressive proponents of water-use efficiency, leaders in water quality research and treatment, and innovators of new technologies such as advanced water purification and desalination.

Since the 1990s, local water agencies have invested billions in projects to boost local water supplies, improve drought resilience, and ensure long-term water-use efficiency. While the state’s most recent drought focused the public’s attention on California’s water agencies like never before, it also demonstrated the true value of these smart investments by allowing California’s economy to remain relatively unscathed during the historic five-year drought.

California’s public water agencies are committed to serving the public through transparent and locally-accountable management of the state’s water resources.

One Purpose, Multiple Roles

Water agencies are as diverse as the communities they serve. Providing irrigation water to grow fruits and vegetables in Madera County, for example, is different from recharging groundwater basins in Orange County for drinking water. For that reason, they vary in size, structure and function, just like the towns and cities they were created to serve.

Unlike general purpose governments such as cities and counties, water agencies have a more focused purpose. Some provide a wide range of water resource management activities, while others focus exclusively on water delivery, flood control or groundwater management. Types of water agencies include irrigation districts, municipal water districts, county water agencies, community service districts, wholesalers and retailers, to name a few.

Local Dollars Reinvested Locally

With state and federal budgets facing severe constraints, local agencies are playing an increasingly vital role in planning, building, maintaining and operating the water infrastructure needed for their communities. In the past two decades, the majority of water investment has occurred at the local level, with an estimated 2.4 million acre-feet of water supply created through local strategies such as recycling, groundwater banking and conjunctive use, water-use efficiency, and desalination of brackish water. According to the Public Policy Institute of California, local water and wastewater agencies
invest more than $25 billion a year on water projects and programs, putting ratepayer dollars to work to maintain and upgrade infrastructure, develop drought-proof supplies, protect against floods, replenish and clean up groundwater basins and deliver high-quality drinking water. These critical local investments account for 84% of California’s annual water spending.

**Trusted Managers of a Finite Resource**

Local water agencies are actively developing groundwater management plans required by the Sustainable Groundwater Management Act and pursuing strategies such as water transfers to make the most of existing water supplies. Several innovative conjunctive use projects, which store surface water underground during wet years for later use in dry times, have come on line in recent years and many more are planned around the state.

Because they operate in an arid state prone to drought, California water agencies have led the way in conservation and water recycling efforts to make the most of our limited resource. Many have invested in water recycling and advanced water purification facilities, and implemented rate systems that reward conservation and discourage waste.

**Fiscally Diverse, Locally Accountable**

Water agencies fund most of their operations through direct rates or charges for services provided. The rate, or fee, is established by the agency and, under state law, must be reasonable and directly reflect the cost of providing that service. Special assessments on new service connections often pay for construction and maintenance of major water and wastewater facilities.

Rates are set through public processes that require extensive customer notification and engagement. Transparent public hearings are held on proposed rate changes, and customers have the opportunity to provide input before any changes are approved. Agencies proactively post information about their rates and the cost of providing water service on their websites. On average, a gallon of reliable California water costs less than a penny. Compared to the cost of other monthly household services such as cellular phones and cable television, water is clearly one of the most reasonable deals around.

Some water agencies also rely on property tax revenues to support community-related services where fees are not collected, such as flood control, groundwater management and fire protection. However, over the last several decades some of this property tax revenue has been shifted away from water agencies by the state Legislature to backfill education.

Many water agencies maintain prudent budget reserves that allow them to continue their reliable service, while keeping customers’ rates stable. Much of the money held in reserves by water agencies is legally encumbered to pay bonds, loans, and fund long-term construction of water infrastructure. Without these prudent reserves, it would be much more difficult for agencies to pay ongoing bills, fund new facilities, maintain existing infrastructure, or respond to emergencies such as floods or wildfires.

Water agencies are accountable to local voters and are subject to the state’s Public Records Act, open meetings requirements under the Brown Act, and a full suite of laws and regulations governing elections, rate setting, financial reporting and compensation.

**Region Ties**

Water agencies have a proud history of working collaboratively with other water agencies and other forms of local government to meet regional and statewide needs. Sometimes, voluntary consolidations have occurred to enable agencies to operate more efficiently and comply with safe drinking water and clean water regulations.