



CMUA Water Leaders Survey 2018

Investing Today for a Stronger California Tomorrow

MARCH 2018





Introduction

California's public water agencies are investing broadly and planning for the future to maintain reliable, affordable and sustainable water service for their communities, including actions to support a wide range of efforts aiming to further improve water supply resiliency, water quality, clean drinking water, and conservation. These are the results from the 2018 California Municipal Utilities Association's inaugural Water Leaders Survey.

The survey finds public water systems in California continue to provide a high level of service to their customers and local communities, while also focusing on implementing new technologies and programs.

The CMUA Water Leaders Survey shows how:

- 1. Controlling Costs and Water Resiliency Remain Top Priorities for California Water Agencies**
- 2. Public Water Agencies Are Helping Advance Long-Term Water Conservation in California**
- 3. Water Agencies Are Investing Significantly in Resiliency, Water Quality and Other Improvements to Develop Alternative and New Water Supplies**
- 4. Public Water Agencies Are Actively Responding to Support Lead Testing in Schools and Drinking Water Solutions in Disadvantaged Communities**
- 5. Streamlined Laws and Regulations Would Benefit Public Water Agencies, and Californians in General**
- 6. Public Water Agencies Continue to Provide High Quality Service to Local Communities and Customers**

Publicly owned water agencies in California are not-for-profit and managed by locally elected and appointed governing boards accountable to customers. Today, CMUA member agencies collectively provide reliable, high-quality water to nearly three-fourths of all Californians. CMUA water agencies meet or exceed all state and federal water quality standards, and together they are on track to exceed California's "20 by 2020" water use efficiency target.

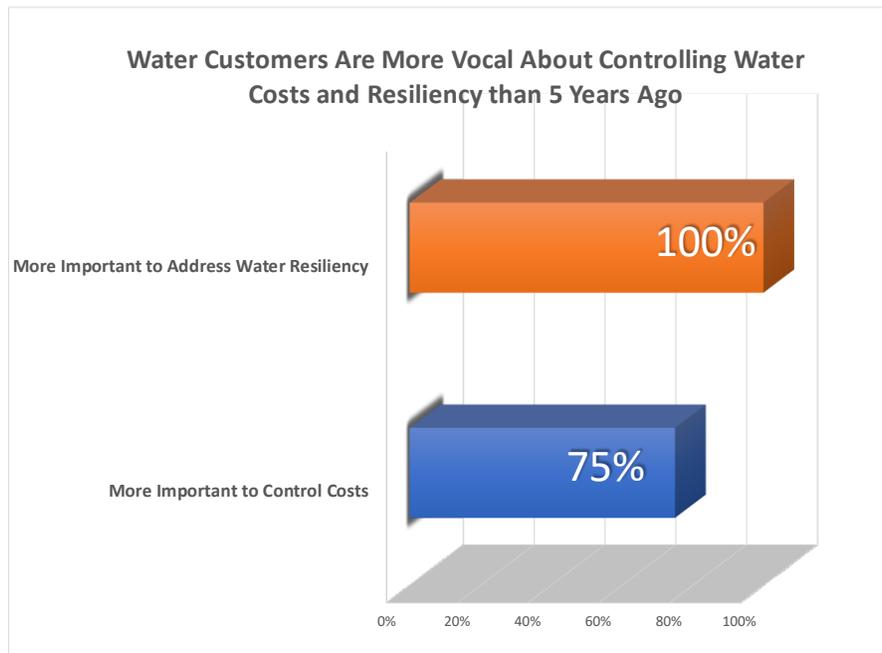
"The survey highlights the many ways public water agencies are leading the way in providing reliable, affordable and sustainable water service to Californians," said CMUA Director for Water Danielle Blacet. "From making water conservation a way of life, to developing new sources of clean drinking water, we are planning ahead for the future and investing in the communities we serve."

The Water Leaders Survey polled senior-level executives, including general managers and directors, who oversee their water agency while planning for the future. Together, they manage areas such as water supply, distribution, customer service, resource planning, environmental protection, emergency response, regulatory compliance, legislative engagement and public information.

The California Municipal Utilities Association (CMUA), serves more than 40 water and 40 electric agencies statewide. The association represents the common interests of California's publicly owned utilities by providing information, advocacy and connections within the industry.

Conclusion #1: Controlling Costs and Water Resiliency Remain Top Priorities for California Water Agencies

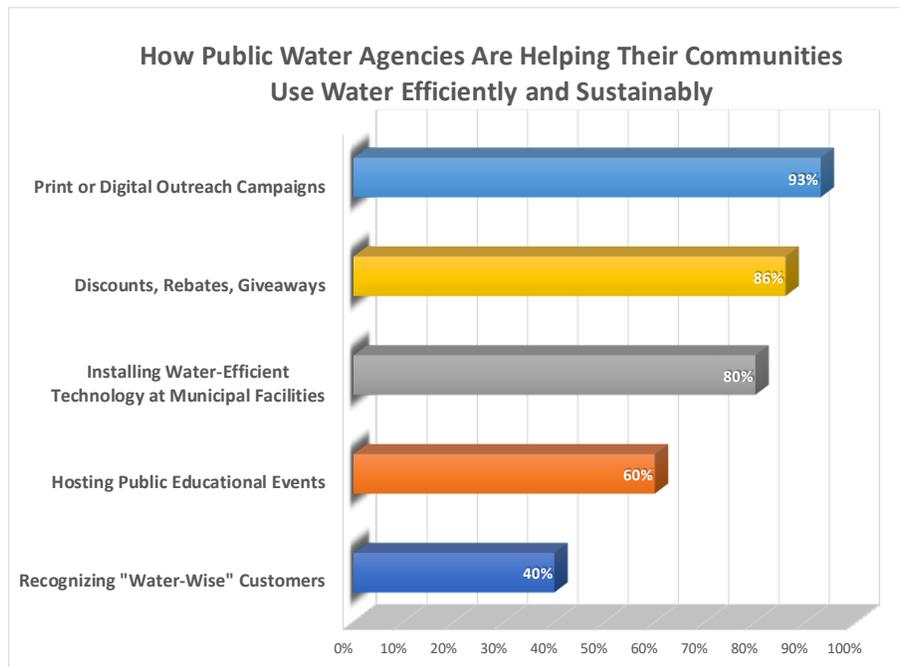
- Controlling customer costs is important. CMUA water leaders report that 75% of their customers are more vocal about water costs compared to five years ago, and the other 25% they are equally vocal. No one says that Californians care less about the cost of water.
- Water resiliency – assuring ample supply and high quality – is important to a majority of Californians. All water leaders – 100% – say that water resiliency is more important to their customers than it was five years ago.



Conclusion #2: Public Water Agencies Are Helping Advance Long-Term Water Conservation in California

“Making Conservation a California Way of Life” is a priority to public water agencies. Here are actions public water agencies are taking to help their communities use water more sustainably:

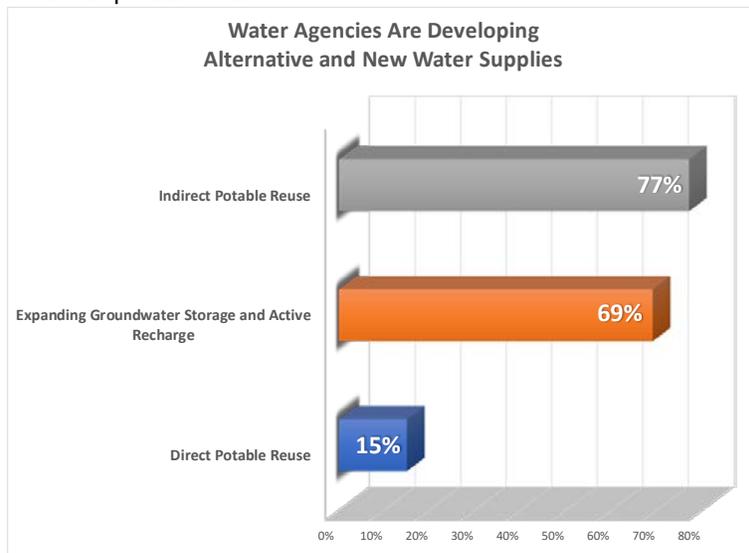
- More than 93% of public water agencies promote public outreach campaigns via local print, broadcast and online media to encourage conservation.
- More than 86% give away, discount or offer rebates to customers for installing water efficiency devices and conservation upgrades.
- 80% are installing water-efficient technology at their own water agency buildings and facilities.
- Other top actions include hosting public educational events (60%), and honoring “water-wise” customers for installing water efficient landscaping or conservation upgrades (40%).



Conclusion #3: Water Agencies Are Investing Significantly to Develop Alternative and New Water Supplies

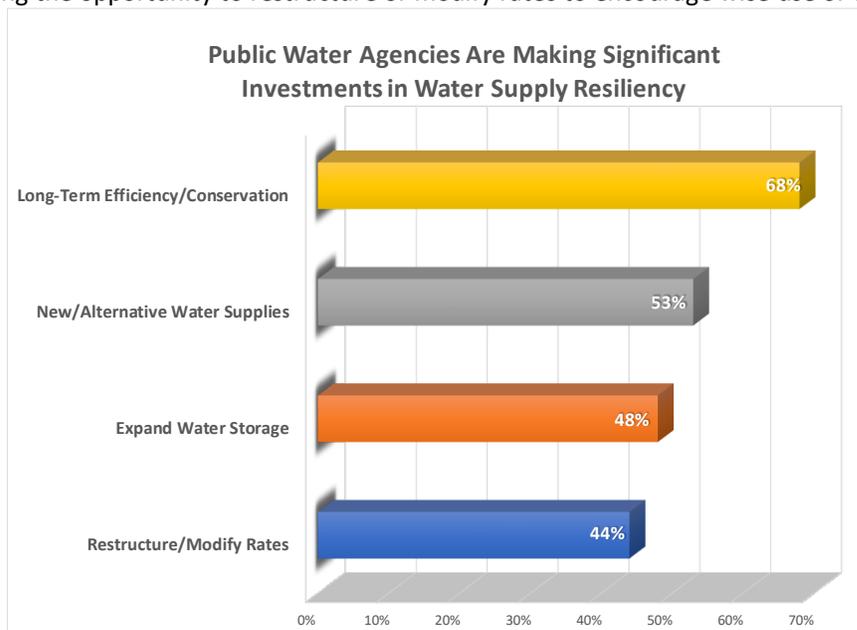
California public water agencies are developing alternative and new water supplies to guard against drought, improve resiliency, adapt to changing weather patterns, and serve a growing population.

- 77% are investing in indirect potable reuse.
- More than 69% say they are expanding groundwater storage and active recharge.
- 15% are working on direct potable reuse.



Public water agency leaders are investing in a variety of water quality, supply and customer issues in 2018.

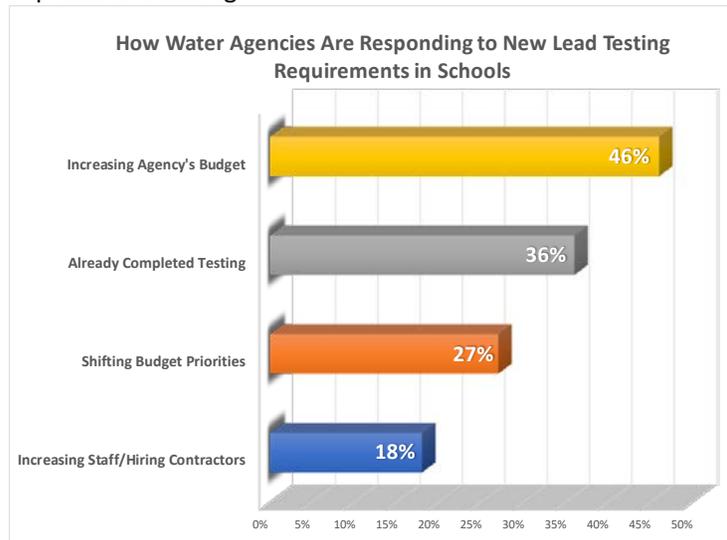
- More than 68% are focused on long-term water use efficiency and conservation.
- 53% are developing alternative and new water supplies.
- 48% are expanding water storage.
- 44% are examining the opportunity to restructure or modify rates to encourage wise use of water.



Conclusion #4: Public Water Agencies Are Actively Responding to Support Lead Testing in Schools and Drinking Water Solutions in Disadvantaged Communities

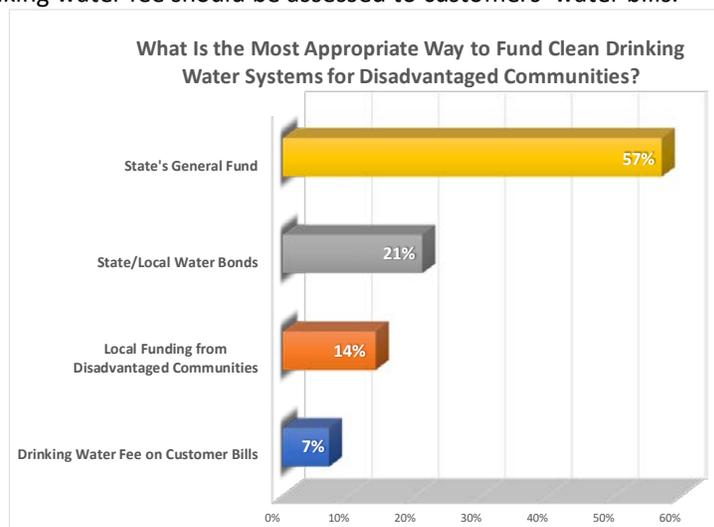
Newly enacted legislation requires community water systems to test potable water for lead at all K-12 schools in their communities by 2019. Here's what water agencies are doing to respond to this initiative:

- More than 46% are increasing their agency's budget to pay for the testing.
- About 27% are delaying other projects to shift budget to lead testing.
- 18% are increasing staff or contractors to conduct the testing.
- 36% have already completed the testing.



The Legislature is examining a proposal to fund drinking water solutions in disadvantaged communities through a tax on customers' water bills statewide. Here's what agency leaders say is the best way to fund such an effort:

- More than 57% say the funding should be paid for through the state's General Fund.
- 21% say a water bond should be issued to pay for the effort.
- About 14% say local funds from the disadvantaged communities should be used.
- Only 7% say a drinking water fee should be assessed to customers' water bills.



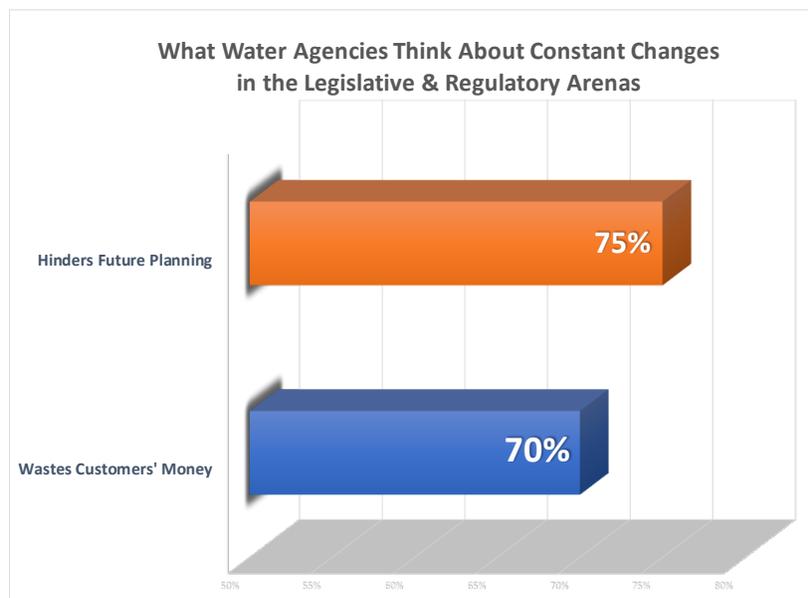
Conclusion #5: Streamlined Laws and Regulations Would Benefit Public Water Agencies, and Californians in General

Water leaders have an opinion about “regulatory uncertainty,” the constant changing of laws, regulations, targets and goals requiring new investments — when current ones are not yet paid off — which raise consumers’ water bills.

- Three-fourths say it hinders their organization’s ability to plan for the future and control costs.

Water leaders also have an opinion about the multitude of laws and regulations requiring significant overlapping and duplicative reporting to state government agencies.

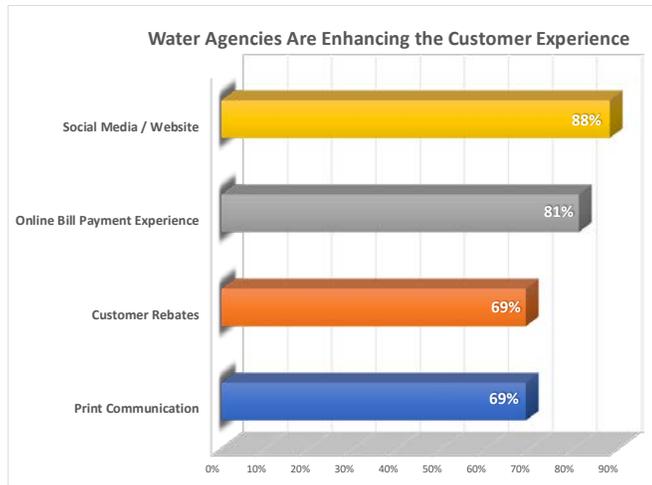
- 70% say it reduces their water agency’s efficiency and wastes customers’ money.



Conclusion #6: Public Water Agencies Continue to Provide High Quality Service to Local Communities and Customers

Water leaders say they are taking action to engage customers and improve their customer experience:

- 88% are engaging customers on social media and through their website, providing information about agency advancements, helping customers use water efficiently, and to lower their bills. This same large majority also is engaging with customers at numerous public events to meet with customers in the community.
- 81% are improving their online bill experience to enable more convenient, bill information and payment.
- Rebates for water efficiency devices are important to help homeowners, renters and businesses save water and lower bills. More than 69% are investing in customer rebates.
- 69% also communicate with important information about water use savings through the traditional media: using print, online radio and television.



In the operation of their agencies, California water agency leaders are making their organizations better able to serve in the future.

- 80% are investing in customer service enhancements such as billing systems and online technology.
- 73% are expanding and upgrading water treatment infrastructure.
- 66% are focused on cybersecurity resiliency.
- 66% are expanding their groundwater supplies while simultaneously emphasizing water loss efficiency.
- 40% are seeking to control energy costs with projects in energy efficiency, renewables and battery storage.

