



A Community Newsletter from the Contra Costa Water District | Volume 17, Number 1, Winter 03



PHOTO BY JOHN BENSEN

## CCWD: Reliable Steward, Protecting Ratepayers' Funds

Water Quality Inspector Saul Fernandez takes a treated water sample from the distribution system at a new sample station at the Diablo Hills Golf Course in Walnut Creek.

Ten years ago, the Contra Costa Water District Board of Directors adopted a tough policy to hold down rate increases while ensuring reliable infrastructure and adequate supplies of high-quality water. As a result, rate increases have been held below the rate of inflation for the past five years, and the District plans to continue holding rate increases below inflation for the next 10 years.

The Board of Directors' rate-setting policy is based on a conservative planning approach that controls spending and prioritizes expenditures. The District has:

- Established a developer fee that requires new growth to pay its way.
- Developed a 10-year Capital Improvement Plan to ensure that the

District prudently invests in its facilities and lives within its means.

- Implemented a debt refinancing strategy that takes advantage of low interest rates.
- Invested reserve funds to maximize returns and protect against losses.
- Developed additional revenues that do not rely on water rates.

- Implemented a two-year budget process supported by long-range planning.

### Growth Must Pay for Itself

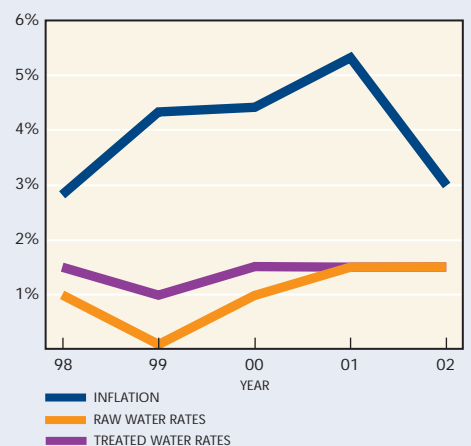
A major contribution to the rate relief effort began in 1993 when the Board of Directors adopted the Facility Reserve Charge policy, which requires new growth to pay its fair share of District infrastructure. More than \$70 million in new infrastructure has been financed by these fees over the past 10 years. New connection fees are projected to fund \$118 million in additional infrastructure investment during the next 10 years.

### Reinvesting in Infrastructure

The heart of a water system is its infrastructure. If regularly maintained and upgraded, customers can be sure it will always be there to deliver water to them. Through the 10-year Capital Improvement Plan (CIP), the District has spent \$603 million for infrastructure in the last 10 years and plans to spend \$365 million more over the next 10 years.

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CCWD Rate Increases Compared to Inflation (percent increase)



## CCWD Board of Directors

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Elizabeth R. Anello  
Vice President

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Writer/Editor  
Gina Oltman  
goltman@ccwater.com

General Manager  
Walter J. Bishop



CONTRA COSTA  
WATER DISTRICT

1331 Concord Ave.  
P.O. Box H20  
Concord, CA 94524  
(925) 688-8000  
<http://www.ccwater.com>

The Contra Costa Water District provides water to 450,000 Contra Costa County residents. Approximately 230,000 residents in Clayton, Clyde, Concord, Martinez, Pacheco, Pleasant Hill, Port Costa, and Walnut Creek receive water that has been treated by a District water treatment plant.

The other 220,000 are served by local water agencies that receive raw water from CCWD, then treat, distribute and bill for it themselves. These agencies are City of Antioch, City of Martinez, City of Pittsburg and the California Cities Water Company (Bay Point). Oakley residents are served by a jointly owned CCWD/Diablo Water District treatment plant.



# Delivering on Our Promise of Reliable, High-Quality Water

The District has worked hard to deliver on its promise of safe, high-quality water for its customers year round, even when the Delta is salty or after an emergency disrupts the system. Before the Los Vaqueros Reservoir was completed in 1997, the District often was forced to deliver Delta water with high salt levels. Today, the salty taste is gone. With the Los Vaqueros Project, the District delivers safe, good-tasting water year round. The promise of Los Vaqueros has been met.

The Los Vaqueros Project is just one of many improvements that assures that the 450,000 customers in the District's service area have safe, healthy water at their taps whenever they need it. Other projects that improve reliability and water quality include:

- Construction of the \$115 million, 21-mile Multi-Purpose Pipeline project engineered to high seismic standards,

*Engineered to high seismic standards, the Multi-Purpose Pipeline, above, will deliver treated water from a water treatment plant in Oakley to the distribution pipeline system in Concord.*

to bring treated water from the Randall-Bold Treatment Plant in Oakley to customers in Central Contra Costa.

- Completion of nearly \$50 million in upgrades at the Bollman Water Treatment Plant.
- Construction of a \$3-million swimming lagoon at the Contra Loma Reservoir so that people can enjoy swimming at the reservoir without affecting the stored drinking water.
- Replacement of canal lining and aging pipelines throughout the District totaling \$15.8 million.

As a result of its work over the past decade, the District is more prepared than ever to meet the demands of the future.

## List of Plumbers Now Available From CCWD

CCWD now offers a Customer Plumbing Service Program, a list of pre-screened plumbers to consider calling for leak repair and other water system problems. CCWD maintains its customers' water systems up to the water meters. Anything beyond the meter is the customer's responsibility. CCWD helps customers save time getting plumbing problems fixed

by offering this list of plumbers who have agreed to meet certain standards. If you choose to use one of the plumbers on the list, you will deal directly with, and pay, the plumber. Call (925) 688-8109 or visit the CCWD web site at [www.ccwater.com](http://www.ccwater.com) to obtain the list. And let us know how this program works for you.

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### Saving Money by Refinancing

By the end of 2002, the District had saved \$5.2 million of interest costs over the past several years taking advantage of low interest rates to refinance its debt. Since debt service makes up about one-third of the District's budget, refinancing is an important part of the strategy to reduce expenses.

### Diversifying Revenue

Over the past 10 years, the District has actively sought other sources of revenue to relieve pressure on water rates. In 1992, 77 percent of the District's revenue came from rates. Today, that has dropped to 68 percent. These sources of revenue include selling treated water to neighboring communities and obtaining \$22.3 million in grants and low-interest loans.

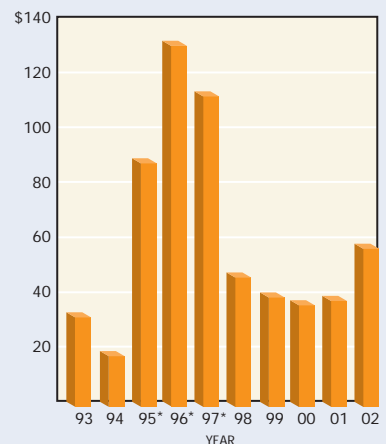
### Two-Year Budgeting

Now on its fourth two-year budget, the District's biennial budgets more efficiently manage staff time for budget preparation and are an excellent multi-year planning tool. Like the CIP, biennial budgets are an important key in the District's strategic allocation of its resources.

### Achieving High Bond Ratings

The District's strong performance and commitment to financial responsibility is reflected by upgrades received over the past 10 years in its credit ratings from Standard and Poor's and Moody's Investors Service. These improved ratings hold down the costs paid by the District when it borrows money, saving \$2.4 million in debt service costs.

**Rebuilding the Infrastructure  
A Decade of Capital Investment**  
(dollars in millions)



\*1995, 1996 and 1997 data includes construction of the Los Vaqueros Project.

**Cumulative Savings Due to  
Tax-Exempt Commercial  
Paper Program**  
(dollars in millions)

