



PUBLIC NOTICE OF PROPOSED INCREASE IN **WATER** RATES AND CHARGES

**Public Hearing to be held on Tuesday, June 10, 2014, at 6:00 p.m.
2700 Foothill Blvd., La Crescenta, CA 91214**

In order to fund the necessary improvements and to offset the increased costs associated with water operations and imported water, the CVWD Board of Directors is considering a 5.8% water rate increase to become effective July 1, 2014. **If approved a water bill for a typical residence with a 3/4-inch meter using 22 units of water (22,000 gallons) during a two-month period will increase by \$8.10 (\$4.05 a month), a change from \$139.36 to \$147.46.**

EFFECTIVE DATE

If approved, the increased rates will become effective on any billing periods that end after July 1, 2014.

YOUR WATER BILL

There are three components that make up the water portion of your CVWD bill which you receive every two months.

- ◆ **Water Service Charge:** A portion of the District's overall fixed costs; or the cost it takes to run the District if it did not sell any water.
- ◆ **Foothill Municipal Water District (FMWD) Charge:** The estimated amount that CVWD will pay FMWD for purchasing imported water.
- ◆ **Water Quantity Charge:** The CVWD price per unit of water based on a tiered structure. A unit of water is 1,000 gallons.

PROPOSED WATER RATE INCREASE

Water service charge: Increase from \$34.20 per bi-monthly billing period to **\$36.18** per bi-monthly billing period for a typical (3/4-inch) residential water meter. Refer to the attached table for increased water service charges for larger meters.

FMWD Charge: Increase from \$1.90 per unit to **\$2.03** per unit. That amount is applicable to each unit in every tier including multi-family, commercial, and irrigation accounts.

Water Quantity Charge: Single Family Residence

- ◆ **Tier 1 water rate (0-10 units):** Increase from \$2.22 to **\$2.33** per unit.
- ◆ **Tier 2 water rate (11-33 units):** Increase from \$3.43 to **\$3.61** per unit.
- ◆ **Tier 3 water rate (34-50 units):** Increase from \$5.70 to **\$6.01** per unit.
- ◆ **Tier 4 water rate (51 units and above):** Increase from \$8.29 to **\$8.75** per unit.

Water Quantity Charge: Multi-Family Dwellings, Commercial, Institution, and School

- ◆ Increase from \$3.43 to \$3.61 per unit.

Water Quantity Charge: Irrigation (Accounts with a dedicated meter for irrigation only)

- ◆ **Tier 1 water rate (0-70 units):** Increase from \$3.43 to **\$3.61** per unit.
- ◆ **Tier 2 water rate (71 units and above):** Increase from \$8.29 to **\$8.75** per unit.

For the total water quantity charges, please see the proposed water rate chart on the following page.

WHERE YOUR WATER COMES FROM

CVWD serves its customers water that is pumped from the ground (produced) by the District through a series of groundwater wells located within the Verdugo Basin and water purchased from FMWD. FMWD is a wholesaler whose primary job is to purchase water from Metropolitan Water District of Southern California (MWD) and sell it to retail agencies like CVWD. The water that is purchased consists of a combination of water from the California State Water Project and from the Colorado River. The distance the water must travel greatly increases the cost of supplying the water. Water the District purchases is nearly three times more expensive than the water the District produces.

FMWD CHARGE

The costs of imported water are represented on each bill as the FMWD pass through charge (Imported Water Costs). The District does not control the fees associated with purchasing imported water. MWD has approved an overall rate increase of 3.7% for the 2014/2015 fiscal year. The District uses historical information to estimate the expense the District will incur during the fiscal year to purchase water from FMWD. That amount is divided equally into the amount of water the District sells by units of 1,000 gallons. Each customer pays the FMWD charge on each unit of water they use. In addition to supplementing the District's water supply, imported water is used for water quality purposes and also serves as a backup to the District's groundwater supply. The FMWD pass through charge is proposed to increase from \$1.90 to \$2.03 per unit.

REASON FOR RATE INCREASE

CVWD, like many other utilities around Southern California, must address aging infrastructure. The Board of Directors made the decision to invest in our community's water infrastructure and improve maintenance to ensure a safe and reliable water system now and for future generations. The District funds all capital repairs and replacements with its rate revenues on a pay-as-you-go basis. The contributing components of the rate increase are:

- 💧 Capital improvement projects (listed below)
- 💧 Maintenance of equipment and assets at a rate that places the District on a sustainable path to meet its mission statement
- 💧 Increased operational costs:
 - 💧 Electricity
 - 💧 Fuel
 - 💧 Chemical Treatment
 - 💧 Regulatory Compliance
 - 💧 Water Service Replacement
 - 💧 Improvement of District Facilities

CAPITAL IMPROVEMENT PROJECTS PLANNED FOR FISCAL YEAR 2014 / 2015

- 💧 Rehabilitate two of the District's groundwater wells,
- 💧 Purchase of additional water source within the Verdugo Basin,
- 💧 Complete the emergency water supply interconnection with the Los Angeles Department of Water and Power,
- 💧 Complete a study to use stormwater to recharge the groundwater basin,
- 💧 Replace 3000 linear feet of aging pipelines, the majority of which was installed in the early 1950's,
- 💧 Upgrade the Motor Control Center at Oak Creek Reservoir, and
- 💧 Continue replacement of the 20 year-old Telemetry/Remote Data system.

WHAT THE DISTRICT HAS DONE TO CONTROL COSTS

The Board of Directors and Staff continue to work to operate and maintain the water and wastewater services provided to the community in a cost effective and reliable manner. Every year during the past decade, the District has remained at or below the budgets established. The District's reserves for emergencies and operations are at, or slightly above, the target reserve levels. Every employee is encouraged to provide exceptional customer service and maintain a high standard of reliability. The Staff and the Board go through every budget item, line by line, to cut and reduce expenses, if possible. Every employee is encouraged to reduce expenses and look for alternative solutions and products that maintain quality and/or lessen expenditures. The District is a Public agency and does not operate on a for-profit basis. The rate increase proposed by staff supports capital improvements and maintenance at a level which maximizes facility life expectancy while ensuring a safe and reliable water system for the community.

PROTEST LETTERS

Any CVWD customer or property owner within the CVWD service area may file a written protest of the proposed rate changes by sending a letter to CVWD, 2700 Foothill Boulevard, La Crescenta, CA 91214. A valid protest letter must include your name, your CVWD service address, a statement of protest, and an original signature.

Protest letters will be tabulated and presented to the Board of Directors at a public hearing to be held on Tuesday, **June 10, 2014, at 6:00 p.m. at the CVWD main office.** Any CVWD customer or property owner may submit a letter or appear at the hearing to make comments regarding the proposed rate increase. Letters received prior to June 6, 2014 at noon will be included in the agenda package distributed to the Board of Directors and posted online at www.cvwd.com.

The Board of Directors may adopt, revise, or modify the rate increase as proposed at the Board meeting which is scheduled for June 17, 2014 at 7:00 p.m.

The Board may not increase water rates and charges more than indicated in this notice.

WHERE TO GET MORE INFORMATION

The proposed water rate chart is available for inspection on the District's website www.cvwd.com or at the District's office at 2700 Foothill Boulevard, La Crescenta, CA 91214 between 8:00 a.m. and 4:30 p.m., Monday through Friday. The District can assist in answering any questions about your bill. If you have questions or need additional information, please contact CVWD at **(818) 248-3925** or e-mail water@cvwd.com.

DISTRICT INFORMATION

The District is a Public agency and is governed by five elected Directors. The mission of the District is to provide dependable water service and wastewater collection in La Crescenta, Montrose, and portions of Glendale and La Canada Flintridge. In carrying out this mission, the District places special emphasis on delivering a high quality water supply and system reliability at the most reasonable costs to its ratepayers. The District endeavors to promote conservation of its resources and to perform all operations in the most efficient manner to meet the needs of the community.

The Board meets at 7:00 p.m. every 1st and 3rd Tuesday of each month at CVWD's main office at 2700 Foothill Blvd. in La Crescenta and the District welcomes the public's input. This document and other information regarding the District can also be found on the District's web site at www.cvwd.com.

CVWD offers a **20% senior low-income discount (62-years or older and an annual household income of \$30,000 per year or less)** for up to 26 units of water used per bi-monthly billing period. Visit CVWD's website, www.cvwd.com for more information or contact CVWD at (818) 248-3925.

WAYS TO REDUCE YOUR WATER BILL



Check to ensure that you do not have any leaks. Begin with an indoor audit. Do dye tablet or food coloring tests in toilets to check for hidden leaks. Be sure to flush the coloring after 10-15 minutes to prevent staining. Outdoors, check for broken or misaligned sprinklers. Make sure that your controller is set to run so that there is no water runoff. You can also check your water meter to ensure there are no leaks. Contact the District for low flow shower heads, toilet leak detection tabs, water audits, or instructions on how to check your water meter.

Take advantage on savings for water efficient devices and rebates on turf removal. For details check the District website at www.cvwd.com. Rebate information is also available at www.socalwatersmart.com.