

NOTICE OF PUBLIC HEARING

PUBLIC HEARING

Date: June 10, 2025

Time: 6 p.m., or as soon thereafter as possible

Location: La Crescenta Elementary School
4343 La Crescenta Ave,
La Crescenta, CA 91214

The Crescenta Valley Water District (CVWD) Board of Directors will conduct a public hearing to consider proposed rate adjustments for water and wastewater services. If approved, the new rate structure will take effect for service provided on and after July 1, 2025.

CVWD has provided a bill calculator on our website for each customer to understand the impact of the proposed rate increases. Please visit our link at: www.CVWD.com/rates

WHY AM I RECEIVING THIS NOTICE?

You are receiving this notice in compliance with Proposition 218, which requires CVWD to inform property owners and customers of record about:

- Proposed rate increases being considered
- The amount of the proposed rate adjustments
- The basis for the rate calculation
- The reason for the proposed rate adjustments

We invite you to review this information and contact Arturo Montes, Director of Finance and Administration, at (818) 248-3925 or at amontes@cvwd.com with questions, comments or concerns.

Please note that there is a 120-day statute of limitations to challenge the rate adjustments described in this notice, which begins on the day the resolution approving such rates is adopted.

IMPORTANT PROPOSED CHANGES TO YOUR WATER AND WASTEWATER BILL

CVWD is proposing four key changes to water and wastewater bills, effective for services provided on and after July 1, 2025:

1. **Budget-Based Rates:** Moving to a water budget-based billing system.
2. **Billing Frequency:** A transition from bi-monthly billing to monthly billing to provide more timely information to all customers.
3. **Rate Changes:** An adjustment to water and wastewater rates effective July 1, 2025, with increases scheduled each July 1 thereafter through and including July 1, 2027.
4. **Revenue Stability:** An incremental increase in the share of service charge (fixed monthly charge) to support long term financial and operational planning.

BUDGET-BASED WATER RATES EXPLAINED

A budget-based water rate is a personalized amount of water designed to fit the particular needs of each home and business served by CVWD.

For households, budgets are based on the size of your yard, the number of people in your home, and real-time weather data.

- Indoor budgets are based on household size. The default household size is four (4), based on the average household size from the 2020 US Census data. You may request a variance if your household size is different than four (4). Wastewater rates are based on the number of people reported so please contact CVWD to accurately reflect your household size.
- Outdoor budgets are based on irrigable area, calculated as 30 percent of the lot size, with a maximum of 4,353 square feet.

By staying within your budget, customers will pay the lowest available rates, making it easier to save money and conserve water. Also, as the seasons change, your budget adjusts to ensure customers have the right amount of water when you need it.

WHY IS CVWD PROPOSING TO MOVE TO BUDGET-BASED RATES?

Budget-based rates promote fairness and equity to customers by calculating a direct proportional allocation of water for each property, providing a clear link between the cost of services and the rates customers are charged.

UNDERSTANDING YOUR WATER BILL

Your water bill has two basic components:

- Variable water usage charges:** These charges vary based on your usage, both inside and outside your home each month. These costs include purchasing or producing water, power, treatment, and other costs of providing service.
- Service charges:** These are base monthly charges that support the fixed costs of operating and maintaining CVWD's infrastructure, which is greater than half of the cost of providing service. There are separate charges for water and wastewater service.

The District's long-term vision is to incrementally increase service charges to enhance revenue stability.

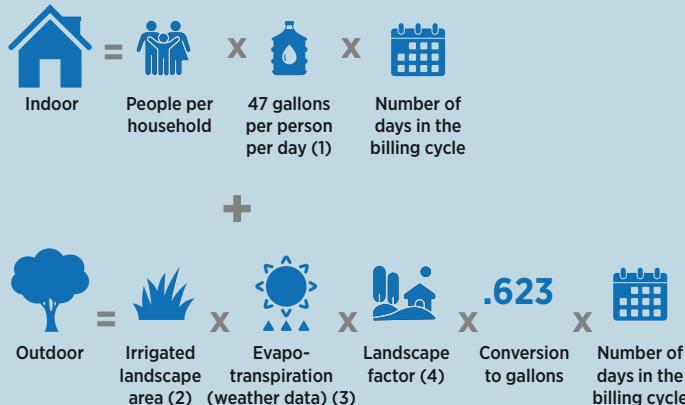
Please visit our website at www.CVWD.com/rates and utilize the bill calculator to see the specific impact of the proposed rate increases to you.

WHAT DETERMINES THE COST OF WATER AND WASTEWATER SERVICE?

CVWD is a public agency, which means we can only charge customers for the actual cost of providing services responsibly. When you pay your water bill, you are paying for the installation, operation, maintenance, and improvement of our water and wastewater systems.

The costs of providing services involve many factors.

TOTAL WATER BUDGET = +



- 47 gallons:** Based on the California Department of Water Resources indoor water use requirements.
- Irrigated Landscape Area:** Square footage of irrigated landscape on a customer's property, which is smaller than the total property size.
- Evapotranspiration:** The amount of water to apply to a landscape to replace the water lost through evaporation through the soil and transpiration (plant sweat).
- Landscape Factor:** Different plants have different water needs. CVWD's metric of 0.8 considers a mix of plant types and the inefficiencies in irrigation systems.

• Operating Expenses:

- Water Supply: CVWD utilizes groundwater from the Verdugo Basin and imported supplies from the Colorado River and the State Water Project.
- Power: pumping water out of the ground, treating it to industry standards, and distributing through the system to your home.
- Wastewater Collection and Treatment: inspecting and maintaining the wastewater collection system connected to your home and treatment.
- All other operating costs such as administration and service to support CVWD's daily functions, including 1,500 water quality tests, weekly reporting to State regulatory agencies, leak repairs, and maintaining adequate water storage and pressure for fire and other emergency response services.

• Labor:

Highly specialized staff to support daily operations, customer service, and emergency response.

• Capital Improvement Projects:

Enhance our existing infrastructure and replacement of water and wastewater infrastructure to maintain water quality and improve reliability.

• Debt Service:

Costs to repay money borrowed to build existing and future infrastructure while spreading costs for intergenerational equity.

REASONS FOR THE PROPOSED RATE ADJUSTMENT

Affordability is one of our most critical objectives on behalf of our customers. Maintaining long-term affordability requires proactive and constant maintenance, investment, and upgrades. Rate adjustments to water and wastewater services are necessary to continue to maintain a high level of reliable service for our customers.

There are multiple factors influencing the need for the proposed rate adjustments for water and wastewater services.

Uncontrollable cost increases:

- Increased costs of water supply** - We purchase a significant portion of our water from our wholesaler, the Foothill Municipal Water District. These rates have increased approximately 10 percent in 2025 and are projected to increase over 10 percent for each of the two following years.
- Increased energy costs** - We use a significant amount of energy to provide water and wastewater service. Our energy is purchased from Southern California Edison. Rates have increased over 35 percent over the past five years.
- Wastewater treatment** - The City of Los Angeles treats the District's wastewater. Costs have continued to increase and are projected to increase by 24 percent over the next three years.
- Increased regulations** - Regulations and compliance requirements by the State of California have continued to increase.

Controllable costs:

- CVWD continues to focus on costs it can control, with controllable costs increasing at rates less than half those of uncontrollable costs. While rates must still go up, CVWD's focus remains on affordability. This ensures we can continue to provide reliability and the current high level of customer service you expect. Some examples include:
 - Focusing on securing grants to lower the cost of critical projects
 - Pursuing regional partnerships for cost sharing
 - Developing cheaper sources of water supply - e.g. stormwater capture and recycled water
 - Utilizing in-house resources to control contractor costs - e.g. pipeline replacement
 - Installing Advanced Metering Infrastructure (AMI) - customers avoid unnecessary costs through early leak detection

Proposed rate increases were developed based on a Cost-of-Service Study, which provides the justification for the rate increase. The Cost-of-Service Study was completed in 2025 and establishes a nexus between the cost of service charged to customers and the proposed rates as required under Proposition 218.

The Cost-of-Service Study was conducted by an independent consultant. You may find the 2025 Cost of Service Study on our website at: www.CVWD.com/rates



CVWD's team performing innovative in-house pipeline installation on Gromer Terrace at the intersection of New York Ave to control rising contractor costs.

HOW DO RATE ADJUSTMENTS AFFECT ME?

Proposed water and wastewater rate adjustments are displayed in the tables below.

PROPOSED VARIABLE WATER RATES

Variable Usage Rates (\$/kgal)	Effective 7/1/2025	Effective 7/1/2026	Effective 7/1/2027
Single Family			
Tier 1 (indoor water budget)	\$5.56	\$6.01	\$6.50
Tier 2 (outdoor water budget)	\$11.52	\$12.45	\$13.45
Tier 3 (above water budget)	\$18.26	\$19.73	\$21.31
Multi-Family / Commercial / Institutional			
Irrigation	\$10.96	\$11.84	\$12.79

The average Single Family uses approximately 8 kgals of water per month.

PROPOSED FIXED WATER RATES

Service Charges Monthly Meter Charges	Effective 7/1/2025	Effective 7/1/2026	Effective 7/1/2027
3/4"	\$44.53	\$48.10	\$51.95
1"	\$70.58	\$76.23	\$82.33
1-1/2"	\$135.70	\$146.56	\$158.29
2"	\$213.85	\$230.96	\$249.44
3"	\$461.32	\$498.23	\$538.09
4"	\$826.02	\$892.10	\$963.47

85 percent of district meters are 3/4". You can locate your meter size on your Utility Service Statement.

CVWD BILL ASSISTANCE PROGRAM

CVWD offers an industry-leading bill assistance program funded by non-rate revenue. Any residential customer who is the named account holder of record with CVWD and who meets the qualification criteria is eligible for a 25 percent discount on the combined bill for water (up to Tier 2 usage) and wastewater charges. To apply for the Bill Assistance Program, visit our office or www.CVWD.com/bill-assistance-program. To request an application, call (818) 248-3925.

PASS-THROUGH PROVISION

Metropolitan Water District of Southern California is considering additional large infrastructure projects to increase water reliability that may increase the rates charged for imported water above and beyond what is currently projected. In accordance with Proposition 218, CVWD proposes to pass through the increase in the rates imposed on CVWD by Metropolitan Water District through Foothill Municipal Water District to the extent such rates exceed CVWD's projections, provided such pass-through increase shall not cause volumetric water rates to increase by more than 20 percent in any fiscal year.

Additionally, our electricity provider, Southern California Edison, may also increase rates beyond those anticipated in the current rates. In accordance with Proposition 218, CVWD proposes to pass through the increase in the rates imposed on CVWD by Southern California Edison for purchased electricity, provided such pass-through increase shall not cause volumetric water, water meter, or wastewater rates to increase by more than 20 percent in any fiscal year.

Commencing July 1, 2025, and any time thereafter through and including June 30, 2030, a pass-through increase may be automatically implemented without further published notice, provided that (1) any increase to the rates for the water or wastewater service as a result of the pass-throughs will not cause the rates to exceed the cost of providing service and (2) CVWD mails a notice of the pass-throughs to all affected properties at least 30 days prior to implementation.

ANNEXATION AREA UTILITY TAX

Service addresses located within the Glendale annexation area are assessed a 7 percent Utility Tax on meter and water charges, collected by CVWD and paid to the City of Glendale.

A \$0.40 administrative fee is added to the meter charge for those accounts.

PROPOSED WASTEWATER RATES

Rates	Effective 7/1/2025	Effective 7/1/2026	Effective 7/1/2027
Residential			
Single Family Monthly Fixed Charge (4 people)	\$51.28	\$58.96	\$67.80
Single Family Monthly Per Person Charge*	\$12.82	\$14.74	\$16.95
Multi-Family Monthly Fixed Charge (Per Dwelling Unit)	\$34.18	\$39.31	\$45.21
Commercial			
Commercial Monthly Fixed Charge	\$51.28	\$58.96	\$67.80
Commercial Quantity Charge (\$/kgal over 6 kgals)	\$8.55	\$9.84	\$11.32
Schools			
Elementary Schools (\$/100 ADA** per month)	\$64.08	\$73.70	\$84.75
Middle Schools (\$/100 ADA per month)	\$128.16	\$147.39	\$169.50
High Schools (\$/100 ADA per month)	\$192.24	\$221.08	\$254.24

**For Single Family residential customers, the proposed wastewater rate is based on the number of people receiving service in your household and updated based on reported people for the indoor water budget. The monthly fixed charge increases or decreases by the per person charge when household size changes from the default of 4 people.*

***ADA is defined as average daily attendance.*

CVWD has provided a bill calculator on our website for each customer to understand the impact of the proposed rate increases.

Please visit our link at: www.CVWD.com/rates



ANNUAL CAPITAL CHARGES

POTABLE WATER			
Annual Capital Charges	Effective 7/1/2025	Effective 7/1/2026	Effective 7/1/2027
3/4"	\$209.59	\$226.36	\$244.47
1"	\$349.32	\$377.27	\$407.46
1-1/2"	\$698.62	\$754.51	\$814.88
2"	\$1,117.78	\$1,207.21	\$1,303.79
3"	\$2,445.15	\$2,640.77	\$2,852.04
4"	\$4,401.25	\$4,753.35	\$5,133.62

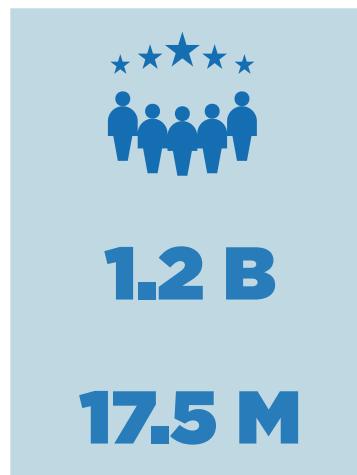
85 percent of district meters are 3/4". You can locate your meter size on your Utility Service Statement.

PRIVATE FIRE			
Annual Capital Charges	Effective 7/1/2025	Effective 7/1/2026	Effective 7/1/2027
1"	\$4.14	\$4.48	\$4.84
2"	\$25.59	\$27.64	\$29.86
3"	\$74.30	\$80.25	\$86.67
4"	\$158.32	\$170.99	\$184.67
6"	\$459.88	\$496.68	\$536.42
8"	\$980.01	\$1,058.42	\$1,143.10
10"	\$1,762.38	\$1,903.38	\$2,055.66

In 2023, the District authorized and implemented the assessment of a Capital Charge on the property tax roll for each property. Capital Charges are not collected on the water bill, unless otherwise requested by you. Please contact us if you would like to transfer the capital charge to your utility bill, or visit our website to complete the required form. Forms must be submitted by July 15, 2025. If a form was submitted last year, it will remain in effect.

PRIVATE FIRE PROTECTION			
Monthly Charges	Effective 7/1/2025	Effective 7/1/2026	Effective 7/1/2027
1"	\$6.31	\$6.81	\$7.36
2"	\$10.72	\$11.58	\$12.51
3"	\$20.74	\$22.40	\$24.20
4"	\$38.03	\$41.08	\$44.37
6"	\$100.08	\$108.09	\$116.74
8"	\$207.11	\$223.68	\$241.58
10"	\$368.10	\$397.55	\$429.36

KEY STATISTICS



OUR SYSTEM

	95 miles of pipeline		12 wells		17 reservoirs		740 fire hydrants		6 emergency water connections to neighboring agencies		10+ above ground connection points between zones and other agencies
--	----------------------	--	----------	--	---------------	--	-------------------	--	---	--	---

PUBLIC HEARING PROCESS AND ACCOMMODATIONS

Customers may attend the public hearing in person or through teleconference to voice their support or concerns regarding the proposed rates. CVWD will post the information for the public hearing on www.CVWD.com/rates. You may call (818)-248-3925 to obtain the information. The Board of Directors will subsequently meet to consider the proposed water and wastewater rate adjustments. The Board cannot legally increase charges more than indicated in this notice. As a public agency, CVWD cannot collect more than the actual costs associated with providing services to its customers.

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by contacting Arminé Sargsyan by phone at (818) 248-3925 or by emailing her at asargsyan@cvwd.com. Requests must specify the nature of the disability, and the type of accommodation requested. A telephone number or other contact information should be included to allow CVWD to discuss appropriate arrangements. People requesting disability-related accommodations should make the request with adequate time before the meeting for CVWD to provide the requested accommodation.

HOW TO SUBMIT A WRITTEN PROTEST

Any CVWD customer or property owner within the CVWD water and wastewater service area may file a written protest by mailing or hand delivering a letter to: CVWD, 2700 Foothill Boulevard, La Crescenta, CA 91214, provided the protest is received by the Secretary of the Board by 4:00 p.m. on June 10, 2025. Customers and property owners may also deliver written protests in person during the public hearing, provided written protests are received by the Board Secretary prior to the close of the public comment portion of the public hearing.

A valid protest letter must include your name, a CVWD service address, a statement of protest and an original signature. Only one written protest per parcel, filed by an owner or tenant, will be counted. For your convenience, there is a protest form available at www.CVWD.com/rates. Electronic submittals of signed protest letters may be scanned and emailed to CVWD at feedback@cvwd.com.

Protest letters received prior to June 6, 2025, at 4:00 p.m. will be included in the agenda package distributed to the Board of Directors and posted online at www.CVWD.com. Any customer or property owner may also appear at the public hearing on June 10, 2025, to make comments regarding the proposed rates.

EXHAUSTION OF ADMINISTRATIVE REMEDIES

In addition to submitting a written protest, property owners who will be affected by these proposed rate adjustments and any tenants directly responsible for the payment of the water and/or wastewater rates that believe the proposed rate adjustments violate Proposition 218 may submit a written objection to CVWD.

In order to be valid, written objections must:

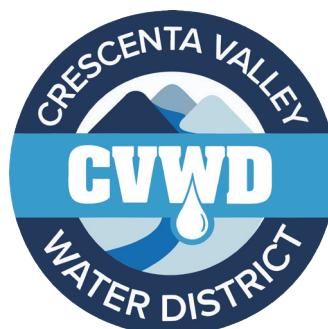
- Specify the rate or charge for which the objection is being submitted
- Include your name, parcel number and/or service address, and signature
- Specify the grounds for alleging CVWD's noncompliance with Proposition 218

Please note the specified grounds must be sufficiently detailed to allow CVWD to determine whether alterations to the proposed water and/or wastewater rates are needed. By way of example, an objection stating that the proposed rates are too high, or that they violate Proposition 218 without explaining the basis for illegality, is insufficient for purpose of administrative exhaustion.

You may mail or deliver your written objection in person to: CVWD, 2700 Foothill Boulevard, La Crescenta, CA 91214. Objections submitted by email, fax, or other electronic means will not be accepted.

Objections must be received by 11:59 p.m. on June 10, 2025. Failure to timely submit an objection will bar any right to challenge the fee or charge through a legal proceeding. All timely objections received will also be counted as a protest. Any objection received after 11:59 p.m. on June 10, 2025, will only be considered and not counted as a protest.

The written basis providing the evidentiary justification for the proposed rate adjustments can be found at: www.CVWD.com/rates



Crescenta Valley Water District

2700 Foothill Boulevard

La Crescenta, CA 91214

818.248.3925

CVWD.com

customerservice@cvwd.com

Office Business Hours: MON-FRI 7:30 am to 4:00 pm

Closed: Holidays / Weekends