



PUBLIC NOTICE OF PROPOSED CHANGE IN WASTEWATER RATE STRUCTURE

Public Hearing to be held on Tuesday, June 21, 2016 at 6:00 p.m.

2700 Foothill Blvd, La Crescenta, CA 91214

Crescenta Valley Water District (CVWD) is considering a change to the way it charges for wastewater service. Currently, residential users pay a fixed amount per bimonthly bill, regardless of the amount of wastewater that they generate. This results in some customers paying more for wastewater service than they do for water service. CVWD is considering changing to a method which bases a portion of the residential wastewater charge on the amount of wastewater generated. This will result in lower bills for those who use less water, and higher bills for those using more water.

CVWD does not have a way of measuring wastewater directly from a residential unit to the sewer, so to get a reasonable estimate of the amount of flow for wastewater, CVWD will base it on a customer's average water use during the winter months (December through March). Most water during the winter is used indoors, and goes into the sewer system. Typically outdoor irrigation is minimal during the winter months.

Residential accounts - How will this affect your bill? If your average winter water use is less than 7 units of water for a two-month period, your bill will go down. For example, someone using 6 units of water will see their bill go down from \$60.75 to \$57.11 (- 6.0%). If your average winter water use is 8 units or more, your bill will go up. For example, someone using 17 units of water will see their bill go up from \$67.50 to \$77.57 (14.9%). The overall amount of revenue CVWD collects in wastewater rates and charges will not change from the prior year.

CVWD will calculate your bimonthly wastewater charge based on the previous year average winter-time water use (i.e. your 2016 wastewater charge will be based on Dec. 2015 to Mar. 2016 average winter-time water use) and it will remain in effect for a full year (from July 2016 to June 2017). In July of each year, your bimonthly wastewater charge will be recalculated based on the previous year average winter water use.

The proposed rate structure was developed as part of a cost of service study, and reflects the cost of providing wastewater service to individual residences. If this change is adopted, the new rates and charges will go into effect for all billing periods ending after July 1, 2016.

Non-residential accounts- How will this affect your bill? Commercial and institutional accounts will be charged based on water use for each billing period. Commercial and institutional accounts will be charged a minimum of \$30.05 every two months if they use less than 6 units of water during that period. Irrigation accounts will not be charged a wastewater charge, since no water goes to the wastewater system. School accounts will be charged based on the average daily attendance, which is provided by Glendale Unified School District.

Cost of Service Study: In 2016, CVWD completed an updated Water and Wastewater Cost of Service Study (Rate Study) prepared by an outside consultant, which included a comprehensive cost of service analysis to equitably allocate cost based on customer classes and wastewater use characteristics. The proposed changes in the wastewater rates and charges are based on this Rate Study.

CVWD developed the proposed wastewater rate structure based on the following factors and objectives:

- Revenue sufficiency and financial stability - Proposed wastewater rates and charges were developed to support projected operating costs of CVWD, City of Los Angeles costs for treatment, disposal, and increased capital (infrastructure) replacement costs, and to ensure sufficient funding of reserves through FY 2020/21.
- Customer rate equity - Proposed wastewater rates and charges were based on the Rate Study, and reflects equity of cost among the rate classes.
- Rate impact mitigation - Proposed wastewater rates and charges were designed to minimize the impact of the rate adjustments to CVWD's customers.
- Legal compliance - Proposed wastewater rates and charges comply with Proposition 218 and associated laws.
- Customer support - Proposed wastewater rates and charges are clear and understandable to customers.
- Special considerations - Proposed wastewater rates and charges reflects the influence on costs and revenue for the City of Los Angeles costs for treatment, disposal and capital improvements, and changes in operational costs.

By State law, CVWD may not collect more revenue than is necessary to recover the costs of providing services.

The documents supporting the wastewater rates and charges, including the Water and Wastewater Cost of Service Study, and the FY 2016/17 Wastewater budget, are available for review after May 6, 2016 at CVWD's main office.

CVWD is a Public agency and does not operate on a for-profit basis.

Where Does Your Wastewater Get Treated: CVWD maintains and operates a wastewater collection system which transports sewage via 75 miles of pipelines to the Los Angeles/Glendale Reclamation Plant located near the 5 and 134 freeways. Also, a portion of CVWD's wastewater is treated at the City of Los Angeles's Hyperion Water Reclamation Plant located in El Segundo. CVWD has a contract with the City of Los Angeles Bureau of Sanitation to provide treatment and disposal of wastewater.

Public Hearing: CVWD welcomes your comments. There will be a public hearing on the proposed change on June 21, 2016, at 6:00 p.m. at CVWD's main office. You may attend in person, or submit comments in writing.

Protest Letters: Any CVWD customer or property owner within the CVWD wastewater 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 and must be received at the address above no later than June 20, 2016 at 4:30 p.m. Letters received prior to June 17, 2016 at noon will be included in the agenda package distributed to the Board of Directors and posted online at www.cvwd.com.

Board Meeting: The Board of Directors will meet on **June 28, 2016 at 7:00 p.m.** to consider the proposed change. The Board may adopt, reject, or modify the proposed rate structure, but the Board will not increase wastewater rates and charges more than indicated in this notice.

Questions? Below is a table showing the proposed wastewater rates and charges. It is also available for inspection on the CVWD website, www.cvwd.com, or at the CVWD main office between 8:00 a.m. and 4:30 p.m., Monday through Friday. CVWD staff can assist in answering any questions about your bill. If you have questions or need additional information, please call us at (818) 248-3925 or e-mail wastewater@cvwd.com.

Current and Proposed Wastewater Rates and Charges Table:

<u>Current</u>		<u>Proposed</u>	
Customer Class	Charges & Rates	Customer Class	Charges & Rates
Single Family Residence		Single Family Residence	
Bimonthly Service Charge	\$ 67.50	Bimonthly Service Charge	\$ 45.95
		Quantity Rate (per unit ⁽¹⁾ ; up to 20 units per bimonthly period & based on prior year avg. winter water use)	\$ 1.86
Multi Family Residence		Multi Family Residence	
Bimonthly Service Charge (per EDU ⁽²⁾)	\$ 67.50	Bimonthly Service Charge (per EDU ⁽²⁾)	\$ 30.05
		Quantity Rate (per unit ⁽¹⁾ ; up to 15 units per bimonthly period & based on prior year avg. winter water use)	\$ 2.07
Commercial/Institutional		Commercial/Institutional	
Customer Charge	\$ 2.10	Customer Charge	\$ 0.00
Quantity Rate (per unit ⁽¹⁾)	\$ 5.50	Quantity Rate (per unit ⁽¹⁾)	\$ 4.90
Minimum Charge (If uses 12 units or less per bimonthly period)	\$ 67.50	Minimum Charge (If uses 6 units or less per bimonthly period)	\$ 30.05
School		School	
Elementary School		Elementary School	
Customer Charge	\$ 2.10	Customer Charge	\$ 0.00
Quantity Charge per 100 ADA ⁽³⁾	\$ 81.00	Quantity Charge per 100 ADA ⁽³⁾	\$ 81.60
Middle School		Middle School	
Customer Charge	\$ 2.10	Customer Charge	\$ 0.00
Quantity Charge per 100 ADA ⁽³⁾	\$ 162.10	Quantity Charge per 100 ADA ⁽³⁾	\$ 163.20
High School		High School	
Customer Charge	\$ 2.10	Customer Charge	\$ 0.00
Quantity Charge per 100 ADA ⁽³⁾	\$ 162.10	Quantity Charge per 100 ADA ⁽³⁾	\$ 244.80

Notes:

(1) A unit is 1,000 gallons

(2) EDU - Equivalent Dwelling Unit

(3) ADA - Average Daily Attendance