



PUBLIC NOTICE OF PROPOSED INCREASE IN WATER RATES AND CHARGES

**Public Hearing to be held on Tuesday, June 16, 2015, at 6:00 p.m.
2700 Foothill Blvd., La Crescenta, CA 91214**

The Crescenta Valley Water District (CVWD) Board of Directors is considering a water rate increase to become effective July 1, 2015. **If approved, a water bill for a typical residence with a 3/4-inch meter using 18 units of water (18,000 gallons) during a two-month period will increase by 8.2%, \$10.25 (\$5.13 a month), a change from \$124.90 to \$135.15.**

Typical 2-Month Residential Water Bill using 18 Units of water		
Two Month Service Fee	Water Usage Tier 1 Units 1 – 10	Water Usage Tier 2 Units 11-25
\$39.15	10 Units at \$4.72	8 Units at \$6.10
\$39.15	10 x \$4.72 = \$47.20	8 x \$6.10 = \$48.80
\$39.15 + \$47.20 + \$48.80 = \$135.15		

EFFECTIVE DATE

If approved, the increased rates will become effective on all fees and charges on any bill where the billing period ends after July 1, 2015.

REASON FOR RATE INCREASE

Clean, reliable water is a fundamental and essential public service provided by CVWD. Most people do a good job conserving this precious resource, but still see their water bills going up. Why?

Some portions of CVWD's water distribution system are over 50 years old and are approaching, or have already reached, the end of their useful lives. The pipes, wells, pumping plants, reservoirs, and other infrastructure necessary to provide safe, clean water gets old, wears out, and must be replaced before they fail. This is especially true in a hillside community like La Crescenta where, in addition to the loss of water, the consequential damages to surrounding property owners resulting from a large water line failure could amount to millions of dollars.

CVWD has evaluated and identified certain facilities requiring rehabilitation or replacement. There are three ways for CVWD to pay for this work: borrow the money from the public by issuing bonds, obtain a grant from the state or federal government, or pay cash from current revenues. As a matter of policy, CVWD's Board decided not to ask its customers to approve bonds to fund system repair and replacement costs. CVWD does receive some limited grant funding. In the last three years the District received \$1.3 million which was used to study stormwater capture, establish an additional emergency water connection, and construct a new water supply well. Even after crediting any grant funds to improve the District's supply reliability, the necessary critical repairs and infrastructure replacement will cost approximately \$2 million per year which must be paid by CVWD using water revenues with the cost of this work added to each customer's water bill.

Water conservation will not reduce the cost of infrastructure repair and replacement because these costs are not affected by the variations in the amount of water delivered year to year. However, water utility revenue *is* based on the amount of water consumed that does vary from year to year. Under the current extreme drought conditions water use has and is expected to continue to decline resulting in a revenue shortfall. Along with the rate increase, the amount of water allotted in tiers two, three, and four has been adjusted accordingly. Changes to the amount of billing units in the tiers will result in increased costs for customers that were on the higher end of tier 2 or in tiers 3 and 4. CVWD is using some financial reserves to mitigate the proposed rate increase.

A list of the 2015 / 2016 capital projects is available on the District's website or at the main office.

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

YOUR WATER BILL

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

- ◆ **Water Service Charge:** A portion of the District's overall fixed costs which are not affected by water use: infrastructure, rehabilitation, system maintenance and administration.
- ◆ **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 \$36.18 per two month billing period to **\$39.15** per two month billing period for a typical (3/4-inch) residential water meter. Refer to the attached table for increased water service charges for larger meters.

Water Quantity Charge: Single Family Residence

- ◆ **Tier 1 water rate (0-10 units):** Increase from \$4.36 to **\$4.72** per unit.
- ◆ **Tier 2 water rate (11-25 units):** Increase from \$5.64 to **\$6.10** per unit.
- ◆ **Tier 3 water rate (26-37 units):** Increase from \$8.04 to **\$8.70** per unit.
- ◆ **Tier 4 water rate (38 units and above):** Increase from \$10.78 to **\$11.66** per unit.

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

- ◆ Increase from \$5.64 to **\$6.10** per unit.

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

- ◆ **Tier 1 water rate (0-70 units):** Increase from \$5.64 to **\$6.10** per unit.
- ◆ **Tier 2 water rate (71 units and above):** Increase from \$10.78 to **\$11.66** per unit.

Please see the proposed water rate table on the following page for all applicable rates.

WHERE YOUR WATER COMES FROM

CVWD serves its customers water which is pumped from the ground (produced) by the District through a series of groundwater wells located within the Verdugo Basin and water purchased from Foothill Municipal Water District (FMWD). FMWD is a wholesaler whose primary job is to purchase water from MWD and sell it to retail agencies like CVWD. The purchased water 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 CVWD purchases is nearly three times more expensive than the water the District produces.

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 or parcel number, 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 16, 2015, 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 12, 2015 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 a Special Board meeting which is scheduled for June 30, 2015.

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

PROPOSED WATER RATE TABLE

CURRENT RATES		PROPOSED RATES	
Quantity Charge: Single Family Residences		Quantity Charge: Single Family Residences	
Water Use Range	<u>TOTAL</u>	Water Use Range	<u>TOTAL</u>
Tier 1 1-10 Units	\$ 4.36	Tier 1 1-10 Units	\$ 4.72
Tier 2 11-33 Units	\$ 5.64	Tier 2 11- 25 Units	\$ 6.10
Tier 3 34-50 Units	\$ 8.04	Tier 3 26-37 Units	\$ 8.70
Tier 4 51 Units and above	\$ 10.78	Tier 4 38 Units and above	\$ 11.66
Quantity Charge: Multi-Family Units, Commercial, & Schools		Quantity Charge: Multi-Family Units, Commercial, & Schools	
Base Rate	<u>TOTAL</u> 5.64	Base Rate	<u>TOTAL</u> 6.10
Irrigation Usage Charge:		Irrigation Usage Charge:	
Tier 1 1-70 Units	\$ 5.64	Tier 1 1-70 Units	\$ 6.10
Tier 2 Above 70 Units	\$ 10.78	Tier 2 Above 70 Units	\$ 11.66
Meter Service Charge per two month billing period		Meter Service Charge per two month billing period	
<u>Meter Size</u>		<u>Meter Size</u>	
<u>Within District</u>		<u>Within District</u>	
3/4"	\$ 36.18	3/4"	\$ 39.15
1"	\$ 44.44	1"	\$ 48.08
1½"	\$ 64.88	1½"	\$ 70.20
2"	\$ 82.06	2"	\$ 88.79
3"	\$ 89.48	3"	\$ 96.82
4"	\$ 229.90	4"	\$ 248.75
<u>Outside District *</u>		<u>Outside District *</u>	
3/4"	\$ 36.58	3/4"	\$ 39.55
1"	\$ 44.84	1"	\$ 48.48
1½"	\$ 65.28	1½"	\$ 70.60
2"	\$ 82.46	2"	\$ 89.19
3"	\$ 89.88	3"	\$ 97.22
4"	\$ 230.30	4"	\$ 249.15
Private Fire Protection Service Charge per two month billing period		Private Fire Protection Service Charge per two month billing period	
<u>Meter Size</u>		<u>Meter Size</u>	
<u>Within District</u>		<u>Within District</u>	
1"	\$ 15.14	1"	\$ 16.38
2"	\$ 22.30	2"	\$ 24.13
3"	\$ 33.28	3"	\$ 36.01
4"	\$ 45.12	4"	\$ 48.82
6"	\$ 77.58	6"	\$ 83.94
8"	\$ 118.02	8"	\$ 127.70
10"	\$ 164.80	10"	\$ 178.31
	\$ 165.20		\$ 178.71

One Unit of Water is 1,000 gallons.

* Customers located within the City of Glendale are charged a \$0.40 administration fee per two month period for collection of Glendale Utility Tax.

Note: Water rate charges include the imported water or FMWD charge previously shown as a separate line item.

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

CVWD is a public agency and is governed by five elected Board 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 two month billing period. Visit CVWD's website, www.cvwd.com for more information or contact CVWD at (818) 248-3925. This program is not funded by revenue collected from water bills.

WAYS TO REDUCE YOUR WATER BILL



Outdoor irrigation usually accounts for the largest portion of your water bill. Check your sprinklers regularly to ensure that they are in good operational order. Runoff water from landscape irrigation is not permitted and can result in penalties. Watering outside is currently limited to 2-days per week, Tuesday and Saturday before 9:00 a.m. and after 5:00 p.m. Outdoor irrigation is prohibited during and 48-hours following a measurable rain event.

California is in a serious drought. Please make sure to repair all leaks immediately. You can easily check your water meter to ensure there are no leaks. Low flow shower heads, toilet leak detection tablets, information on water audits, or instructions on how to check your water meter are available at the District's Office located at 2700 Foothill Blvd.

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.

Due to the severity of the drought and mandatory water reductions from the State Water Resources Control Board, **the District is currently in Orange Alert**. Outdoor watering is permitted only on Tuesday and Saturday. Outdoor irrigation is allowed before 9:00 a.m. and after 5:00 p.m. Appropriate hand watering of potted plants and vegetable gardens are excluded from the time limitations.

Residents can report waste of water on the District's website www.cvwd.com or by dialing the water waster hotline, (818) 248-3897. It is the District's approach to work with every customer to come into compliance with District Ordinances.

