

CRESCENTA VALLEY WATER DISTRICT

**2700 Foothill Boulevard
La Crescenta, California**

**Agenda For the
Special Meeting of the Board of Directors
Of the Crescenta Valley Water District
To be held on June 13, 2017 at 6:00 p.m.**

Posted: June 9, 2017 at 3:00 p.m.

Call to Order and Determination of Quorum

Pledge of Allegiance

Adoption of Agenda

Action Calendar

The public shall have an opportunity to comment on any action item as each item is considered by the Board prior to action being taken. This opportunity is non-transferable and speakers are limited to one two (2) minute comment.

1. **Public Hearing** – Proposed Water Rate Increase.

Adjournment

RECEIVED

MAY 03 2017

MONTROSE
CRESCENT VALLEY
WATER DISTRICT

I HAVE BEEN IN
FROM 1996 UNTIL PRESENT
YOU HAVE A RATE CHANGE
EVERY TWO YEARS. WHEN
ARE YOU GOING TO STOP
THIS INCREASE BEHAVIOR

I AM RETIRED AND
THIS RATE CHANGE IS
GOING TO HURT ME.

Steve West

2450 FLORENCIA

MONTROSE

91020



Mr. Michael L. Tierney
2814 Fairmount Ave.
La Crescenta, CA 91214

5-2-17

RECEIVED

MAY 02 2017

CRESCENTA VALLEY
WATER DISTRICT

PROTEST LETTER

Do NOT RIASE the WATER
RATE ON MY HOME.

I AM ON A FIXED INCOME.

2814 FAIRMONT AVE
LA CRESCENT, CA
91214

Michael Tierney
Brenda Tierney

RECEIVED

MAY 09 2017

5/3/2017

CRESCENTA VALLEY
WATER DISTRICT

To Whom It May Concern:

My name is Larry Brown and I am writing in response to the proposed increase in water rates and charges by the Crescenta Valley Water District.

I am unable to attend the board meeting on Tuesday, June 20th but still wanted to have my voice heard. I am strongly opposed to any rate hike in our water bills. It's difficult enough to keep up with all of life's expenses while trying to maintain a family. The last thing we need is for more costs to go up.

Please do not increase rates. I beg this.

Thank you,
Larry Brown
A resident within CVWD service area
4423 Rockland Pl.
Montrose, CA 91020



Letter of Protest

RECEIVED

5/9/17

MAY 15 2017

CRESCENTA VALLEY
WATER DISTRICT

Dear Sir,

I am the owner of the property
at 2840 Altura Ave.
La Crescenta

I am differently against the proposed
rate changes. The water bill
is already too high and the fees
change is ridiculous. Do not do this.

Sincerely

Mrs. Susan Modak

RECEIVED

MAY 18 2017

CRESCENTA VALLEY
WATER DISTRICT

Chester P. Zalewski
2723 Stevens St.
LaCrescenta, Ca. 91214
Czjr1@yahoo.com

Phone: 818- 248- 1147

DATE: 5/16/17

TO COMPANY: CVWD

2700 Foothill Blvd.
LaCrescenta, Ca. 91214

RE: Proposed Rate Increase effective 7/1/17
Public Hearing 6/13/17

Gentle People:

About a year ago, the topic of a rate increased was also being considered, as a result of the drought resulting in a lower consumption while expenses were level.

Needless to say, your board put through another increase.

Your offices are so creative to justify another increase. You remind me of the teachers unions and how the poor children will suffer.

Hasn't the board built in a factor for repair and replacement for the infrastructures over the past years? If not, why not.

Can the board be that short sighted?

People on fixed incomes, do not get raises to offset the increases approved last year and those being considered this year.

I would like the opportunity to review the financial statements or balance sheets for the past 2 fiscal years. The public has a right to determine how the infrastructure allowances were treated in the past.

Needless to say, I do not want any rate increases and the district may consider some internal cost cutting measures other than stating 'we have reduced our expenses to the bone.'

Chester Zalewski

RECEIVED

MAY 22 2017

CRESCENTA VALLEY
WATER DISTRICT

Diane Raber

3416 Gromer Terrace

La Crescenta, Ca. 91214

May 18, 2017

Crescenta Valley Water District

2700 Foothill Blvd.

La Crescenta, Ca. 91214

Ref: Increase in water rates and charges- Protest letter

To whom it may concern:

This protest letter is in regards to the rate increase letter I received the week of May the 8th. Every rate increase is for the same reasons, infrastructure and cost from MWD. I have owned the above referenced house for 24 years and have continued to receive rate increases. Never once has my water rate gone down due to an abundance of water or infrastructure being built and/or maintained within CVWD's budget. I wonder how diligently CVWD has been these past 20+ years at scrutinizing the water supply and aquifers in the area, as well as delving into how FMWD and MWD manage the water resources of the foothill area and Southern California that we keep paying them for.

There are a lot of factors to take into consideration and I understand that. There is CVWD management of the water in our area and how the above organizations (FMWD and MWD) govern water resources for Southern California. Private wells, permitted wells for water extraction, water from the Colorado river, etc. all play a part in water supply and demand. I know that a lot of this CVWD has no control over. However, there are ongoing situations that deplete the dwindling water supply and no one is attempting to control/solve any of it. New housing construction and more people moving into an already overpopulated area is allowed and then rates increase due to demand because there is not enough water to go around. Also, some people follow restrictions and others (mainly businesses) do not. I can't count the amount of times I saw business buildings in Glendale and the surrounding area watering on restricted times or when it was raining with no penalty of any kind imposed. Since we had a large amount of precipitation over the past year, how much of an increase was there to the underground water table that CVWD draws from?

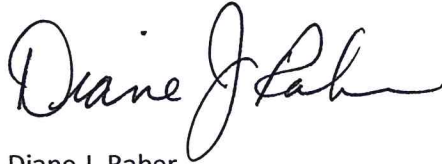
In your letter it also states that, "CVWD reduced spending last year by \$225,000 and was under budget....water." If there has been a reduced spending why is there another rate increased planned at all?

Local, County, State and even federal organizations are not responding to this problem and CVWD seems to just continue to do business as usual without any regard for what others are doing. I have attached an article regarding Nestle Corporation's extraction of water in the local forests with expired permits. There are other expired permits in the attached article. The permits should have been terminated when we entered our drought, but nothing was done by the Forestry Service. This is just one example of an agency not doing due diligence. I am sure that there are many more. Does CVWD have input regarding how water is being handled in Southern California? Does CVWD ever write, call, complain, etc. when other agencies are slacking off or does CVWD just continue to keep paying more and not rock the boat?

I think it is time to ask more sensitive questions of those concerned in the water providing industry. We need to take more control over who is siphoning water, from where and to what extent does it add to the cost that CVWD customers pay because all I see is a continued increase to my water bill. Who else gets water from the same underground sources that CVWD has?

I would like a written response to my letter and information on where I can get CVWD's budget/expenditures for the last 2 fiscal years. Also, I will not be in California for the June 13, 2017 public hearing, but I want my letter to go on record at that meeting that I protest the new rate increase.

Thank you for your time and attention,

A handwritten signature in black ink, reading "Diane J. Raber". The signature is fluid and cursive, with the first name "Diane" being the most prominent part.

Diane J. Raber

Hundreds of water permits expired in national forests

NESTLE'S WATER PERMIT IS ONE OF MANY LEFT UNEXAMINED IN CALIFORNIA'S NATIONAL
FORESTS

[Ian James \(/staff/26669/ian-james\)](#), The Desert Sun

Drawing water from forests

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1,272
<http://www.facebook.com/share.php?u=http%3A//www.desertsun.com/story/news/environment/mmt2015/04/25/hundreds-water-permits-expired-national-forests/26361001/&image=https%3A//www.gannett-cdn.com/-mm-/fa90Sce74fa57aab4e705a0fcbaaalfe4d9c482/c%3D500-0-Tweet>
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The permit that the bottled water company Nestle is using to pipe water out of a national forest lists an expiration date of 1988, and it's just one of hundreds of permits that the U.S. Forest Service has allowed to fall out-of-date in California.

In national forests across the state, many other pipelines are also siphoning off water from wells and springs under expired permits. The pipelines run to the tanks of water districts, as well as to cabins, neighborhoods, and properties such as cemeteries, lodges and ranches.

Because the permits haven't been formally renewed in years, the Forest Service largely hasn't studied how the taking of that water from public lands may be affecting the forests, streams and wildlife.

In an investigation into the use of water from California's national forests, The Desert Sun obtained records for 1,108 water-related permits. Of those, 616 permits are listed as being past their expiration dates — 56 percent of the total.

The permit holders range from individual homeowners to a wealthy and politically connected farmer who is one of California's biggest potato growers.

While many permits are for pipelines, others were issued for wells, springs, dams, water tanks, and irrigation ditches, among other things. On average, the records show the permits have been expired for 12 years.

The backlog has accumulated throughout the agency, in places from the San Bernardino National Forest to the Sierra National Forest. And with the drought leaving much less water in streams to sustain wildlife, some former Forest Service employees say it's urgent that the agency take a hard look at permits issued years or decades ago.

"The permits all need to be reevaluated," said Steve Loe, a retired Forest Service biologist. "These permits were issued in a wetter time. We need to look at them quickly and we need to look at them on a priority basis."

Loe has been demanding that the agency order a halt to Nestle's extraction of water from the San Bernardino National Forest until the ecological impacts can be studied. He's worried about effects on animals that rely on the creeks, such as frogs, salamanders and fish.

Nestle draws water from wells that tap into springs in Strawberry Canyon



(Photo: Jay Calderon/The Desert Sun)

(<http://www.desertsun.com/story/news/2015/03/05/bottling-water-california-drought/24389417/>) north of San Bernardino. The water flows across the national forest in a pipeline and is bottled and sold as Arrowhead 100% Mountain Spring Water.

Nestle Waters North America, a subsidiary of Switzerland-based Nestle SA, has insisted that its bottling of water from the forest isn't causing any harm to streams or wildlife. The company has said it will work with Forest Service toward the reissuance of its permit.

During the past week, company spokeswoman Jane Lazgin said that Nestle's legal group informed her "that under the Administrative Procedure Act, the license has not expired."

She cited a section of the law that says when a licensee "has made timely and sufficient application for a renewal or a new license in accordance with agency rules, a license ... does not expire until the application has been finally determined by the agency."

Forest Service officials have described Nestle's permit as being expired. It was issued in 1978 to Nestle predecessor Arrowhead Puritas Waters, Inc., for the purpose of maintaining water pipelines, wells and other infrastructure.

A 1981 amendment attached to the permit says the document "shall... expire and become void on 8/2/88." The document also says a new permit may be granted provided the holder notifies the supervisor of the national forest "not less than 1 year prior to said date that such new permit is desired."

Forest Service officials recently said they are taking up the issue of Nestle's expired permit and plan to carry out an environmental analysis. They announced those plans after Loe and others raised concerns in emails and letters, and after The Desert Sun inquired about Nestle's permit.

"Since this issue was raised and I became aware of how long that permit has been expired, I have made it a priority to work on this reissuance project," San Bernardino National Forest Supervisor Jody Noiron said in a telephone interview. Given the drought, she said, her staff is also "looking to see if it would be appropriate to impose any kind of interim conditions until we get through the renewal process."

She didn't elaborate on what those conditions might include. Noiron also said she will make it a priority for her staff to examine an expired permit that the Cucamonga Valley Water District uses to draw water from nearby Deer Canyon. The water agency has a contract with Nestle and has been selling water to the company for bottling.

As for why Nestle's permit hasn't been renewed since 1988, Forest Service officials have cited tight budgets and limited staff among the reasons. Here and elsewhere, they've been struggling with a backlog for years.

Loe experienced those pressures firsthand when he worked for the San Bernardino National Forest. But he said it's now become critical that the agency reexamine permits related to water.

"There's nothing more important than water, especially with the drought," Loe said. "In places where they're taking out millions and millions of gallons, you'd better reevaluate that and see if it makes sense in today's world."

Long unchecked

National forests cover about 21 million acres in California, about one-fifth of the state's total land area. A large portion of the state's rain and snow comes down on these public lands, and some of that water has long been piped out of the forests.

Some of the water rights go back more than a century and predate the establishment of the Forest Service in 1905.

The fact that hundreds of water-related permits have expired leaves those uses of water largely unexamined at a time when the drought is heightening concerns about water supplies statewide. While Californians in cities are being told to cut back, the lack of regular reviews by the Forest Service appears to have left little direct oversight of how the extraction of water from national forests may be affecting streams and habitats.

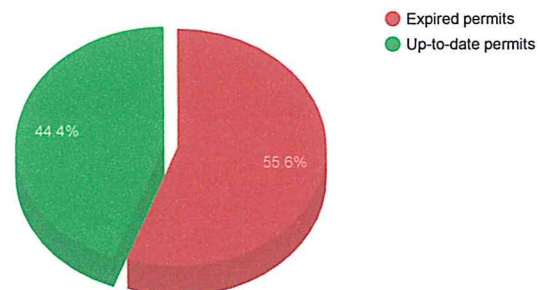
Recently, the Forest Service has announced some steps to shift its priorities in California in response to the drought. The agency's regional office in Vallejo, which oversees all 18 national forests in the state, said this month that it plans to work with state officials to determine "how best to manage the impacts of the current drought on water uses."

That comes in response to Gov. Jerry Brown's order for mandatory statewide cutbacks in water use.

John Heil, a Forest Service spokesman, said the agency will also look at its water-related "special use" permits. He said in an email that the regional office has created "a Drought Committee which includes review of Forest Service practices that involve the use of water."

Expired permits

The Desert Sun obtained records from the U.S. Forest Service listing 1,108 water-related "special uses" permits in national forests in California. The records list many of those permits as being past their expiration dates.



Source: U.S. Forest Service Records
Data analysis: Ian James and Lynne Stephenson, The Desert Sun
Chart: Robert Hopwood, The Desert Sun

That's a significant change from the past, when current and former officials say water permits often haven't been a top priority.

Gene Zimmerman, who headed the San Bernardino National Forest as forest supervisor from 1991 to 2005, said the Nestle permit wasn't renewed during his tenure for various reasons, among them a lack of sufficient funding and staff.

Zimmerman, who is now retired, said he has done occasional paid consulting work for Nestle during the past four or five years. He isn't the only former government official who has taken on a role with Nestle. In fact, former U.S. Agriculture Secretary Ann Veneman, who oversaw the Forest Service from 2001 to 2005, now sits on Nestle's board of directors (<http://www.nestle.com/aboutus/management/boardofdirectors/annveneman>).

Zimmerman said his work for Nestle has been limited to several days per year, and has included studying how the creation of the new San Gabriel Mountains National Monument might affect the company. If Nestle asks for his help in the process of renewing the Forest Service permit, Zimmerman said he expects his role would be to make sure "they were looking at things fairly, appropriately."

"I don't see any conflict," Zimmerman said in a telephone interview. "A lot of time has gone by. A lot of the players are different in the Forest Service, and there's a huge turnover of staff."

As for Nestle, he said, "I think they probably asked me to do some work for them because they felt I took a professional approach and approached my work with integrity, be it Forest Service work or independent work after the Forest Service."

Nestle and the Forest Service have had a cooperative relationship over the years. In 2003, the Old Fire swept through the area and destroyed portions of Nestle's pipeline. Later, deadly floods and mudslides thundered down from the mountains. As Nestle workers rebuilt the pipeline on the mountainside, Forest Service officials oversaw the work. But the agency didn't require a new permit at the time.



(Photo: Jay Calderon/The Desert Sun)

Over the years, Zimmerman recalled, Arrowhead representatives had told him they would like to have the permit reissued. He said they were "uncomfortable operating without a permit as well. They've told me that. They told me that several times."

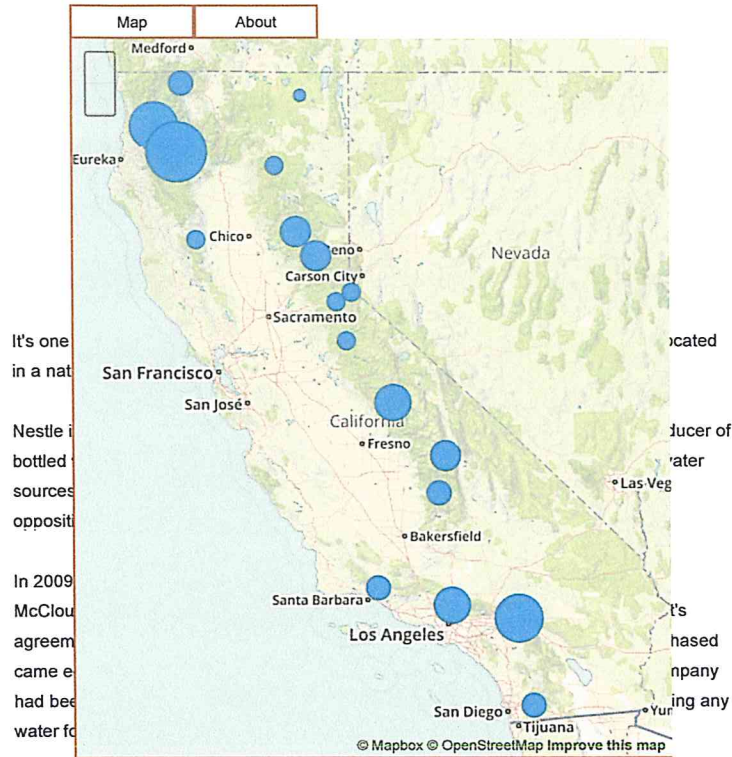
"They feel like they're kind of hanging out not having a permit, and we just said we couldn't get to it with our workload and our budget and our staff that we had, especially when they were being what all of us agreed were pretty darn good stewards of the land," Zimmerman said. "The whole process of reauthorizing a permit can be pretty rigorous, and we just didn't have the money or the budget or the staff to do that."

Zimmerman said the priorities often turned out to be permits for projects such as adding a railroad line or installing power lines or telecommunication lines. He said he largely relied on his staff to prioritize the work, and "there was never an issue that was raised with Arrowhead that got raised to my level."

Earlier this year, as Loe and others publicly raised questions about Nestle's long-expired permit, the company asked Zimmerman to appear in a pair of videos and talk about his experiences with the company. Standing next to Strawberry Creek, Zimmerman said the company has been a "great partner." He dipped the toe of his shoe into the creek and said: "As you can see, it's flowing water, even in this severe drought. ... This canyon looks good to me."

Expired water permits in national forests

The U.S. Forest Service has a backlog of hundreds of water-related permits that are expired in California. Move the cursor over the dots to see the numbers of expired permits for water pipelines in each national forest. Statewide, records show a total of 420 of those permits are expired.



Nestle is now seeking a new source of spring water in Oregon: [Oxbow Springs](http://www.statesmanjournal.com/story/tech/science/environment/2015/04/22/oregon-legislators-protest-nestle-water-deal/26215239/) (http://www.statesmanjournal.com/story/tech/science/environment/2015/04/22/oregon-legislators-protest-nestle-water-deal/26215239/). Under a proposed water rights trade between the city of Cascade Locks and the Oregon Department of Fish and Wildlife, the state would trade some of the water from the springs that it now uses to supply a fish hatchery, and Nestle would obtain spring water. Nine Oregon legislators, however, are urging Gov. Kate Brown to block the transfer, opposing the idea of trading away the public's spring water.

In Southern California, water from Arrowhead Springs has been tapped and sold for more than a century.

The staff of the San Bernardino National Forest, Heil said, "is currently working with the Nestle Corporation to evaluate its expired permit and the environmental impacts of the use."

Heil said the company has requested that its permit be renewed and has been providing information from its records to aid in the process. He said Forest Service officials have started an independent environmental survey.

"We have worked cooperatively with the Forest Service for many years and have maintained payment of the annual permit fee, after having requested the re-issuance of the permit for transmission and operation of the pipeline," Lazgin said. "The Forest Service has given us assurance that our existing pipeline permit remains in effect."

The Forest Service says that while a renewal of a permit is pending, the permit remains in effect provided that the holder meets the terms.

"In terms of Nestle," Noiron said, "they have continued to comply over the years with the terms and conditions that are in that expired permit, while paying their fees."

The national forest has continued to collect a permit fee of \$524 from Nestle each year, and the water is continuing to flow through the pipeline.

Thousands of permits

The Forest Service deals with a long list of permits in addition to those that involve water. There are also permits for cabins, parking lots, mailboxes, power lines, mailboxes, fiber optic cables, and other categories.

Out of about 15,000 permits in the state, approximately 4,500 permits are expired, said Randy Moore, the Forest Service's regional forester in California. Every year, the Forest Service also receives about 2,000 new requests.

"This is a significant impact on the work that we do," Moore said in a telephone interview.

The San Bernardino National Forest has a total of 1,600, including about 300 that are expired, Noiron said. She said about 120 of the expired permits relate to water.

"The workload is huge," Noiron said. "And so when it comes to dealing with the expired permits, the truth of the matter is that we deal with them as we can."

In a 2011 audit report, the U.S. Department of Agriculture Office of Inspector General concluded that the Forest Service "lacks the resources it needs to properly manage" the permits. Among its recommendations, the office said the Forest Service should ensure enough staff to manage the program and carry out inspections and reviews.

In an effort to reduce the backlog of expired permits, the agency's regional office has created a new position for a data coordinator to track the status of permits, and has begun additional training.

Gary Earney, a retired Forest Service employee who used to administer permits, said he suspects the backlog will remain because there simply aren't enough people to do the work.

"It's an outrage," Earney said. "Until we solve the basic budget problem, I don't see any change happening."

Still, he said, it's crucial that the agency examine permits related to water in order to make sure there are adequate water supplies for the forests and the wildlife.

Types of expired water permits in national forests

The U.S. Forest Service provided permit records to The Desert Sun in response to a request under the Freedom of Information Act. The records list a total of 1,108 water-related "special uses" permits in national forests in California, of which 616 permits are expired. This chart shows the categories of the expired permits, many of which are for water pipelines.

Category	Expired permits
Water pipelines	347
Irrigation water pipelines	73
Well, spring or windmill	72
Water diversion, weir	27
Water storage tank	23
Stream gauging station	19
Irrigation water ditch	15
Dam, reservoir	11
Debris and siltation impoundment	11
Wildlife water supply	7
Reservoir	3
Fish ladder	2
Water conveyance easement	2
Water treatment plant	2
Stock water	1
Water quality monitoring station	1

"There needs to be a professional opinion made about which expired water use permits

Source: U.S. Forest Service
Data analysis: Ian James and Lynne Stephenson, The Desert Sun
Chart: Robert Hopwood, The Desert Sun
have a potential to damage the forest environment, and those permits need to be more closely looked at," Eamey said.

In reviewing the list of more than 600 expired Forest Service permits related to water in the state, The Desert Sun found that 420 of those permits were issued for water pipelines. The Forest Service said sometimes water is extracted from private land and the pipeline goes across public land. But in most cases, the water is drawn from wells or other water sources on national forests.

Among other types of expired permits, there were 72 for wells, springs or windmills, 15 for irrigation ditches, and 11 for dams or reservoirs.

Some environmental groups have begun calling for the Forest Service to enforce its expired permits and make sure no more water is drawn from public lands until new permits are put in place.

"They need to be able to safeguard these waters," said Ileen Anderson, a senior scientist with the Center for Biological Diversity. "It's appalling that they have expired water permits where the water is continuing to be extracted, first and foremost, but certainly now with the drought, this should be the top priority to be reevaluating these permits."

'I bought the land for the water'

Larry Minor farms 3,000 acres of potatoes in Southern California. His family business, Agri-Empire (<http://agri-empire.com/>), was started by his father in 1943. It's now one of the biggest potato growers in the state, with farms in Riverside, San Diego and Imperial counties.

During a visit to his ranch in Oak Grove, Minor stood looking out over a pond, telling stories about farming as well as his days as a drag racing champion (<http://bangshift.com/general-news/gearhead-guys-you-should-know-larry-minor/>).

He laughed when asked about his 2011 conviction (<http://www.washingtonpost.com/wp-dyn/content/article/2011/02/24/AR2011022402003.html>) on charges of making illegal campaign contributions through family members and employees to politicians Mary Bono and Jeff Stone. He pleaded guilty, paid a fine, and got three years of probation.

"I did nothing wrong," he said with a smile. "I've never stole a dime from anyone. I only got in trouble for giving away my own money."

Turning to the history of the farm, he explained that he bought it in the early 1980s, and that he chose it in part because plentiful water flowed out of a canyon year-round. That water at first was enough to irrigate potatoes. When it grew drier, he began pumping water from wells.

The farm also has another water source: a steel pipeline that runs three miles from Kohler Springs in the Cleveland National Forest to Minor's pond. The pipeline was laid in the early 1900s, he said, and in wet years it can send water pouring out of the pipe and into the pond at a rate of 50 gallons per minute or more.

"It hasn't run in two years," he said. "The spring is dry."

He said he normally uses the spring water for his cattle to drink. With the pipeline dry, he has been pumping water from a well into the pond instead.

When told that his permit is expired, Minor said he was surprised. Then, he said he would look into getting the permit renewed.

"If the spring is flowing, it saves me pumping a small well in here to water the livestock. It would just save a little bit of money that way," Minor said. Plus, he added, "I bought the land for the water. I think the water needs to stay with the land."

Managers of two small water districts and the owner of a campground had similar responses when contacted by phone about permits that are listed as expired. They said they've continued paying the fees as usual and had thought the permits were up-to-date.

Selling water

Nestle uses water from multiple springs for its Arrowhead brand bottled water. In the San Bernardino National Forest, the company has since 2005 been buying some of that water from the Cucamonga Valley Water District, which holds the rights to water from Deer Canyon Springs.

The district's permit for maintaining the pipes and other infrastructure says the document "shall expire and become void" in 1994. It also says the purpose is to transport water "for domestic purposes."

Eamey said that when he worked for the Forest Service, he disagreed with the water district's interpretation that it was OK to sell the water.

"That's commercial consumption to me, not domestic," Eamey said, adding that he didn't have time to take on the issue in the mid-2000s due to a heavy workload of other permits he had to deal with.

Martin Zvirbulis, general manager and CEO of the Cucamonga Valley Water District, defended the agreement with Nestle, saying it has been beneficial for customers.

"The facilities and the springs and the water belong to us, so it's for public use," Zvirbulis said. "It's for the public benefit."

"This is a good deal for our ratepayers," Zvirbulis said, adding that Nestle has been "an incredible partner."

Zvirbulis said the company has provided support for conservation programs as well as water infrastructure.

It's not clear how much Nestle is paying for the water. A copy of the agreement that the water district provided to The Desert Sun was heavily redacted to remove references to the price paid and other details. The water district cited an exemption in the state's public records law for "trade secrets."

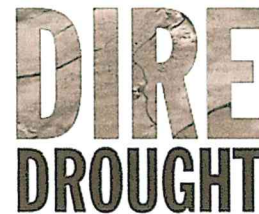
The Cucamonga Valley Water District, which supplies water to more than 190,000 customers, says the earnings from Nestle have allowed it to keep customers' rates lower than they would otherwise be.

Zvirbulis said the water district has kept its permit active by paying the annual fee, and has maintained a good relationship with the Forest Service.

"Our fees are currently paid up through 2018, and so historically the Forest Service has always indicated to us that that was sufficient to keep the permit in good standing," Zvirbulis said. "Our understanding has always been as long as you pay the fees, it's all good and we'll get around to it when we have the opportunity to get around to it."

Lynne Stephenson contributed to this report.

Ian James can be reached at ian.james@desertsun.com (<mailto:ian.james@desertsun.com>) and on Twitter at [@TDSIanJames](https://twitter.com/TDSIanJames) (<https://twitter.com/TDSIanJames>).



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Drought collides with lush image

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Unchecked growth, questions about water

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Expired water permits pile up in national forests

Wendy Holloway

RECEIVED

MAY 25 2017

From: Anne McNeill <anne_mcneill@yahoo.com>
Sent: Thursday, May 25, 2017 11:44 AM
To: customerservice
Subject: Fw: Proposed rate increase

CRESCENTA VALLEY
WATER DISTRICT

Hmmm ... I sent the following email to the email address printed on the flyer about the rate increase, but it did not go through. Very clever of you guys :-) but I am not deterred ...

Anne McNeill
H 818-957-7702
C 818-497-6327

----- Forwarded Message -----

From: Anne McNeill <anne_mcneill@yahoo.com>
To: "water@cvwd.com" <water@cvwd.com>
Sent: Thursday, May 25, 2017, 11:26:03 AM PDT
Subject: Proposed rate increase

Dear pals at the CVWD including Christy and Mr. Love and the lovely ladies in the front office,

I am in agreement that rates need to rise somewhat, but your mailer indicates "a water bill for a typical residence ... using 17 units of water ... during a two-month billing period will increase by \$10.92." Please define "typical" -- or maybe you mean the **average** bill for a typical (still needs a definition) residence. I'm guessing most people use more water in the summer than in the winter, at least those with landscaping; does the "typical" residence in La Crescenta include landscaping?

As you may recall (since my front garden was on the homepage of your website for about 10 years), I have a nicely landscaped and larger-than-average lot, with much of the plant material Mediterranean, California natives and other drought-tolerant plants, and I have a vegetable garden which produces food I eat (the veggies need water, too). I live alone, heat the water I use for washing dishes (instead of letting it run down the drain until it's hot; I do not have a dishwasher), rinse dishes over a bucket and then reuse that water, do not shower every day, do not flush until necessary, and am frugal in the use of my washing machine. I am very serious about water conservation.

However, over the last 15 years, only one year did I average 17,000 gallons per billing period. During the last five years, my average usage was 20.2 to 23.5 thousand gallons per billing period, as I cut back drastically because of the drought, with the obvious decline in much of my landscaping. Over the last 15 years, the number of bills where my water usage was below 17,000 was between one and four bills, and generally only one or two. So either I'm doing something very wrong or I am extremely **atypical**. Or, your calculation of "typical" is, as undefined as it is, inaccurate. I do think you mean "average" not "typical" but I still think a definition would be helpful.

Come on over and help me figure this out!

Sincerely,

Anne McNeill

Anne McNeill
H 818-957-7702
C 818-497-6327

Ron Mitchell

From: Server <contactus@ccsadvantage.com>
Sent: Wednesday, May 31, 2017 8:43 AM
To: customerservice
Subject: Crescenta Valley - Rate Hike

RECEIVED

First Name*:
Aldo

MAY 31 2017

Last Name*:
D'Egidio

**CRESCENTA VALLEY
WATER DISTRICT**

Email*:
aldonena@gmail.com

Phone:
8185416683

Subject:
Rate Hike

Message*:

To whom it may concern

You know in 2015 you raised our rates and then forced us to reduce water consumption with fake Lawns and Rock gardens just like in Arizona Then CVWD 's income \$\$\$\$ fell because of it.

Now to make up for your income Losses back you want to raise our rates again .

Lots of water goes out to the Ocean from Oregon did you build a water pipe line from Oregon to California if so then I can see why for a rate hike.

But you did not and yet you have the nerve to ask us for a "Fn" raise again.!!!! FOOD FOR THOUGHT

RECEIVED
JUN 05 2017
CRESCENTA VALLEY
WATER DISTRICT

June 2, 2017

Crescent Valley Water District
2700 Foothill Blvd.
La Crescenta, CA. 91214

Attn: CVWD Board of Directors

Subject: Letter of Protest

Ref: Crescenta Valley Water District 2017 Proposed Rate Change

Dear Board Members,

Regarding the 2017 Proposed Water Rate Increase, I would like to submit my written protest to the proposed rate increases.

Every year we see rate increases on either the water rates, wastewater rates or both. These increases have become a common annual event unlike other utilities companies and in my opinion places unfair and excessive financial burdens on customers living within the District. Reviewing the Crescenta Valley Water District Cost of Service Study Final Report dated July 20, 2016, it appears customers can expect continued rate increases in the coming years. I have included as Table 1A the projected rate increases so that CVWD customers can see what's potentially ahead. Of course this protest letter does not address wastewater rates that we can expect to follow suit with future increases.

What I find hopeless is that the Cost of Service Study and FY 17-18 Preliminary Budget does not include any quantifiable cost cutting efforts. At last years public board meeting I asked that the District include some cost cutting goals that could quantifiable. My request again appears to go unanswered in reviewing this years preliminary budget worksheets.

Regarding my letter of protest, I would like to identify three (3) areas where I believe Crescenta Valley Water District (CVWD) is not competitive in water rates as illustrated in Table 1. Table 1A and Table 1B are excerpts from the Cost of Service Study and in my opinion form a dark cloud over future rate adjustments.

Additionally, I believe that Single Family Customers are asked to carry the majority of rate increases as illustrated in Table 2. Table 3 outlines the year over year meter service increases imposed on the CVWD customers.

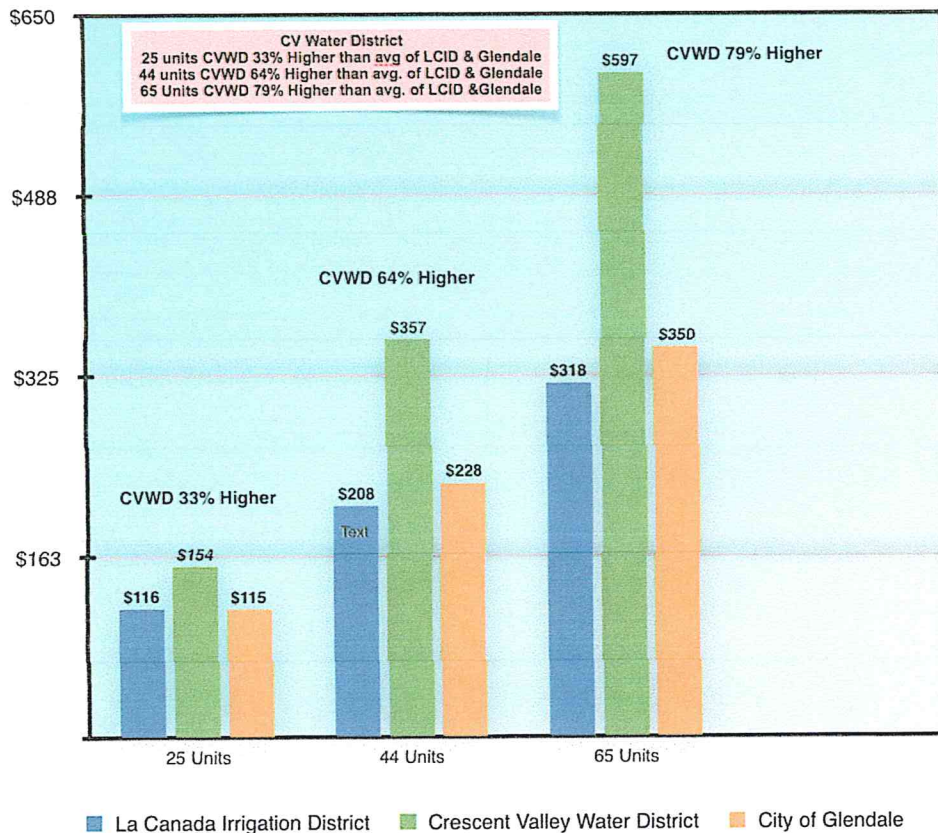
1. How CVWD Water Rates Compare With Neighboring Districts.

Enclosed in Table 1 is a rate comparison which clearly illustrates the rates that CVWD customers pay is substantially **more expensive** than our neighboring Districts.

I believe the rates should be similar to the neighboring communities that have similar geographical terrain, similar age of infrastructure and have to purchase outside water to meet customer requirements. We were told that the cost to pump water into the District was a key driver but only represented 2.8% of last years budget. This should not be a key factor in the rate increases.

Table 1

Water Rate Comparison using CVWD 2017 Proposed Rate Increase "How We Rate With Our Bordering Neighbors"



- Notes:
- Data calculated using CVWD Proposed Water Rate Increase dated 2017
- Data calculated using La Canada Irrigation District web site "Current 2017 Water Rates"
- Data calculated using Glendale City current 2017 water rates on web site and includes the 4% increase in July 2017
- Data calculation based on single family 3/4" service line
- Calculations are rounded for clarity.
- Above prices have been obtained from sources believed reliable but cannot be guaranteed.
- LCID and City of Glendale figures converted from HCF to units. On unit equals 1,000 gallons

Table 1A is an excerpt taken from the Crescenta Valley Water District Cost of Service Study Final Report dated July 20, 2016

Table 1A
Commodity Water Rate Only
What Customers can Expect in Coming Years?

Table 6-26: Proposed Rates for the Commodity Charge for the Study Period (\$/kgal)

Class and Tier	Current Rates	Proposed July 2016	Proposed July 2017	Proposed July 2018	Proposed July 2019	Proposed July 2020
SFR						
Tier 1	\$4.61	\$4.39	\$4.71	\$5.06	\$5.44	\$5.83
Tier 2	\$5.96	\$6.91	\$7.41	\$7.96	\$8.56	\$9.16
Tier 3	\$8.50	\$10.43	\$11.18	\$12.01	\$12.92	\$13.83
Total	\$11.39	N/A	N/A	N/A	N/A	N/A
MFR/Commercial						
	\$5.96	\$6.22	\$6.67	\$7.17	\$7.71	\$8.25
Irrigation						
Tier 1	\$5.96	\$4.80	\$5.15	\$5.54	\$5.96	\$6.38
Tier 2	\$11.39	\$9.20	\$9.86	\$10.59	\$11.39	\$12.19

Table 1B
Excerpt from Cost of Service Study
A 11% Per Year for Salary and Benefits Assumptions

Table 3-1: Inflationary Assumptions

Escalation Factors	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
General			3.0%	3.0%	3.0%	3.0%
Salary			3.0%	3.0%	3.0%	3.0%
Benefits			8.0%	8.0%	8.0%	8.0%
Energy			3.0%	3.0%	3.0%	3.0%
Capital			0.0%	0.0%	0.0%	0.0%

Who is Paying the Highest Rates For The Same Water Within the District?

Table 2 Illustrates the water rate increase for 3 different quantities. First, is consuming 25 Units (25,000 Gallons), second consuming 44 Units (44,000 Gallons) and the third consuming 65 units (65,000 Gallons).

CVWD seems to be fixed on a "Baseline" usage of 17 units for a 2 month period to illustrate the rate increases. I believe that multiple usage points and the corresponding rate increase would more clearly illustrates the real rate increase that Single Family Customers and customers with large land parcels will be subjected to.

An example is in the Cost of Service Study page 52, Section 6.5 Water Customer Impacts Figure 6.1 and Table 1B1 Bill Impacts which illustrates the rate increase over several different usage scenarios.

A Single Family user can use 19 units and pay the same as a multi family user using 17 units. This is the breakeven point on the cost of water and anything after 19 units the Single Family user will be paying \$7.21 vs \$6.49 for the multi user until 27 units. At 27 units the Single Family user is charged \$10.89 per unit while the multi family remains capped at the lower \$6.49 per unit rate.

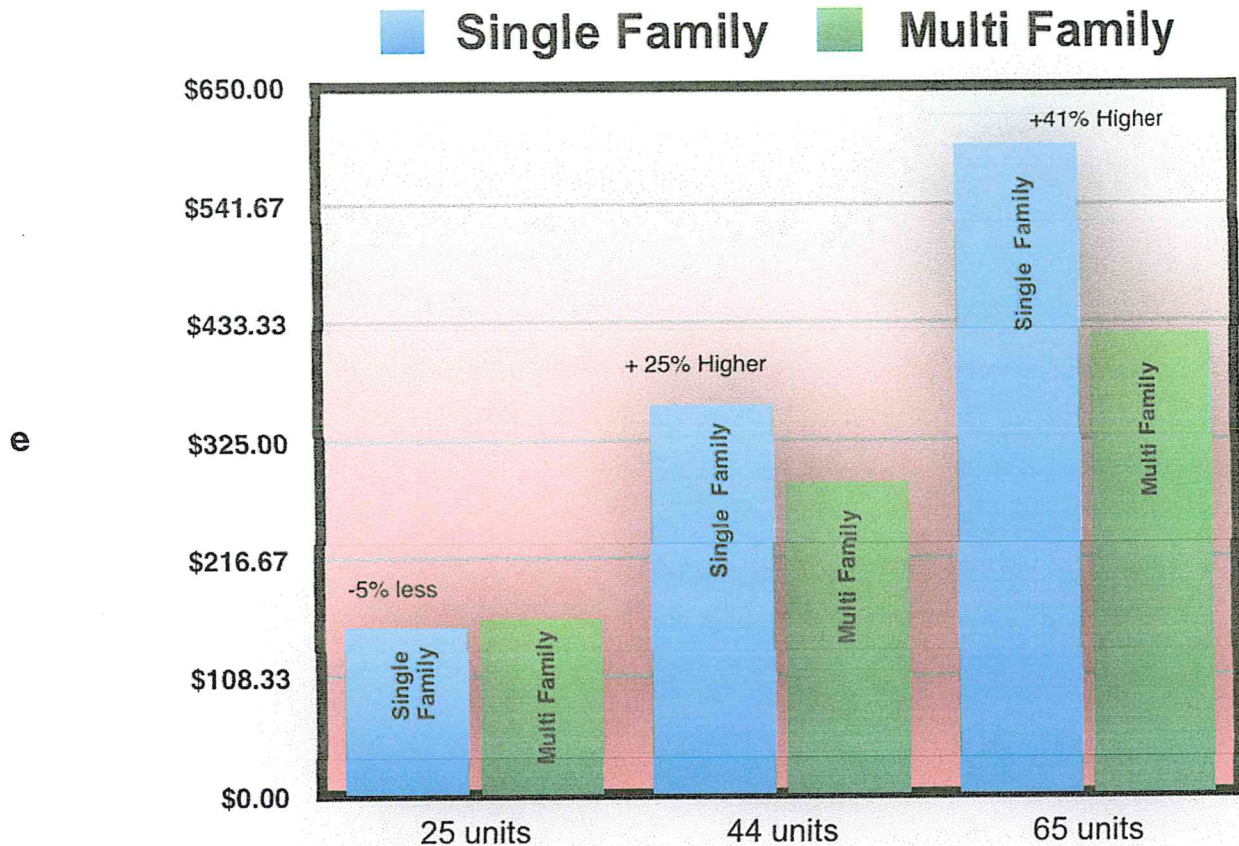
While the Single Family Customer using 25 units is only charged 5% less than a Multi Family the cost exponentially jumps for the Single Family after the breakeven point. A Single Family Customer consuming 44 units would see a **25%** increase and consuming 65 units the Single Family Customer would see a **41%** increase over a multi family rate.

In addition to last years water rate increases CVWD instituted a new water usage charge to be added as a sewer wastewater charge. Although capped at 20 units this added an additional 9% increase in my wastewater rate and most likely a similar increase to many Single Family Customers. During the Public hearings customers expressed concern that this is not fair to customers with large lots and higher water usage for irrigation. The District listened to those concerns however never made any conscious effort to address customer concerns.

2A. Are Single Family and Large Lot Customers Unfairly Paying for Capital Improvements?

The Public Notice of Rate Increase indicates that Capital Improvements are needed hence the need for the rate increase. If monies from water rates are used for this purpose, it appears to me that the Single Family customers and large lot owners are burdened with the majority of Capital Improvement costs whereas these costs should be fairly distributed between all customers. I have read the rationale in the Crescenta Valley Water District Cost of Service Study Final Report dated July 20, 2016 however I feel that the Single Family Consumer is paying more than their fair share.

Table 2
Who Paying the Highest Rates for Water??

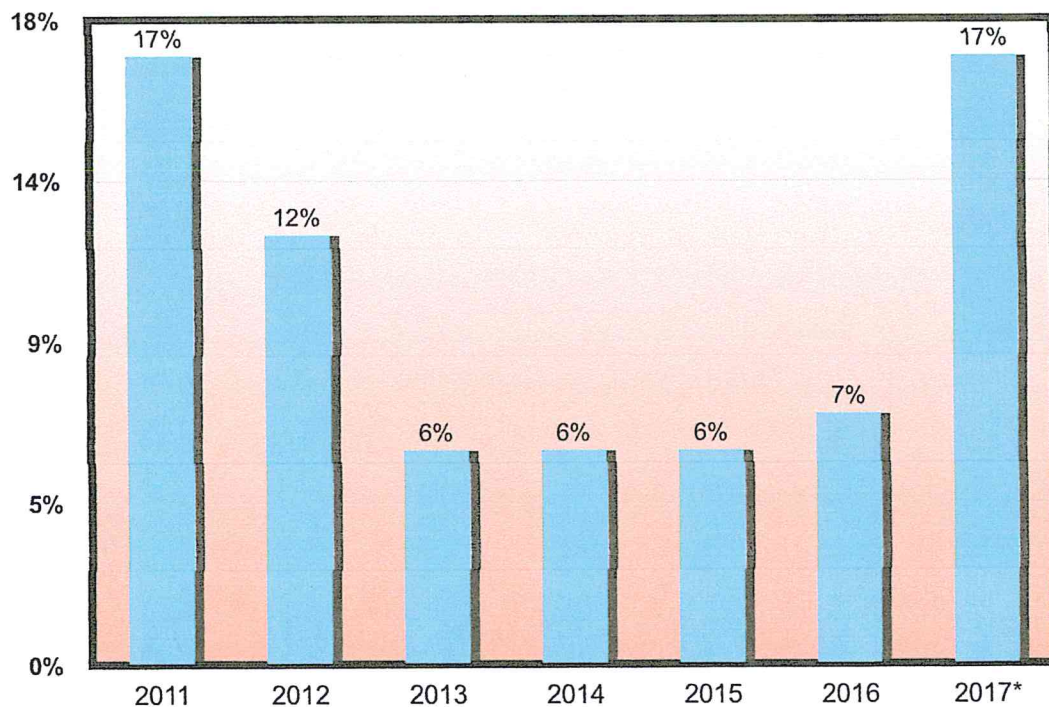


- Single Family pays 5% less for the same 25 units than a Multi Family
- Breakeven price point is Multi family use of 17 units and Single Family use of 19 units.
- Single Family pays 25% more for the same 44 units than multi Family
- Single Family pays 41% more for the same 44 units than a Multi Family
- Data calculated from CVWD Proposed Rate increase dated 2017
- Data calculated using 3/4 inch meter
- Calculations are rounded for clarity.
- Above prices have been obtained from sources believed reliable but cannot be guaranteed.
-

The Annual Meter Service Charge Increases

Table 3 illustrates the year over year increases CVWD customers have been subjected to. This excludes any water charges and does not include any waste water increases. I believe these increases are excessive and far exceed normal inflation. In seven (7) years we have seen a 92% increase in our meter service charge equating to an average of 10% per year. I noticed that the preliminary FY17-18 Budget page 11 showed a 7.2% increase in the water service charge and the public notice to customer shows a 17% increase for a Single Family Customer as illustrated in Table 3.

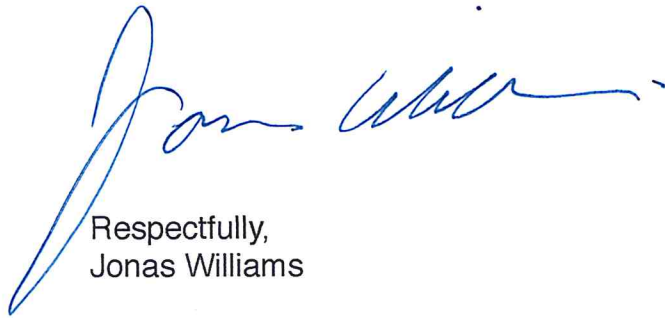
Table 3
Water Meter Rate Increases Average 10% For Last 7 Years



- Notes:
- Percentage rounded to whole number
- * 2017 rate is "Proposed Water Rate Increase"
- Data calculation based on single family 3/4" service line
- Calculations are rounded for clarity.
- Above prices have been obtained from sources believed reliable but cannot be guaranteed.

In Conclusion, I would like to ask the District to make available to all CVWD Customers the answers to my questions.

- Can the District review the Parcel Allocation Development Methodology Page 79 of the CVWD Cost of Service Study to investigate a possible Outdoor Variance for large lot owners?
- With the recent water restrictions lifted what increased revenue will the District collect that could offset the proposed rate hikes?
- Can each elected Board Director tell us how they will vote on the rate increase?
- Can the Board comment on Table 1 B excerpt from the Cost of Service Study on Inflationary Assumptions for salary and benefits increasing at 11% per year?
- What steps need to be taken to stop these double digit rate increases every year?
- Although the Budgets are available on the web site are the year end actuals available to compare actual performance to budget?
- Can the Districts budget include some quantifiable and measurable goals to control or cut costs?

A handwritten signature in blue ink, appearing to read "Jonas Williams", is written over the typed name.

Respectfully,
Jonas Williams

CVWD Service Address:
2915 Alta Ter.
La Crescenta CA.
91214