CRESCENTA VALLEY WATER DISTRICT

2700 Foothill Boulevard
La Crescenta, California

Agenda for the

Regular Meeting of the Board of Directors
of the Crescenta Valley Water District

to be *held* on Tuesday, June 10, 2025, directly following the Public Hearing, at La Crescenta Elementary, 4343 La Crescenta Ave, La Crescenta, CA 91214

This meeting will be conducted in person at the address listed above. Members of the public may also participate virtually by using a touchtone phone. You may select any of the following phone numbers (there are more than one for increased reliability during this time of increased phone traffic)

(669) 900-6833	**(346) 248-7799**	**(929) 205-6099**
(253) 215-8782	**(301) 715-8592**	**(312) 626-6799**

Then, enter Access Code: 625 360 3648

Those members of the public who are able to and would like to additionally participate through computer may access the Zoom audio & video conferencing tool available at the following link:

https://us02web.zoom.us/j/6253603648?omn=85148887421

If there is a disruption of service, this meeting will continue without remote participation. The remote participation option is provided as a convenience to the public and is not required.

Public comment may be made either by emailing comments ahead of the meeting or by speaking over the phone. Emailed comments will be sent to the Board of Directors prior to the meeting and posted on the District's website. Comments may be sent to customer service, at (818) 248-3925 or customerservice@cvwd.com by 3pm on June 10, 2025.

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 the District by phone or in writing at the above email address. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.

Any written materials distributed to the Board in connection with this agenda will be made available at the same time for public inspection at the District office located at the above address and posted on the District's website.

Call to Order and Determination of Quorum

Pledge of Allegiance

Adoption of Agenda

Public Comments

At this time, the public shall have an opportunity to comment on any non-agenda item relevant to the subject matter jurisdiction of the Board. This opportunity is non-transferable, and speakers are limited to one three-minute (3) comment. Under the provisions of the Brown Act, the Board is prohibited from taking action on items not listed on the agenda, except under certain circumstances.

Foothill Municipal Water District Report

1. Report on activities at Foothill Municipal Water District.

Consent Calendar

1. Consideration and approval of the Minutes of the Regular Board Meeting on May 13, 2025, and Regular Board Meeting on May 27, 2025

Action Calendar

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

Information Items

Written Communications to District/Board of Directors

General Manager's Report

Attorney Report

Reports of Committees

- **Community Relations & Emergency Planning Committee**
- **Employee Relations Committee**
- **Engineering, Operations, & Technology Committee**
- **Executive Committee**
- **Finance & Policy Committee**
- **Ad Hoc Committee – PFAS**
- **Ad Hoc Committee – Cyber Security**

Directors' Oral Reports – Reports on issues, meetings, or activities attended by Directors

Members' Request for Future Agenda Items

Closed Session

Adjournment

MINUTES OF REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF CRESCENTA VALLEY WATER DISTRICT

May 13, 2025

Pursuant to the order of the Board of Directors of the Crescenta Valley Water District made at the Adjourned Regular Meeting on April 28, 2025, a Regular Meeting was held on May 13, 2025, at 7:00 p.m. at the District office at 2700 Foothill Blvd., La Crescenta, California and through audio and video conference. A call-in number was clearly noted on the meeting Agenda, posted in accordance with the Brown Act, with James D. Bodnar presiding.

At roll call, the following Directors and staff members were present or online:

Directors:	**James D. Bodnar** **Kerry D. Erickson (absent)** **Jeffery W. Johnson (absent)** **Sharon S. Raghavachary** **Jennifer T. Valdez**
Attorney:	**Ryan Guiboa**
General Manager:	**James Lee**
Director of Engineering and Operations:	**Carla Dillon**
Interim Director of Finance and Administration:	**Arturo Montes**
Staff Members:	**Darlene Telles, Operations and Maintenance Manager** **Arminé Sargsyan, Water Resources & Ext. Affairs Spec.** **Adam Sutphin, Senior Management Analyst**
Guests:	**Anne Newton, Katz and Associates** **David Wolfe, Customer**

<u>**PLEDGE OF ALLEGIANCE**</u>

Mr. Lee opened the meeting by leading the Directors and staff in reciting the Pledge of Allegiance.

<u>**ADOPTION OF AGENDA**</u>

It was moved by Director Raghavachary, seconded by Director Valdez, and carried by a 3-0 vote that the Agenda for the Regular Meeting of May 13, 2025, be adopted.

PUBLIC COMMENTS – None

FOOTHILL MUNICIPAL WATER DISTRICT REPORT – None

CONSENT CALENDAR – None

ACTION CALENDAR

Automated Metering Infrastructure Update Presentation – Mr. Montes gave a presentation on the District's AMI program, which is 93 percent complete. The presentation included accomplishments, benefits to the District, and next steps. Mr. Montes thanked the Board for their confidence in staff in approving the accelerated program. He also thanked staff for their support in seeing the project to near completion.

Award of Contract – Water Reservoir Inspection and Cleaning Services – Edmund No. 1, Oak Creek No. 1 and No. 2 – Ms. Dillon presented the request to award a contract to Harper and Associates for cleaning and inspection of three reservoirs (Edmund No. 1, Oak Creek No. 1 and Oak Creek No. 2) at a cost not to exceed $32,257.50.

Following discussion:
It was moved by Director Valdez, seconded by Director Raghavachary and moved by a 3-0 vote to authorize the General Manager to enter into an agreement with Harper & Associates Engineers, Inc for cleaning and inspection services as part of routine reservoir maintenance FY 25-26 at a cost not to exceed $32,257.50.

Eaton Wildfire After Action Report – Ms. Dillon presented the Eaton Wildfire After Action Report, which incorporated changes as directed by the Board at the April 28 Board meeting. The report was received and filed by the Board. Staff will post the report on the District's website.

Discussion Regarding the Upcoming Public Hearing on June 10, 2025, to Consider Rate Adjustments to Water and Wastewater Services – Mr. Guiboa recommended a general structure for the upcoming public hearing to allow all attendees the opportunity to provide comment and ensure order. Staff will give a brief presentation of the proposed rate adjustments at the start of the hearing. Mr. Lee stated that staff will be collating all questions asked and answers following the meeting.

Director Compensation for Committee Meeting Attendance – Mr. Guiboa provided an update to the District's Rules and Regulations, Article 4. The addition of Item 12: Committee meetings attended by Directors for informational purposes, even if they are not members of that committee.

Following discussion:
It was moved by Director Raghavachary, seconded by Director Valdez and moved by a 3-0 vote to authorize the addition of Item 12: Committee meetings attended by Directors for information purposes, who are not on that committee under Article Four of the District's Rules and Regulations.

<u>Formation of Ad Hoc Committee Regarding Consolidation</u> – Mr. Lee stated that there has been discussion across the Foothill region regarding possible consolidation of Foothill water agencies. He noted that the creation of an Ad Hoc Committee would provide the District with an opportunity to proactively engage in those conversations and ensure alignment with the District's goals and strategic priorities. Director Johnson and Director Raghavachary will form the Ad Hoc Committee on Consolidation.

<u>INFORMATION ITEMS</u> – CV Weekly articles dated May 01, 2025, "Rosemont Preserve Captures Water", May 1, 2025 "Proposed Bill Change by CVWD", CV Weekly Ads "Community Dialogue on Rate Adjustments", "Journey of Water to Your Tap", Hometown Country Fair Collage,

<u>WRITTEN COMMUNICATIONS TO DISTRICT</u> – Sherri Mudd letter to the board and District Response

<u>GENERAL MANAGER</u> – Mr. Montes reviewed the Validated Architecture Design Review (VADR) performed free of charge by the Cybersecurity and Infrastructure Security Agency (CISA). A full report will be presented to the board at a later date. Mr. Sutphin reviewed the Finance and Administration Dashboard, highlighting the first month that no downloads of water usage data from customer meters were needed. Ms. Dillon presented the Engineering and Operations Report, stating that water production continues above the previous year. Ms. Telles reported on the System Operations and Operations and Maintenance dashboards. Well 16 has been placed back in service after rehabilitation, and all of the water main for the Teasley Pipeline Replacement project has been installed and chlorinated.

<u>ATTORNEY REPORT</u> – Mr. Guiboa reported on SB 394 proposing enhanced penalties for water theft and fire hydrants. Current penalties are not sufficient to deter theft. Las Virgenes Water District is sponsoring the bill, which would increase penalties to $2,500 for first violation, up to $5,000 for the second violations and up to $10,000 after that.

<u>REPORTS OF COMMITTEES</u>

<u>Community Relations & Emergency Planning Committee</u> – Director Valdez reported that the Committee had not met; however, a meeting will be scheduled as needed.

<u>Employee Relations Committee</u> – Director Bodnar reported that the Committee had not met; however, a meeting will be scheduled as needed.

<u>Engineering, Operations & Technology Committee</u> – Director Valdez reported that the Committee had not met; not met; however, a meeting will be scheduled as needed.

<u>Executive Committee</u> – Director Johnson reported that the Committee had not met; however, a meeting will be scheduled as needed.

<u>Finance & Policy Committee</u> – Director Raghavachary reported that the Committee had not met; however, a meeting is scheduled on May 15, 2025. This Committee has been named as a "Standing Committee Meeting" and plans to meet the third Thursday of every month.

<u>Ad Hoc PFAS Committee</u> – Director Johnson reported that the Committee had not met; however, a meeting will be scheduled as needed.

<u>Ad Hoc Cyber Security Committee</u> – Director Raghavachary reported that the Committee had not met; however, a meeting will be scheduled as needed.

DIRECTORS' ORAL REPORTS

Director Bodnar – attended the Spring Fling event held at the District and attended the Hometown Country Fair. He also attended the VADR presentation and participated in a discussion with the General Manager and General Counsel on the Brown Act.

Director Erickson – Absent

Director Johnson – Absent

Director Raghavachary – reported on an article in the Las Vegas Review discussing Las Vegas' use of the Colorado River and the anticipation that levels are expected to return to 2022 levels, some of the lowest levels on record.

Director Valdez – Staff conducted a rehearsal of the Customer Onboarding Experience Service at her property. The program aims to increase the level of service the District provides its customers.

BOARD MEMBERS REQUESTS FOR FUTURE AGENDA ITEMS – None

CLOSED SESSION – None

ADJOURNMENT

There being no other business to come before the Board, at 8:2p p.m., the meeting was adjourned to May 27, 2025, at 7:00 p.m.

APPROVED

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Jeffery W. Johnson Board President	Arturo Montes Board Secretary

CRESCENTA VALLEY WATER DISTRICT
ADJOURNED REGULAR MEETING, BOARD OF DIRECTORS
May 27, 2025

Pursuant to the order of the Board of Directors of the Crescenta Valley Water District made at the Regular Meeting on May 13, 2025, an Adjourned Regular Meeting was held on May 27, 2025, at 7:00 p.m. at the District office at 2700 Foothill Blvd., La Crescenta, California and through audio and video conference. A call-in number was clearly noted on the meeting Agenda, posted in accordance with the Brown Act, with President Jeffery Johnson presiding.

At roll call, the following Directors and staff members were present or online:

Directors:	**James D. Bodnar** **Kerry D. Erickson** **Jeffery W. Johnson** **Sharon S. Raghavachary** **Jennifer T. Valdez**
Attorney:	**Ryan Guiboa**
General Manager:	**James Lee**
Interim Director of Finance and Administration:	**Arturo Montes**
Director of Engineering and Operations:	**Carla Dillon**
Staff Members:	**Gabriel Gomez III, Systems Ops & Telemetry Manager** **Darlene Telles, Operations and Maintenance Manager** **Armine Sargsyan, Water Resources & Ext. Affairs Spec.** **Adam Sutphin, Senior Management Analyst**
Guests:	**Frank Colcord** **Therese Reignier** **Nasser Budraa**

PLEDGE OF ALLEGIANCE

Ms. Telles opened the meeting by leading the Directors and staff in reciting the Pledge of Allegiance.

ADOPTION OF AGENDA

It was moved by Director Bodnar , seconded by Director Raghavachary, and carried by a 5-0 vote that the Agenda for the Adjourned Regular Meeting of May 27, 2025, be adopted.

PUBLIC COMMENTS – There were no public comments

FOOTHILL MUNICIPAL WATER DISTRICT REPORT – Mr. Colcord announced that the FMWD Board had scheduled a Joint Special Meeting to discuss possible consolidation and invited the CVWD Board of Directors to join and voice their thoughts and concerns.

CONSENT CALENDAR – No consent calendar items

ACTION CALENDAR

Appeal of High Water Bill at 3101 Hermosa – Mr. Montes presented an appeal from Ms. Therese Reignier, who is the owner of the property located at 3101 Hermosa for possible action to grant a request for relief from a high-water bill due to a leak on the property. Mr. Montes provided correspondence from Ms. Reignier requesting an adjustment to her water bills, the water bill generated relating to the leak involved, and documentation for the repairs made.

Following discussion:

It was moved by Director Bodnar, seconded by Director Raghavachary, and carried by a 4-1 vote to provide relief to the customer by recalculating the excess water usage at Tier 2 rates for this account to consistent with recent Board actions.

Adoption of FY 2025-26 Pay Schedule for CalPERS Compliance – Mr. Montes stated that the California Code of Regulations requires pay schedules to be approved and adopted by the Board of Directors on an annual basis. Mr. Montes presented the pay schedules, which include the authorized cost of living adjustment (COLA) of three percent effective for the July 1, 2025 to June 30, 2026 fiscal year for the AFSCME and Management staff.

Following discussion:

It was moved by Director Bodnar, seconded by Director Raghavachary, and carried by a 5-0 vote to adopt the pay schedule as presented for fiscal year 2025-26.

Employee Handbook – Mr. Montes presented the Employee Handbook, a comprehensive compilation of the District's employment policies organized within a consolidated framework.

Following discussion:

It was moved by Director Johnson, seconded by Director Bodnar, and carried by a 4-1 vote to adopt the Employee Handbook as presented.

FY 2025-26 Proposed Budget – Mr. Montes presented a consolidated summary of the District's budgets, including projected revenues reflecting the proposed rate increases. He also presented the District's key accomplishments for the current fiscal year, along with goals for the upcoming fiscal year, which support the District's budgetary needs. Staff will bring the budget back for Board consideration and approval following the review and decision on the proposed rate increase.

Metropolitan Water District Coalition Letter Supporting the Governor's Delta Conveyance Legislative Package – Mr. Lee stated that the Metropolitan Water District of Southern California was forming a coalition to support the Governor's Delta Conveyance legislative package and the possibility of the District joining in support.

Following discussion:

It was moved by Director Johnson, seconded by Director Bodnar, and carried by a 4-1 vote to join the coalition in support of the Governor's Delta Conveyance legislation.

Discussion on Consolidation – Mr. Lee stated that FMWD will be having a Joint Special Meeting at the La Cañada Unified School Board Room. An ad hoc committee was previously created to address Consolidation, and they are scheduled to meet on Friday, May 30.

Following discussion:

The Board directed General Counsel to agendize the Joint Special Meeting in accordance with the Brown Act.

INFORMATION ITEMS – CV Weekly Crescenta Valley Hometown Country Fair, Thank you". CV Weekly Op Ed "Rebuilding Altadena: A Call for Unity, Innovation and Stewardship.", CV Weekly ad "Register for WaterSmart", CV Weekly ad "Customer Onboarding Experience".

WRITTEN COMMUNICATIONS TO DISTRICT – Letter from Patrick Atwater regarding rate adjustment and consolidation.

GENERAL MANAGER – Mr. Gomez discussed the Water Sampling Workshop that was offered to all employees to increase the District's resiliency during an emergency. Ms. Sargsyan stated that the District is moving forward with a FEMA Recovery Grant for the wildfire response costs. Mr. Lee stated that there is a new section in the GM Report for agreements and contracts that were executed. In May, two agreements were executed, one for Harper and Associates for $28,050 before contingencies and the other for GF Advocacy for a $1,500 retainer for three months.

ATTORNEY REPORT – Mr. Guiboa announced that the EPA modified the MCL compliance deadline for the PFAS Drinking Water Rule to 2031. An updated rule may be announced in Spring of 2026, which is expected to eliminate regulations on PFAS chains that may have MCL's attached to it.

REPORTS OF COMMITTEES

Community Relations & Emergency Planning Committee – Director Erickson reported that the Committee had not met; however, a meeting will be scheduled as needed.

Engineering, Operations, and Technology Committee – Director Valdez reported that the Committee had met on May 14, 2025. A meeting is scheduled for June 11, 2025.

Employee Relations Committee – Director Bodnar reported that the Committee had not met. A meeting will be scheduled as needed.

Finance Committee & Policy Committee – Director Raghavachary reported that the Committee had met on March 15, 2025. A meeting is scheduled for June 19, 2025.

Executive Committee – Director Johnson reported that the Committee had not met; however, a meeting is scheduled for May 29, 2025.

Ad Hoc PFAS Committee – Director Raghavachary reported that the Committee had not met. A meeting will be scheduled as needed.

Ad Hoc Cyber and Physical Security Committee – Director Raghavachary reported that the Committee had not met. A meeting will be scheduled as needed.

Ad Hoc Consolidation Committee – Director Johnson reported that the Committee had not met; however, a meeting is scheduled for May 30, 2025

DIRECTORS' ORAL REPORTS

Director Bodnar – Reported that he attended the Town Council meeting and Town Hall where staff presented the proposed rates.

Director Erickson – Reported he attended the ACWA conference in Monterey, CA. At the conference, he attended discussions on rate studies, AI, the Colorado River, the wildfires, and others.

Director Johnson – None

Director Raghavachary – None

Director Valdez – None

BOARD MEMBERS REQUESTS FOR FUTURE AGENDA ITEMS – None

CLOSED SESSION – None

ADJOURNMENT

There being no other business to come before the Board, at 10:23 p.m., the meeting was adjourned to June 10, 2025, at 7:00 p.m.

APPROVED

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Jeffery W. Johnson	Arturo Montes
President	Board Secretary

NEWS FROM THE CVWD

By CV Weekly on May 29, 2025 · 0 Comments

Summer quickly approaches. This is the time of year that the community begins to use more water, so I thought of sharing some of the proactive steps and innovative approaches we've taken in just the last six months to safeguard your water quality.

1. Calibrated dosing for chlorination *(customer experience)* – While our mission is to deliver safe, reliable water, we also believe our customers appreciate good-tasting water. Our primary treatment agent is chlorine and, while the chlorine levels in the water have always been maintained well within state regulations, we've had several neighborhoods where customers for a number of years have noticed a stronger chlorine taste. Recently we reimagined a more optimized and hands-on approach to water treatment by installing more monitoring devices called chlorine analyzers and taking more active chlorine level reads to further calibrate chlorine dosing. We also installed a device called a peristaltic pump, which feeds chlorine at a steadier rate. We've received much positive feedback from the community on this. Thank you for your input!
2. Water hardness *(customer experience)* – Similarly, while water naturally has high "water hardness" on the West Coast, customers have provided input about the scaling happening with household appliances. We are actively looking into implementing a solution designed to mitigate the higher water hardness that occurs in our water supply.
3. PFAS/PFOA *(proactive and innovative water quality management)* – You've likely heard in the news PFAS, a collective term for a group of man-made chemicals manufactured and used in various industries worldwide for more than 70 years. If so, you've heard of what research shows as alarming health impacts. The state maintains the nation's highest regulatory standards in terms of PFAS levels in the water (four parts per trillion), and the District ensures that our water is well within those standards. However, we believe that we should do what we can to remove outright these contaminants from the water. To that end, the District pursued and secured funding for a pilot project for the most effective and cost-efficient method of removing PFAS and we are moving closer to a future where, at least in our community, it won't be present in our drinking water.
4. Optimized operations *(cost savings)* – The District sends up to 1,500 water quality samples annually to laboratories that provide independent testing and forward those results to state regulators. We recently optimized the routes for those samples. We then considered laboratory alternatives and made a few transitions. Finally, we are embarking on a "water production balance optimization model" that will optimize when and how water is moved through our 96 miles of pipeline, which directly impacts energy usage, one of our largest cost drivers. All of these efforts are geared toward cost savings that can be reinvested into the system or mitigate future rates.

I want to give particular thanks to our new-ish System Operations and Telemetry Manager Gabriel Gomez III for his leadership in tackling this broad range of issues and opportunities.

President of the CVWD board of directors Jeffery Johnson shared, "While I have lived in La Crescenta for over 30 years, I have served on the CVWD board for just the last three years. What has impressed me about the folks who manage the District is that they are not only committed to tackling the big systemic problems facing us, like reduced water supply, aging pipelines and microplastics and contaminants like PFAS, but they are also dedicated to addressing the quality of the water at the tap, like taste and hardness issues, that impacted various neighborhoods in the District."

I am grateful for our board's leadership in setting policy priorities that go the extra mile.

I'm also pleased to announce our new Customer Onboarding Program. This is a welcome program open to new and existing customers. One of the District's customer service representatives will schedule a complimentary service visit to show you how to read your water meter, locate shut-off valves for emergency preparedness, connect you to WaterSmart, which allows you to track your usage and detect leaks immediately to avoid any high bills. Just another way for your community's water and wastewater provider to provide an added layer of value to you and your families.

Thank you to Arminé Sargsyan, Water Resources and External Affairs specialist, and Adam Sutphin, Senior Management Analyst, for developing this benefit for our customers.

In closing, there has been significant outreach from the District and broad coverage here in the CVW regarding our proposed rate structure changes and rate increases. We held several town halls last week, and a lot of good questions came up during after those events. We've provided responses for all of those questions on our website, and you can review them at https://www.cvwd.com/rates. Perhaps we'll see some of you at our public hearing on June 10 at 6 p.m. at La Crescenta Elementary School, 4343 La Crescenta Ave.

Thank you as always for taking the time to read and for continuing the dialogue.

James Lee, General Manager
CVWD

NEWS FROM THE CVWD <<< JAMES LEE added by **CV Weekly** *on May 29, 2025*
View all posts by CV Weekly →

Dear CVWD Customer –

We have gathered discussion points and questions that came up during and after several town halls last week. We are responsible for safely delivering life-giving resources for you and future generations. To honor this commitment, we continue to make financial asks of our customers while implementing innovative ways to control costs. We'd like to take this opportunity to provide additional information for our proposed changes.

Thank you to the Crescenta Valley Town Council and the La Crescenta Library for providing a forum and space for this dialogue.

This is a lengthier communication with the interest of providing comprehensive information. The responses are listed upfront so you have the option of navigating to a particular response.

1. **A review of the 4 key proposed changes to your bill**
    a. Budget-Based Rates – This proposal is to move to a "budget-based" billing system, where budgets for water and wastewater usage are personalized to fit the particular home's or business' needs. This is based on indoor use (people per household and how much each person needs for drinking, household needs, etc.) and outdoor use (square footage of property with plants needing water + a weather factor).
    b. Billing Frequency (Monthly) – This proposal is to move from customers receiving one bill every two months to receiving a bill each month. Over the years, customers have expressed that bi-monthly billing is uncommon and confusing, and this change is based on that input. We're able to make the

change at this time based on the completion of the Advanced Metering Infrastructure (AMI – aka "Smart Meters") program.

c. Rate Increases – This proposal is to increase water rates by an average of 8 percent and wastewater rates by 15 percent effective July 1st of 2025, 2026, and 2027. Many costs like purchased water, energy, and treating wastewater are going up by significantly more than the proposed rate increases. CVWD's innovative efforts to keep costs down mitigate rate increases. However, costs for the District increase every year, and there need to be rate increases to ensure safe and reliable water and wastewater services.
d. Higher Fixed Charges – This proposal is to make revenue more stable. Your water bill has a fixed monthly charge and charges for actual water used. The District collects 40 percent of its revenue from fixed charges and 60 percent from variable charges. We are proposing to increase how much we collect on the fixed charge from about 40 percent to 45 percent. The long-term vision is to increase this balance by about 5 percent incrementally, every three years. Currently, about 80 percent of the District's costs are fixed. Matching costs with revenues makes sense and supports long-term financial and operational planning. We believe this is important when it comes to critical needs like emergency response and providing life-giving resources.

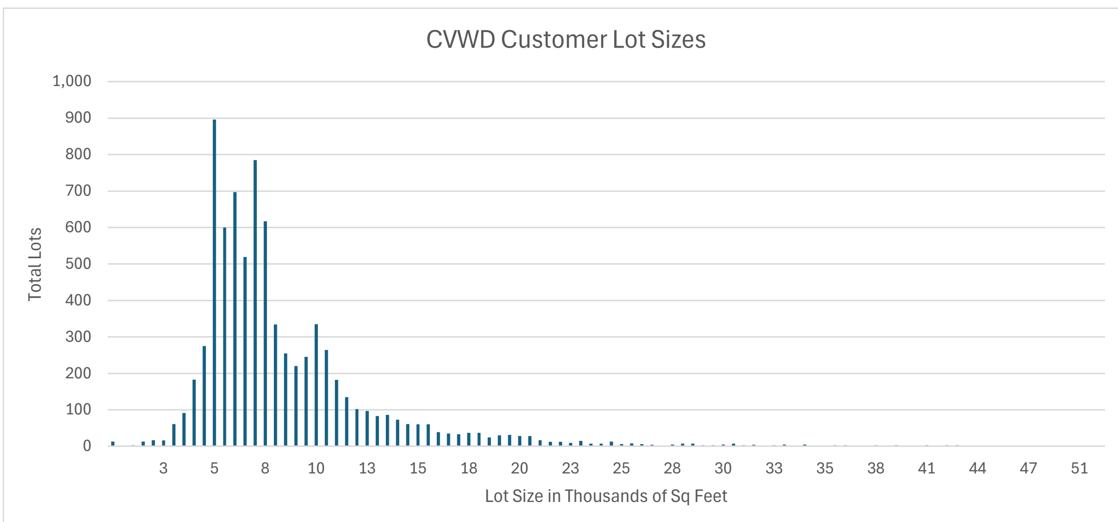
2. **Why are you proposing budget-based rates?** – We are proposing budget-based rates for a number of reasons. Customer input over the years has requested a more equitable rate structure than the "inclining tiers" rates most agencies currently use, including CVWD. We believe budget-based rates are more equitable *(see the next response for more details)*. Also, since water budgets for each home or business can be adapted based on drought conditions, budget-based rates also help preserve water supply when needed during extreme and extended droughts, which are becoming increasingly commonplace. Adaptive water management is also important for meeting State regulatory requirements. For example, in 2024, the State adopted Making Conservation a California Way of Life, a regulation to address increasing water scarcity in CA and neighboring states. This regulation reduces the number of gallons of daily water usage CVWD can allot to each customer over a number of years.

3. **How are budget-based rates equitable?** – We believe budget-based rates are equitable for a number of reasons.

    a. Personalized Budgets – Unlike traditional tier-rate structures (which we currently have), budget-based rates consider individual customer characteristics such as household size and property size to determine water needs. For example, a property with a larger lot would no longer always hit the highest tier (Tier 3) to keep the plants on its property healthy. A single-person household may have a smaller water budget, but they can also save on their wastewater bill because they create less wastewater.

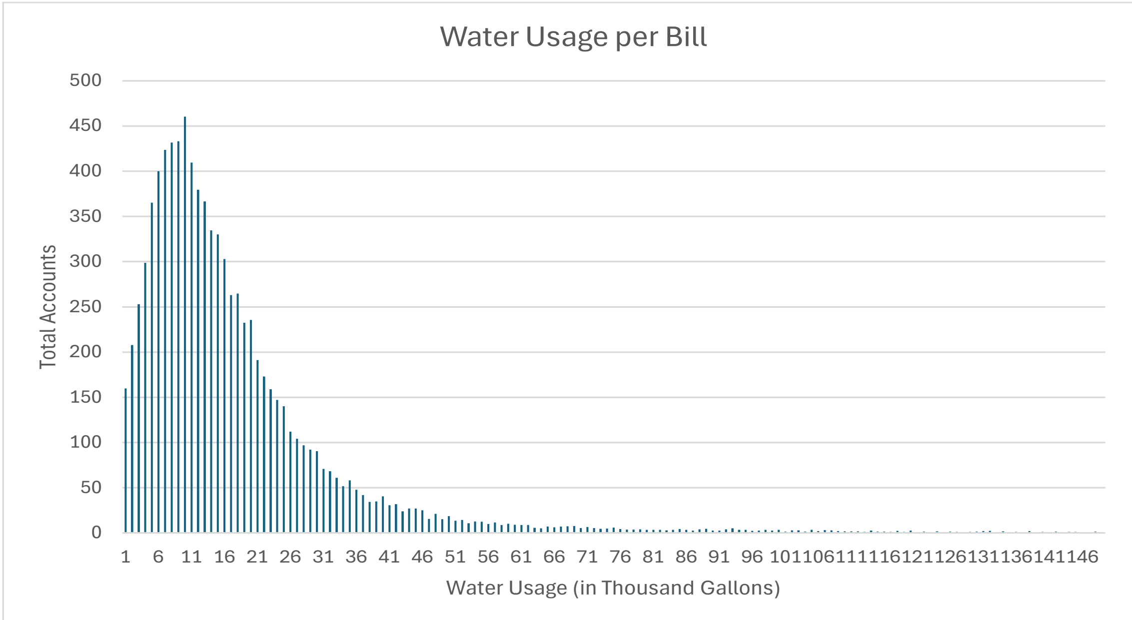
b. Fair Sharing of a Limited Resource – Water is becoming increasingly scarce. With budget-based rates, those who exceed their budget pay more, and those funds can be used to acquire more water supplies or develop conservation programs.

4. **How would these proposed changes impact me?** –
Since the proposed changes include personalized budgets, they will impact each customer differently. Impacts will differ mostly based on: 1) household size; 2) property size; and 3) how much water is used. Let's first show data regarding the community.



For reference, the following are representations of the community in terms of water use, household size, and property size:

Total Accounts – Approximately 8,500 accounts
Average Monthly Water Use – 9,000 gallons per month
Median Monthly Water Use – 6,500 gallons per month
Average Household Size – 3 to 4 (per US Census data)
Average Property Lot Size – 9,700 square feet
Median Property Lot Size – 7,300 square feet



<<Please see the Appendix for a range of scenarios. >>

5. **Why is it important to bring fixed charges closer to fixed costs?** – As mentioned above, about 80 percent of the District's costs are fixed. We are proposing to increase how much we collect on the fixed charge from about 40 percent to 45 percent. Bringing fixed charges closer to fixed costs supports financial resilience. For example, the District needs to maintain infrastructure, service leaks, provide customer service, etc., before a drop of water is sold. We also provide all-hands-on-deck emergency services during fires and earthquakes like the wildfire emergency earlier this year. Many services, from cell phones and cable television to gym memberships and electricity, represent a fixed charge before the first hour or visit or kilowatt used. The long-term vision is to increase this balance by about 5 percent incrementally, every three years.

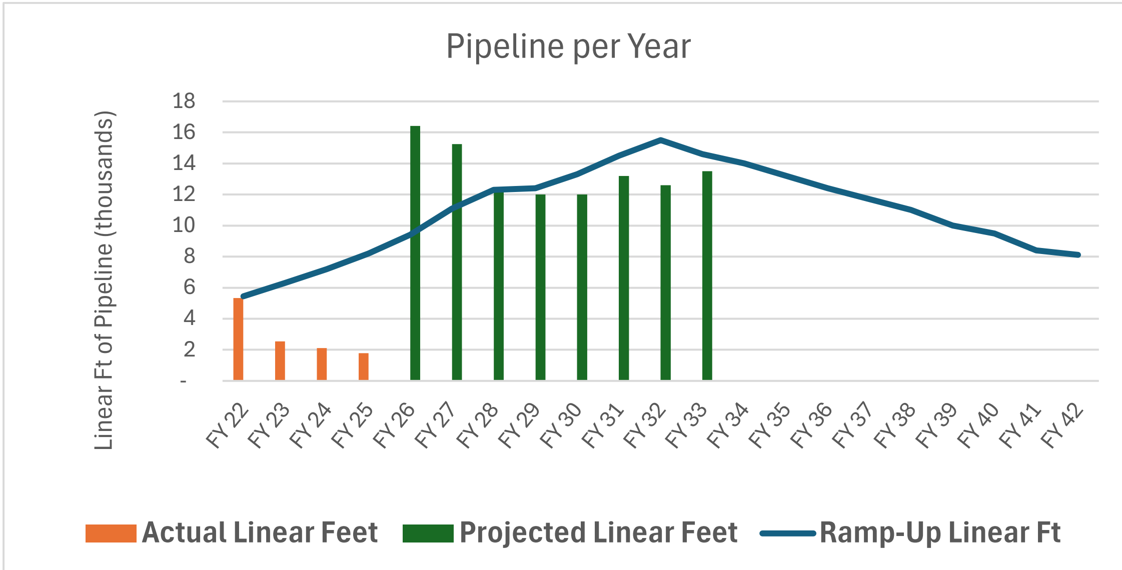
6. **How robust is your Bill Assistance Program?** – We believe that affordability of water for essential use is very important. Thus, CVWD has an industry-leading bill assistance program. Our program leads in the following ways:
   a. Easy to Qualify – The Bill Assistance Program accepts applicants whose household income is up to 250 percent of the Federal Poverty Level. Currently, that equates to a household of 4 earning up to $78,000 annually.
   b. Higher Discount – A 25 percent discount for qualifying customers.
   c. Easy to Apply – Our program automatically grants access for those who already qualify for other assistance programs such as CARE / CalFresh / Medi-Cal.

7. **Why are they called rate adjustments instead of increases?** – The proposed 8 percent rate increase on average for water and 15 percent on average for wastewater, will result in an overall 9 percent increase for the combined water and wastewater bill for the average customer. We called them adjustments to emphasize the proposed change of personalized water budgets for each home and business. Some will see larger increases than others. For example, some customers will see a double-digit percentage increase (more than the average combined 9 percent). This can happen if it's a larger household but doesn't use much water. On the other hand, some may even see a bill reduction between their combined water and wastewater bills. This can happen for a smaller household on a smaller property with low water usage. Please see the end of these responses for several scenarios illustrating how this works. This is also available on our website at www.cvwd.com/rates.

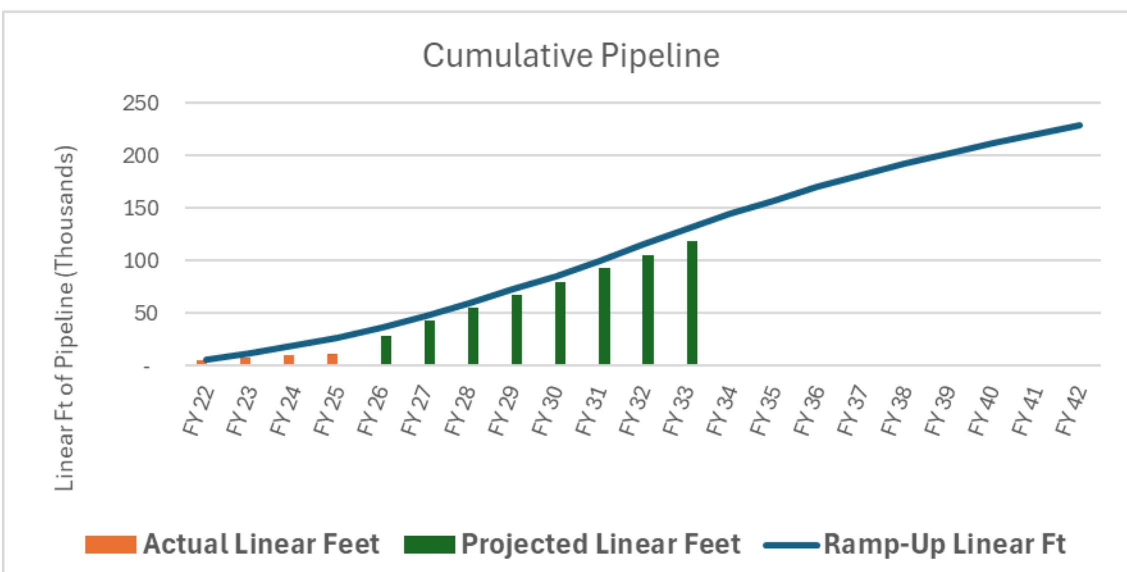
8. **Why do you raise rates every year?** – Rates were not increased in 2020 as a response to the global pandemic. Rates were also not raised last year, during a time of rampant cost increases. This was made possible, in part, by CVWD finding innovative ways to control costs. The District is responsible for raising rates to keep up with associated increases in the costs of doing business. For example, the larger 15 percent rate increases for wastewater are higher based due to multiple years of no rate increases or rates not keeping up with actual cost increases.

9. **What is the status of pipeline replacements?** – In 2020, CVWD committed to an ambitious plan called the Long-Term Infrastructure Reliability and Funding Roadmap (the "Roadmap", for short). Like most public infrastructure in the United States, replacement of critical infrastructure continued to be deferred year after year. For water and wastewater utilities, the pipelines connecting large water mains in the street to homes and the wastewater lines taking sewage away are the backbone to the overall infrastructure. The community has 96 miles of water pipeline under the streets. This was being replaced at a rate of once every 200 years when the useful life is rated at 75 years. The primary goal of the Roadmap plan was to develop a plan to get back on track with a 75-year replacement cycle.

   To jumpstart this initiative and the funding needed to tackle the additional infrastructure, the District secured a $5 million bond (30-year loan) and implemented 3-years of rates increases at 8 percent. At almost the same time, the global pandemic shut the world down, and along with that came significant price increases from pipeline contractors and crippling supply chain shortages.

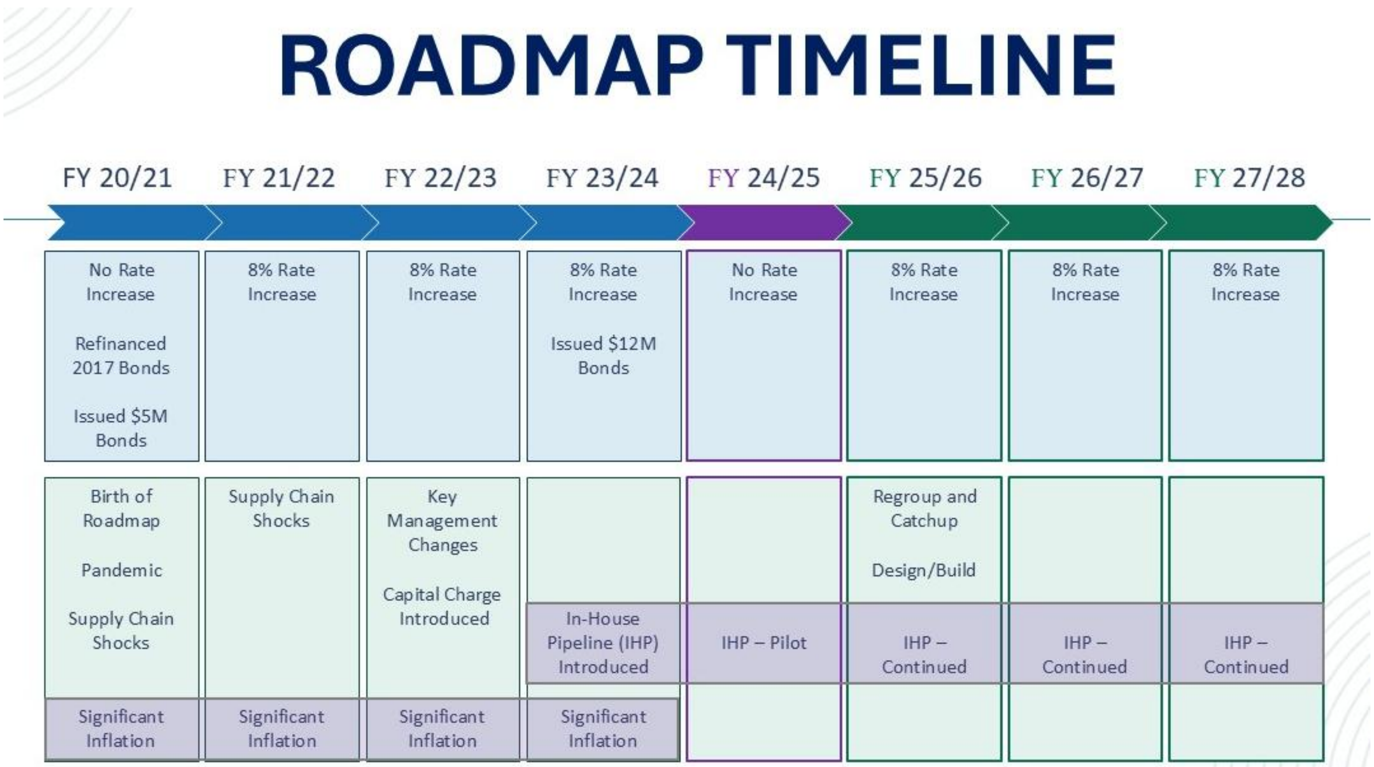


To stay committed to the Roadmap, in 2023, the District implemented a capital charge on the property tax roll. The funds from the capital charge would be dedicated to supplementing pipeline funding, and more specifically, to make loan payments on a $12 million bond and future bonds. Costs continued to skyrocket, and CVWD decided to regroup, favoring effective use of ratepayer's dollars over meeting a commitment to install x feet of pipeline each year. The District took advantage of significant management changeover during the same time to reimagine how it would be possible maintain the Roadmap commitment with today's new costs, and the solution was two-pronged. The first solution is to pursue a "design-build" concept for contracted pipeline work, driving down the cost of contracted work.



The second, more significant solution, was to try an innovative in-house pipeline initiative. The in-house initiative began in early FY 2023-24, and after 6 projects, has shown serious savings.

The plan going forward is to catch up on pipeline missed over the last several years by accelerating over the next several years with a much nimbler design-build model combined with in-house capabilities. Please see the timeline below.



10. **Consolidation has been proposed. Would this reduce fixed costs?** – Consolidation refers to one or more agencies merging to help save overall costs and improve overall service. One of the primary anticipated benefits of consolidation would be a decrease in fixed costs. In other words, the fixed portion of overall costs would likely be lower than the 80 percent CVWD faces today, as discussed earlier. There would likely be fewer assets needed like reservoirs and wells. There would be fewer employees over time for a hypothetical consolidated agency, and large costs like pipeline replacement could be spread over more customers. This concept is being considered by a number of neighboring water and wastewater utilities, including CVWD. However, this is a significantly complex undertaking, and if it were to happen, it would take several years. In the meantime, it remains the District’s responsibility to continue preparing for the future with the best information we have available today.

11. **For the outdoor water budget, have you considered the impact of evaporation for customers who have pools?** – Yes, the outdoor water budget takes the evaporation from your pool into consideration. It takes about the same amount to water a grassy area as it takes to replace the evaporation from your pool.

APPENDIX

Scenario A: A single person who currently uses 3 units per monthly billing cycle and has a property between median and average size of 9,000 square feet. They will have an indoor budget of 1 unit and an outdoor budget of 7 units for a total budget of 8 units, meaning they are using well below their budget. Assumes indoor budget as wastewater usage for the current year.

	Current	7/1/2025	$ Difference	% Difference
Water	**$ 51.94**	**$ 73.13**	**$ 21.19**	**40.8%**
Service Charge	$ 34.06	$ 44.53		
Water Usage				
Tier 1	$ 17.88	$ 5.56		
Tier 2	$ -	$ 23.04		
Tier 3	$ -	$ -		
Wastewater	**$ 31.80**	**$ 12.82**	**$ (18.98)**	**-59.7%**
Service Charge	$ 29.30	$ 12.82		
Wastewater Usage	$ 2.50			
Total	**$ 83.74**	**$ 85.95**	**$ 2.21**	**2.6%**

Scenario B: A single person who currently uses 14 units per monthly billing cycle on their 9,000 square feet property. They will have an indoor budget of 1 units and an outdoor budget of 7 units for a total budget of 8 units, meaning they are using well above their budget and going into Tier 3.

	Current	7/1/2025	$ Difference	% Difference
Water	**$ 168.21**	**$ 240.29**	**$ 72.08**	**42.9%**
Service Charge	$ 34.06	$ 44.53		
Water Usage				
Tier 1	$ 29.80	$ 5.56		
Tier 2	$ 88.72	$ 80.64		
Tier 3	$ 15.63	$ 109.56		
Wastewater	**$ 31.80**	**$ 12.82**	**$ (18.98)**	**-59.7%**
Service Charge	$ 29.30	$ 12.82		
Wastewater Usage	$ 2.50			
Total	**$ 200.01**	**$ 253.11**	**$ 53.10**	**26.5%**

Scenario C: A couple who currently uses 4 units per monthly billing cycle and has a smaller property of 5,000 square feet. They will have an indoor budget of 3 units and an outdoor budget of 5 units for a total budget of 8 units, using under their budget.

	Current	7/1/2025	$ Difference	% Difference
Water	**$ 57.90**	**$ 72.73**	**$ 14.83**	**25.6%**
Service Charge	$ 34.06	$ 44.53		
Water Usage				
Tier 1	$ 23.84	$ 16.68		
Tier 2	$ -	$ 11.52		
Tier 3	$ -	$ -		
Wastewater	**$ 36.80**	**$ 25.64**	**$ (11.16)**	**-30.3%**
Service Charge	$ 29.30	$ 25.64		
Wastewater Usage	$ 7.50			
Total	**$ 94.70**	**$ 98.37**	**$ 3.67**	**3.9%**

Scenario D: The same couple now uses 9 units per monthly billing cycle in their property of 5,000 square feet. They will have an indoor budget of 3 units and an outdoor budget of 4 units for a total budget of 7 units, using above their budget.

	Current	7/1/2025	$ Difference	% Difference
Water	**$ 108.22**	**$ 143.81**	**$ 35.59**	**32.9%**
Service Charge	$ 34.06	$ 44.53		
Water Usage				
Tier 1	$ 29.80	$ 16.68		
Tier 2	$ 44.36	$ 46.08		
Tier 3	$ -	$ 36.52		
Wastewater	**$ 36.80**	**$ 25.64**	**$ (11.16)**	**-30.3%**
Service Charge	$ 29.30	$ 25.64		
Wastewater Usage	$ 7.50			
Total	**$ 145.02**	**$ 169.45**	**$ 24.43**	**16.8%**

Scenario E: A different couple uses 9 units per monthly billing cycle but has the larger property of 9,000 square feet. They will have an indoor budget of 3 units and an outdoor budget of 7 units for a total budget of 10 units, staying just within their budget.

	Current	7/1/2025	$ Difference	% Difference
Water	**$ 108.22**	**$ 130.33**	**$ 22.11**	**20.4%**
Service Charge	$ 34.06	$ 44.53		
Water Usage				
Tier 1	$ 29.80	$ 16.68		
Tier 2	$ 44.36	$ 69.12		
Tier 3	$ -	$ -		
Wastewater	**$ 36.80**	**$ 25.64**	**$ (11.16)**	**-30.3%**
Service Charge	$ 29.30	$ 25.64		
Wastewater Usage	$ 7.50			
Total	**$ 145.02**	**$ 155.97**	**$ 10.95**	**7.6%**

Scenario F: Now, a family of 4 uses 9 units per monthly billing cycle with their property of 9,000 square feet. They will have an indoor budget of 6 units and an outdoor budget of 7 units for a total budget of 13 units.

	Current	7/1/2025	$ Difference	% Difference
Water	**$ 108.22**	**$ 112.45**	**$ 4.23**	**3.9%**
Service Charge	$ 34.06	$ 44.53		
Water Usage				
Tier 1	$ 29.80	$ 33.36		
Tier 2	$ 44.36	$ 34.56		
Tier 3	$ -	$ -		
Wastewater	**$ 44.30**	**$ 51.28**	**$ 6.98**	**15.8%**
Service Charge	$ 29.30	$ 51.28		
Wastewater Usage	$ 15.00			
Total	**$ 152.52**	**$ 163.73**	**$ 11.21**	**7.3%**

Scenario G: Now, a family of 4 uses 14 units per monthly billing cycle and with their property of 9,000 square feet. They will have an indoor budget of 6 units and an outdoor budget of 7 units for a total budget of 13 units.

	Current	7/1/2025	$ Difference	% Difference
Water	**$ 168.21**	**$ 176.79**	**$ 8.58**	**5.1%**
Service Charge	$ 34.06	$ 44.53		
Water Usage				
Tier 1	$ 29.80	$ 33.36		
Tier 2	$ 88.72	$ 80.64		
Tier 3	$ 15.63	$ 18.26		
Wastewater	**$ 44.30**	**$ 51.28**	**$ 6.98**	**15.8%**
Service Charge	$ 29.30	$ 51.28		
Wastewater Usage	$ 15.00			
Total	**$ 212.51**	**$ 228.07**	**$ 15.56**	**7.3%**

Scenario H: Now, a family of 4 uses 20 units per monthly billing cycle and has a property of 9,000 square feet. They will have an indoor budget of 6 units and an outdoor budget of 7 units for a total budget of 13 units.

	Current	7/1/2025	$ Difference	% Difference
Water	**$ 261.99**	**$ 286.35**	**$ 24.36**	**9.3%**
Service Charge	$ 34.06	$ 44.53		
Water Usage				
Tier 1	$ 29.80	$ 33.36		
Tier 2	$ 88.72	$ 80.64		
Tier 3	$ 109.41	$ 127.82		
Wastewater	**$ 44.30**	**$ 51.28**	**$ 6.98**	**15.8%**
Service Charge	$ 29.30	$ 51.28		
Wastewater Usage	$ 15.00			
Total	**$ 306.29**	**$ 337.63**	**$ 31.34**	**10.2%**

Scenario I: Finally, a family of 4 uses 20 units per monthly billing cycle and has a larger property of 13,000 square feet. They will have an indoor budget of 6 units and an outdoor budget of 11 units for a total budget of 17 units. Even though they are over budget, because of their larger lot, they receive a larger relative budget, and increases are minimal because there is more usage going into Tier 2 than Tier 3.

	Current	7/1/2025	$ Difference	% Difference
Water	**$ 261.99**	**$ 259.39**	**$ (2.60)**	**-1.0%**
Service Charge	$ 34.06	$ 44.53		
Water Usage				
Tier 1	$ 29.80	$ 33.36		
Tier 2	$ 88.72	$ 126.72		
Tier 3	$ 109.41	$ 54.78		
Wastewater	**$ 44.30**	**$ 51.28**	**$ 6.98**	**15.8%**
Service Charge	$ 29.30	$ 51.28		
Wastewater Usage	$ 15.00			
Total	**$ 306.29**	**$ 310.67**	**$ 4.38**	**1.4%**

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May 29, 2025

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

Dear Crescenta Valley Water District Board and Staff,

I'm writing as a resident of the Crescenta Valley to express concerns about the proposed changes to the District's rate structure. While I also serve on the Crescenta Valley Town Council, I want to be clear that I am submitting this letter in my personal capacity as a private citizen, not as a representative of the Council.

To be clear, I am not questioning the financial need for rate adjustments. I understand the very real capital demands CVWD faces—aging infrastructure, pipeline replacement, rising treatment and energy costs—and I commend the District for continuing to invest in long-term resilience. I also recognize that implementing rate increases is never easy and that these decisions are not taken lightly.

However, I do have serious concerns about the complexity and opacity of the proposed budget-based rate structure. The financial justification may be sound, but when the system itself becomes difficult to understand, it leads many residents to assume that it is inherently unfair.

Most customers won't be able to easily determine how their budget was set, what assumptions were used, or how they compare to others. When people see their bills go up and are told they've "exceeded their budget"—a budget they didn't define—it breeds confusion and mistrust, regardless of intent.

Additionally, because equity is being defined entirely by the District, using internal formulas that aren't intuitive or easily reviewed, residents are left without a meaningful sense of control or accountability.

When a system is hard to understand, people often assume it's unfair—even when that's not the case. If CVWD wants to maintain public confidence, it must not only make responsible financial decisions, but also ensure those decisions are understandable to the people they affect.

Thank you for your continued service and for your commitment to keeping our community's water systems safe and reliable.

Sincerely,

Chris Kilpatrick