



PUBLIC NOTICE OF PROPOSED INCREASE IN WATER RATES AND CHARGES

Crescenta Valley Water District Board of Directors is considering a staff recommendation for a proposed change in water rates and charges at a public hearing to be held on:

**Tuesday, December 8, 2009, at 6:30 p.m.
2700 Foothill Blvd., La Crescenta, CA 91214**

WHY ARE WATER RATES BEING INCREASED?

- Crescenta Valley Water District's (CVWD) locally produced groundwater is the most cost effective water for the District. Groundwater supplies about 50% to 60% of the water used by District customers. The balance of the water supplied by CVWD to its customers is purchased from Foothill Municipal Water District (FMWD). They buy their water from the Metropolitan Water District (MWD).
- MWD water costs to FMWD increased 20% and that increase was passed on to CVWD on September 1, 2009. FMWD is proposing an additional cost increase to CVWD beginning January 1, 2010.
- CVWD has experienced increases in costs for maintenance and operations due to increases in fuel costs, treatment and disinfection costs, power/electricity costs, labor/benefit costs, and overall maintenance of the water supply and distribution system.

PROPOSED CHANGES

Beginning, January 2010, the cost of purchased water from FMWD will be listed as a separate line item on customer bills. This cost will be automatically adjusted on January 1st of each year for the next five years, to pass through any change (increase or decrease) in purchased water cost. The adjustment will not require any additional action by the CVWD Board of Directors or public hearings. However, at least 30 days before the effective date of the change, CVWD will send a notice stating the amount of any change in the purchased water cost to District customers. The purchased water cost per unit is calculated by dividing the total projected cost of purchased water from FMWD by the projected annual total water consumption. For 2010, the purchased water cost will be \$1.55 per unit (1 unit = 1,000 gallons).

- Tier 1 water rate (0-10 units): Adjust to \$2.05 per unit, add the FMWD charge (\$1.55 per unit) to remain at \$3.60 per unit. The Tier 1 upper limit was adjusted from 8 units to 10 units.
- Tier 2 water rate (11-33 units): Adjust to \$2.63 per unit; add the FMWD charge (\$1.55 per unit) for a total of \$4.18 per unit. The Tier 2 limits were adjusted from 9–40 units to 11–33 units.
- Tier 3 water rate (34-60 units): Adjust to \$3.63 per unit; add the FMWD charge (\$1.55 per unit) for a total of \$5.18 per unit, reflecting the increased cost of imported water. The Tier 3 lower limit was adjusted from 41 units to 34 units.
- Tier 4 water rate (61 units and above): Adjust to \$5.13 per unit; add the FMWD charge (\$1.55 per unit) for a total of \$6.68 per unit, reflecting the increased cost of imported water. Tier 4 limits remain the same.
- Fixed water service charge: Increase from \$24.40 per two months to \$24.88 per two months for a typical (3/4 inch) residential water meter.

HOW DOES THIS AFFECT MY WATER BILL?

The new water bill will be made up of three (3) components:

- A fixed charge based on the size of the meter
- A usage charge based on the amount of water used (local cost)
- An FMWD pass-through commodity cost based on the amount of water used

The overall proposed rate increase will vary depending upon the amount of water used per billing cycle.

A typical residential dwelling unit, for example, that uses 22 units of water per bi-monthly billing period (Tier 2) will see an increase of \$0.44 (from \$110.60 to \$111.04) on water usage per bi-monthly water bill.

Irrigation accounts will be adjusted to \$2.63 per unit of water for up to 70 units and \$5.13 per unit of water for over 70 units per billing period. Add the FMWD charge (\$1.55 per unit) for a total of \$4.18 per unit and \$6.68 per unit respectively.

Multi-family dwellings, commercial accounts, institutions, and schools will be adjusted to \$2.63 per unit, adding the FMWD charge (\$1.55 per unit) for an overall cost of \$4.18 per unit.

CVWD offers a **20% senior low-income discount** for up to 26 units of water per bi-monthly billing. Visit CVWD's website, www.cvwd.com for more information or contact CVWD at (818) 248-3925.

Usage charge for single-family residences per two month billing cycle

	<u>Current</u>		<u>Proposed (effective Jan. 1, 2010)</u>			
	<u>Water Use Range</u>	<u>Total Cost</u>	<u>Water Use Range</u>	<u>Local Cost</u>	<u>FMWD Cost</u>	<u>Total Cost</u>
Tier 1	0 – 8 units	\$3.60/unit	0 – 10 units	\$2.05/unit +	\$1.55/unit	= \$3.60/unit
Tier 2	9 – 40 units	\$4.10/unit	11 –33 units	\$2.63/unit +	\$1.55/unit	= \$4.18/unit
Tier 3	41 - 60 units	\$4.70/unit	34 – 60 units	\$3.63/unit +	\$1.55/unit	= \$5.18/unit
Tier 4	61 units +	\$5.80/unit	61 units +	\$5.13/unit +	\$1.55/unit	= \$6.68/unit

Usage charge for multi-family units, commercial, institutions, & schools per two month billing cycle

<u>Current</u>	<u>Proposed (effective Jan. 1, 2010)</u>		
<u>Total Cost</u>	<u>Local Cost</u>	<u>FMWD Cost</u>	<u>Total Cost</u>
\$4.10/unit	\$2.63/unit +	\$1.55/unit	= \$4.18/unit

Irrigation usage charge per two month billing cycle

	<u>Current</u>		<u>Proposed (effective Jan. 1, 2010)</u>			
	<u>Water Use Range</u>	<u>Total Cost</u>	<u>Water Use Range</u>	<u>Local Cost</u>	<u>FMWD Cost</u>	<u>Total Cost</u>
Tier 1	0 – 70 units	\$4.10/unit	0 – 70 units	\$2.63/unit +	\$1.55/unit	= \$4.18/unit
Tier 2	71 units +	\$5.80/unit	71 units +	\$5.13/unit +	\$1.55/unit	= \$6.68/unit

Service charge based on meter size per two month billing cycle

<u>Meter Size</u>	<u>Within District Boundary</u>		<u>Outside District Boundary</u>	
	<u>Current</u>	<u>Proposed (effective Jan. 1, 2010)</u>	<u>Current</u>	<u>Proposed (effective Jan. 1, 2010)</u>
3/4"	\$24.40	\$24.88	\$24.80	\$25.28
1"	\$30.00	\$30.60	\$30.40	\$31.00
1½"	\$43.80	\$44.68	\$44.20	\$45.08
2"	\$55.40	\$56.50	\$55.80	\$56.90
3"	\$60.40	\$61.60	\$60.80	\$62.00
4"	\$155.20	\$158.30	\$155.60	\$158.50

Private fire protection based on meter size per two month billing cycle

<u>Meter Size</u>	<u>Within District Boundary</u>		<u>Outside District Boundary</u>	
	<u>Current</u>	<u>Proposed (effective Jan. 1, 2010)</u>	<u>Current</u>	<u>Proposed (effective Jan. 1, 2010)</u>
1"	\$11.00	\$11.22	\$11.40	\$11.62
2"	\$16.20	\$16.52	\$16.60	\$16.92
3"	\$24.20	\$24.68	\$24.60	\$25.08
4"	\$32.80	\$33.46	\$33.20	\$33.86
6"	\$56.40	\$57.52	\$56.80	\$57.92
8"	\$85.80	\$87.52	\$86.20	\$87.92
10"	\$119.80	\$122.20	\$120.20	\$122.60

Please note: CVWD bills are mailed bi-monthly (6 times per year).

WHEN IS THE PUBLIC HEARING ON THE PROPOSED WATER RATE INCREASE?

The public hearing will be held on **Tuesday, December 8, 2009, at 6:30 p.m.** at CVWD's office at **2700 Foothill Blvd., La Crescenta.**

Any CVWD customer or property owner within the CVWD service area may file a written protest to the proposed rate changes by sending a letter to CVWD, 2700 Foothill Boulevard, La Crescenta, CA 91214. A valid protest letter must include your name, the address at which you receive service from CVWD, a statement of protest and your original signature.

Protest letters must be received by CVWD before 4:00 p.m. on December 7, 2009, and will be tabulated and presented to the Board of Directors at a public hearing to be held on **December 8, 2009, at 6:30 p.m.** Any customers or property owners may appear at the hearing to make comments regarding the proposed rates.

Upon conclusion of the Public Hearing, the Board of Directors may adopt, revise or modify the increase as proposed. Any water rate increase will be effective on billings after January 1, 2010.

The proposed water rate evaluation is available for inspection at the District's office between 8:00 a.m. and 4:30 p.m., Monday through Friday. The District can also assist you in determining what your water bill would be in the coming year.

If you have questions or need additional information, please contact CVWD at **(818) 248-3925** or e-mail water@cvwd.com.