



PUBLIC NOTICE OF PROPOSED INCREASE IN WATER RATES AND CHARGES

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

**Tuesday, November 1, 2011, at 6:30 p.m.
2700 Foothill Blvd., La Crescenta, CA 91214**

THERE IS A NEED FOR A PROPOSED WATER RATE INCREASE

Crescenta Valley Water District (CVWD), like many other utilities around Southern California, is facing rising costs to maintain and improve its aging water system. Improvements needed include replacing 60+ year-old pipelines, upgrading pumps to bring water from its source to your home, and maintaining water quality to ensure clean, safe, drinking water.

Over the last few years, the Board of Directors has worked with staff to minimize rate increases by reducing operational costs, utilizing reserve funds, deferring maintenance and improvement projects, and minimizing increases in labor & benefit costs.

Before even considering this water rate increase, the District continued to reduce costs and each District employee is doing their part to trim costs as part of their annual goals. Nevertheless, there are day-to-day operational costs that continue to rise, especially in the areas of electricity, fuel and chemical treatment.

The rate schedule presented in this notice is based on using water rates to fund capital improvement projects to improve the water system as well as for operation and maintenance costs. The District is also considering financing a portion of the capital improvements through the sale of bonds. If the Board decides to move in this direction, then the water rate increases may be less than those shown in this notice.

FMWD PURCHASED WATER COST

CVWD receives up to 40% of its water supply from Foothill Municipal Water District (FMWD), which is a member agency of Metropolitan Water District of Southern California (MWD). MWD imports water from both the Colorado River and the State Water Project in Northern California.

Since January 2010, the cost of purchased water from FMWD has been listed as a separate line item on customer bills. The purchased water cost is currently \$1.90 per unit (1 unit = 1,000 gallons). The purchased water cost per unit is calculated by dividing the total projected cost of purchased water from FMWD by CVWD's projected annual total water consumption. If FMWD increases or decreases the cost of purchased water to CVWD in the next five years, the change will be automatically passed through to CVWD's customers. At least 30 days before the effective date of the change, CVWD will send a notice to District customers stating the amount of any change in the purchased water cost.

PROPOSED WATER RATE CHANGES

Under the proposal, rates will be increased in January 2012, and again in July 2012. Future rate adjustments will generally be made effective in July to coincide with the District's fiscal year budget cycle. The proposed rate adjustments are shown on the attached table.

The following is a summary of proposed changes to CVWD's water service charge and water rate structure:

Water service charge: Increase from \$29.00 per bi-monthly billing period to \$31.40 per bi-monthly billing period in January 2012 and to \$32.40 in July 2012 for a typical (3/4-inch) residential water meter. Refer to the attached table for increased water service charge for larger meters.

Single Family Residence Accounts:

- **Tier 1 water rate (0-10 units):** Increase the CVWD component to \$2.00 per unit from \$1.70 per unit; the FMWD pass-through charge remains at \$1.90 per unit for a total of \$3.90 in January 2012 and July 2012.
- **Tier 2 water rate (11-33 units):** Increase the CVWD component to \$3.00 per unit from \$2.63 per unit in January 2012 and to \$3.15 in July 2012; the FMWD pass-through charge remains at \$1.90 per unit for a total of \$4.90 in January 2012 and \$5.05 in July 2012.
- **Tier 3 water rate (34-50 units):** Increase the CVWD component to \$5.10 per unit from \$4.05 per unit in January 2012 and to \$5.30 in July 2012; the FMWD pass-through charge remains at \$1.90 per unit for a total of \$7.00 in January 2012 and \$7.20 in July 2012.
- **Tier 4 water rate (51 units and above):** Increase the CVWD component to \$7.45 per unit from \$5.55 per unit in January 2012 and to \$7.75 in July 2012; the FMWD pass-through charge remains at \$1.90 per unit for a total of \$9.35 in January 2012 and \$9.65 in July 2012.

Multi-Family Dwellings, Commercial, Institution, and School Accounts:

- Increase the CVWD component to \$3.00 per unit from \$2.63 per unit in January 2012 and to \$3.15 in July 2012; the FMWD pass-through charge remains at \$1.90 per unit for a total of \$4.90 in January 2012 and \$5.05 in July 2012.

Landscape/Irrigation Accounts:

- **Tier 1 water rate (0-70 units):** Increase the CVWD component to \$3.00 per unit of water from \$2.63 in January 2012 and to \$3.15 per unit of water in July 2012; the FMWD pass-through charge remains at \$1.90 per unit for a total of \$4.90 per unit in January 2012 and \$5.05 in July 2012.
- **Tier 2 water rate (71 units and above):** Increase the CVWD component to \$7.45 per unit of water from \$5.55 in January 2012 and to \$7.75 per unit of water in July 2012; the FMWD pass-through charge remains at \$1.90 per unit for a total of \$9.35 per unit in January 2012 and \$9.65 in July 2012.

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

HOW DOES THIS AFFECT YOUR WATER BILL?

Your water bill is made up of three (3) components:

- A water service charge based on the size of the meter.
- A CVWD commodity charge based on the amount of water used.
- An FMWD purchased water charge based on the amount of water used.

The proposed rate increase will vary depending upon the amount of water used per bi-monthly billing period.

A typical residence using 22 units of water (Tiers 1 & 2) will experience an increase of \$9.84, from \$119.36 to \$129.20, (approximately 8.2%) per bi-monthly billing period in January 2012 and an increase of \$2.80, from \$129.20 to \$132.00, (approximately 2.1%) per bi-monthly billing period in July 2012.

Protest letters must be received by CVWD before 4:00 p.m. on Monday, October 31, 2011

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

Protest letters will be tabulated and presented to the Board of Directors at a public hearing to be held on Tuesday, **November 1, 2011, at 6:30 p.m. at the CVWD main office.** Any CVWD customer or property owner may appear at the hearing to make comments regarding the proposed rate increase.

The Board of Directors may adopt, revise or modify the rate increase as proposed upon conclusion of the Public Hearing. The Board may not increase water rates and charges more than indicated in this notice.

The proposed water rate evaluation is available for inspection at the District's office at 2700 Foothill Boulevard, La Crescenta, CA 91214 between 8:00 a.m. and 4:30 p.m., Monday through Friday. The District can assist you with answering any questions about your water bill. If you have questions or need additional information, please contact CVWD at **(818) 248-3925** or e-mail water@cvwd.com.

USAGE CHARGE FOR SINGLE-FAMILY RESIDENCES PER 2- MONTH BILLING CYCLE

	Current		Proposed January 2012				Proposed July 2012			
	Water Use Range	Total Cost/Unit	Water Use Range	Local Cost/Unit	FMWD Cost/Unit	Total Cost/Unit	Water Use - Bi-monthly	Local Cost/Unit	FMWD Cost/Unit	Total Cost/Unit
Tier 1	1 – 10 units	\$3.60	0 – 10 units	\$2.00 +	\$1.90 =	\$3.90	0 – 10 units	\$2.00 +	\$1.90 =	\$3.90
Tier 2	11 – 33 units	\$4.53	11 – 33 units	\$3.00 +	\$1.90 =	\$4.90	11 – 33 units	\$3.15 +	\$1.90 =	\$5.05
Tier 3	34 – 50 units	\$5.95	34 – 50 units	\$5.10 +	\$1.90 =	\$7.00	34 – 50 units	\$5.30 +	\$1.90 =	\$7.20
Tier 4	51 units +	\$7.45	51 units +	\$7.45 +	\$1.90 =	\$9.35	51 units +	\$7.75 +	\$1.90 =	\$9.65

USAGE CHARGE FOR MULTI-FAMILY UNITS, COMMERCIAL, INSTITUTIONS, & SCHOOLS PER 2- MONTH BILLING CYCLE

	Current	Proposed January 2012			Proposed July 2012		
	Total Cost/Unit	Local Cost/Unit	FMWD Cost/Unit	Total Cost/Unit	Local Cost/Unit	FMWD Cost/Unit	Total Cost/Unit
Base Rate	\$4.53	\$3.00 +	\$1.90 =	\$4.90	\$3.15 +	\$1.90 =	\$5.05

IRRIGATION USAGE CHARGE PER 2- MONTH BILLING CYCLE

	Current		Proposed January 2012				Proposed July 2012			
	Water Use Range	Total Cost/Unit	Water Use Range	Local Cost/Unit	FMWD Cost/Unit	Total Cost/Unit	Water Use Range	Local Cost/Unit	FMWD Cost/Unit	Total Cost/Unit
Tier 1	0 – 70 units	\$4.53	0 – 70 units	\$3.00 +	\$1.90 =	\$4.90	0 – 70 units	\$3.15 +	\$1.90 =	\$5.05
Tier 2	71 units +	\$7.40	71 units +	\$7.45 +	\$1.90 =	\$9.35	71 units +	\$7.75 +	\$1.90 =	\$9.65

SERVICE CHARGE BASED ON METER SIZE PER 2- MONTH BILLING CYCLE

Meter Size	Current	Proposed January 2012	Proposed July 2012
3/4"	\$29.00	\$31.40	\$32.40
1"	\$35.67	\$38.62	\$39.85
1½"	\$52.07	\$56.38	\$58.18
2"	\$65.87	\$71.32	\$73.59
3"	\$71.81	\$77.75	\$80.23
4"	\$184.52	\$199.79	\$206.15

PRIVATE FIRE PROTECTION BASED ON METER SIZE PER 2-MONTH BILLING CYCLE

Meter Size	Current	Proposed January 2012	Proposed July 2012
1"	\$12.16	\$13.15	\$13.56
2"	\$17.90	\$19.36	\$19.95
3"	\$26.74	\$28.92	\$29.81
4"	\$36.24	\$39.20	\$40.40
6"	\$62.30	\$67.39	\$69.45
8"	\$94.80	\$102.54	\$105.68
10"	\$132.36	\$143.17	\$147.55

Note: Customers located within the City of Glendale are charged a \$0.40 Administration fee per bi-monthly period for collection of Glendale Utility Tax

DISTRICT INFORMATION

The District is governed by a five member Board of Directors elected at-large. The Board meets at 7:00 p.m. every 1st and 3rd Tuesday of each month at CVWD's main office at 2700 Foothill Blvd. in La Crescenta and the District welcomes the public's input. This document and other information regarding the District can also be found on the web site at www.cvwd.com.

CAPITAL IMPROVEMENT PROJECTS PLANNED FOR 2011 & 2012

- Replacement of 1,975 linear feet of 8-inch water main on the 2300 block of Chapman Road and the 3800, 3900 & 4000 blocks of Cloud Avenue
- Rehabilitation of CVWD's Groundwater Well 10
- Emergency water supply interconnection with the Los Angeles Department of Water and Power
- Upgrade of water supply interconnection with FMWD on Ocean View Blvd
- Glenwood Nitrate Removal Treatment Facility rehabilitation including replacement of the nitrate removal resin
- Installation of a radio communication system at the District's 17 operation facilities
- Upgrade of two (2) booster pumps
- Installation of an emergency aboveground diesel storage tank

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

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PLEASE USE WATER WISELY

**Important
Proposed Water Rate
Information Enclosed**