

CRESCENTA VALLEY WATER DISTRICT

2700 FOOTHILL BOULEVARD
LA CRESCENTA, CALIFORNIA

To be held on
June 17, 2021 at 11:00 AM

Agenda for the Meeting of the Community Relations/Water Conservation
Committee

of the Crescenta Valley Water District

Posted June 16, 2021 at 11:00 AM

TELECONFERENCING NOTICE

[This meeting will be held by teleconference only.]

Pursuant to the provisions of Executive Order N-08-21 issued by Governor Gavin Newsom on June 11, 2021, a local legislative body is authorized to hold public meetings via teleconference.

Any member of the public may participate 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: 837 8352 1865

[Pursuant to the above Executive Order, the public may not attend the meeting in person]

Those members of the public who are able to and would like to additionally participate with a computer through videoconference may access the Zoom videoconferencing tool available at the following link – <https://us02web.zoom.us/j/83783521865>.

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 customerservice@cvwd.com. 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.

Call to Order

Adoption of Agenda

Public Comment:

At this time, members of the public shall have an opportunity to address the Committee on items of interest that are within the subject matter jurisdiction of this Committee. This opportunity is non-transferable, and speakers are limited to three (3) minutes each. 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.

Action Item(s)

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

1. **2021/2022 Prop 218 Notice Language (no rates)**
2. **Drought Talking Points**

Committee Member's Request for Future Agenda Items

Next Community Relations/Water Conservation Committee Meeting

Adjournment



PUBLIC NOTICE OF PROPOSED INCREASE IN WATER AND WASTEWATER RATES AND CHARGES

Public Hearing to be held on Tuesday, September 21, 2021, at 6:00 p.m.

Crescenta Valley Water District (CVWD) is considering a 3 year (multi-year), rate increase of up to 8% in water rates and up to 8% in wastewater rates per year

Let's talk about Water Rates and Long-Term Infrastructure Reliability

The CVWD Board and the community have discussed the Long-Term Infrastructure and Funding Roadmap since early 2020. Through the Roadmap process, participants became acutely aware of a significant issue the District is facing and the estimated cost to address it. With much of our infrastructure built in the 1950s, a considerable portion of it has exceeded its life expectancy. The CVWD Board is committed to a long-term plan to address the problem of deferred work on pipelines, wells, reservoirs, and other infrastructure in order to continue providing safe and reliable water to our customers.

Pipelines are the backbone of our infrastructure as they convey water to customers, and pipelines represent the most significant replacement costs. Based on this, the District is implementing a replacement program over the next 20 years that will replace the oldest pipes from the 1950s and 1960s as they exceed their life expectancy. This plan needs funding, and the Board has elected to present a three-year rate increase to support a commitment to long-term planning.

Some Quick Facts

- 45% of our water pipelines are between 50-80 years old
- The average age of our pipelines is 46 years old
- Our oldest operational pipe was installed in 1933
- Current plans call for starting with approximately two miles of pipe to be replaced and “ramped up” over 10 years before ramping back down. This approach allows the District to build reserves and use reserves to pay for pipelines rather than bonds which are associated with costlier interest expense
- If the District keeps pipeline replacement at the current rate, there would be pipes in the ground 200 years or older, which creates a greater risk of failure
- Much of the District’s infrastructure is reaching the end of its useful life—about 80 years—and must be replaced

Since last year, the District has continued to update and add critical information on this topic, including: 1) an analysis of escalation for pipeline replacement costs over the past 20 years; 2) an analysis of pipeline age; 3) future non-pipeline Capital Improvement Projects (CIP) needs such as water supply; 4) the financial cost of bonds and the various risks and benefits of issuing them; and 5) 10-year financial planning scenarios using a “level” plan that replaces 2.1 miles of pipe each year for the next 20 years and a “ramp-up” plan that begins at 1.2 miles and gradually ramps up to 2.9 miles over 10 years and then gradually ramps back down to 1.5 miles at the end of 20 years, then continues at 1.2 miles per year. 6) funding CIP through (Pay as you go) PayGo or bonds (financing).

After much discussion, the Board has elected to present a three-year rate increase using the CIP “Ramp-Up” option that will support infrastructure replacement and minimize the overall long-term costs to the District.

Let's talk about Wastewater and the Cost Of Treatment

The wastewater system's primary expense is the cost paid to the City of Los Angeles for treating the wastewater that is collected in the District's service area and sent to Los Angeles' treatment plant. This comprises almost half of all operating costs. The City of Los Angeles' fees have increased by over 60% over the last 2 years. Other major cost drivers include the maintenance of the wastewater collection system and the sewer interceptor line that transports all CVWD's wastewater to the City of Los Angeles treatment plant in Glendale, California.

Some Quick Facts

- 1.5 Million Gallons per day of wastewater
- 71 Miles of Sewer Pipe
- 1 Lift Station

CVWD Consistently Reduces Costs

The District is committed to efficient operations and continuously evaluates every opportunity to reduce expenses. CVWD has reduced operational expenses by significantly reducing the number of full-time employees and implementing cross-training of personnel to meet operational needs. CVWD also consistently renegotiates long-term contracts. CVWD is moving toward a long-term planning horizon, and one of the benefits will be the ability to secure better terms on construction contracts which are associated with addressing deferred infrastructure.

Why Is There a Need for Rate Increases?

A great deal of infrastructure and system operations is involved in delivering safe and reliable water to customers' homes. For example, groundwater is pumped from wells, and for the remaining demand, raw water is delivered through a vast system of infrastructure from Northern California or the Colorado River. This water is purchased at a premium. The water is treated to stringent State and Federal drinking water standards. Power from SoCal Edison and Glendale Water & Power is used to treat and pump the water to reservoirs that feed into a distribution system and into your homes. Staff serves all customer service needs. Maintenance and operations crews respond to service requests and emergencies whether leaks, sink holes, or main breaks. Fire hydrants are maintained to ensure fire protection.

These are the primary cost drivers, and as with any good or service subject to standard inflation, the cost for these drivers increases on average, 3%-5% annually.

As discussed earlier, aging pipes, reservoirs, pumps, wells and other District assets that are 80 years or older need replacement to avoid critical system failures. The District and its customers cannot afford these critical system failures. In addition to inflation, a component of the rates needs to be set aside to address long-deferred infrastructure.

WATER BILL IMPACT (IF APPROVED)	WASTEWATER BILL IMPACT (IF APPROVED)
If new rates are approved, a water bill for a typical residence with a 3/4-inch watermeter using 17 units of water (17,000 gallons) during a two-month billing period would increase by \$, from \$ to \$.	If new rates are approved, a wastewater bill for a typical residence with a 3/4-inch meter using 17 units of water (17,000 gallons) during a two-month winter billing period would increase by \$, from \$ to \$.

TO ESTIMATE YOUR PROPOSED NEW WATER BILL GO TO WWW.CVWD.COM

CVWD provides both Water and Wastewater services in the community. Not all customers receive both services from the District. This notice applies to all customers who pay their water and/or wastewater bills to CVWD. Any rate increases would apply to each bill paid to CVWD for the services we provide to your residence.

Effective Date: If approved, the increased rates will become effective on all rates and charges on any bill generated after October 1, 2021 for the first year , October 1, 2022 for the second year, and October 1, 2023 for the third year.

PROPOSED WATER RATE CHANGES

Water Meter Rates and Charges

Meter charges ensure that water is available for use at your tap whenever you need it, much like phone, cable, power or other utilities. Also known as fixed charges, they help pay for costs associated with operating and maintaining CVWD's water treatment and delivery system, and they are based on meter size.

<u>Meter Charges (per bi-monthly period) by size</u>	<u>Current Rate</u>	<u>Proposed Rate Effective 10/1/2021</u>
3/4"*		
1"		
1 1/2"		
2"		
3"		
4"		

* Nearly all Single Family Homes have a 3/4" meter.

Fire Protection Charges*

Fire protection charges are for private fire services and provide readiness for fire protection.

<u>Fire Protection Charges (per bi-monthly period) by size</u>	<u>Current Rate</u>	<u>Proposed Rate Effective 10/1/2021</u>
1"		
2"		
3"		
4"		
6"		
8"		
10"		

*Fire protection charges and irrigation rates typically do not apply to Single Family Homes.

Usage Rates And Charges

Usage rates cover costs that vary based on the amount of water delivered, such as imported water and electricity costs. These rates are separated into three tiers for single-family residential customers. The rates are uniform for multi-family, commercial and schools. The rates are separated into two tiers for irrigation customers. All rates are based on bi-monthly usage (1 unit = 1,000 gallons).

<u>Usage Charges (per bi-monthly Period)</u>	<u>Current Rate (per unit)</u>	<u>Proposed Rate Effective 10/1/2021</u>
Tier 1 (1 to 10 units)		
Tier 2 (11 to 26 units)		
Tier 3 (27 units and up)		
<u>Multi-Family, Commercial and Schools</u>		
<u>Irrigation</u>	<u>Current Rate (per unit)</u>	<u>Proposed Rate Effective 10/1/2021</u>
Tier 1 (1 to 80 units)		
Tier 2 (81 units and above)		

Service addresses located within the Glendale annex area pay a \$0.40 tax per 2-month bill, collected by CVWD and paid to the City of Glendale.

PROPOSED WASTEWATER SERVICE CHANGES

SEWER: HOW IS MY WASTEWATER BILL DETERMINED?

The amount of wastewater put into the District’s collection system is estimated based on the prior year’s winter water usage, when water is used less. This usage — up to a two-month maximum of 20 units (20,000 gallons) for a single-family residence — is used to determine the bill for the next 12 months.

Winter Water Usage consists of the 2-month billing period that falls in the range of January through March, depending on the billing cycle.

<u>Single-Family Residence (per bi-monthly period)</u>	Current Rate	Proposed Rate Effective
Service Charge		
Usage Rate - maximum of 20 units based on prior year average winter water use. (New Single Family Residence accounts are assessed based on 8 units until winter water use can be established.)		

<u>Multi-Family Residence (per bi-monthly period)</u>	Current Rate	Proposed Rate Effective
Service Charge per Equivalent Dwelling Unit (EDU)		
Usage Rate - maximum of 15 units per EDU based on prior year average winter water use		

<u>Commercial / Institutional (per bi-monthly period)</u>	Current Rate	Proposed Rate Effective
Usage Rate per 1,000 gallons		
Minimum Charge		

<u>All Schools (per bi-monthly period)</u> ADA (Average Daily Attendance)	Current Rate	Proposed Rate Effective
Elementary School – Usage Rate per 100 ADA		
Middle School – Usage Rate per 100 ADA		
High School – Usage Rate per 100 ADA		
High School – Customer Charge		

Effective Date: If approved, the increased rates will become effective on all rates and charges on any bill generated after October 1, 2021.

PROTEST LETTERS:

Any CVWD customer or property owner within the CVWD water or wastewater service area may file a written protest of the proposed rate changes by sending a letter to: CVWD's main office, 2700 Foothill Boulevard, La Crescenta, CA 91214. A valid protest letter must include your name, a CVWD service address, a statement of protest, and an original signature. Only one written protest per parcel, filed by an owner or tenant, will be counted. For your convenience, there is a protest form available at www.cvwd.com. Electronic submittals of signed protest letters may be scanned and emailed to the District at customerservice@cvwd.com. All protests must be received at the address above no later than September 21st, 2021 at 6:00 p.m. Protest letters received prior to September 16, 2021 at noon will be included in the agenda package distributed to the Board of Directors and posted online at www.cvwd.com.

WHEN WILL THE CVWD BOARD OF DIRECTORS CONSIDER ADOPTION OF NEW RATES AND CHARGES?

The Public Hearing will be held on Tuesday, September 21, 2021, at 6:00 p.m. The hearing will be held through teleconference. The District will post this information for the Public Hearing on the website, but you may call the District at 818-248-3925 to obtain the information. Join the Zoom Meeting <https://us02web.zoom.us/j/99999999999>, **Meeting ID: 999 9999 9999** or Dial by your location.+1 669 900 6833 US (San Jose)

The Board of Directors will meet on September 28, 2021 at 7:00 p.m. to consider the proposed rate changes through teleconference. The Board may adopt, reject, or modify the proposed rate structure. The Board cannot legally increase water rates and charges more than indicated in this notice.

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 Christy Colby by phone or in writing to the District at (818) 248-3925 or customerservice@cvwd.com. 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.

QUESTIONS?

This notice is also available on the CVWD website, www.cvwd.com, or at the CVWD main office. CVWD staff can assist in answering any questions about your bill between 7:30 a.m. and 4:00 p.m., Monday through Friday. If you have questions or need additional information, please call CVWD at (818) 248-3925 or e-mail customerservice@cvwd.com.

**IMPORTANT PROPOSED RATE
INFORMATION ENCLOSED**

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



DROUGHT CONDITIONS 2021

Key Messages

1. Southern California is well-prepared for this year's critically dry conditions, thanks to sound planning and major investments by Metropolitan and local water agencies.
2. Conservation has become a California way of life for the region, with average per person potable water use down 40 percent over the past thirty years. A strong conservation ethic protects the region and magnifies the effectiveness of today's infrastructure.
3. We must continue to plan for future droughts and extreme and unpredictable weather patterns due to climate change by modernizing existing infrastructure and investing in new, innovative and sustainable projects.

Sound Planning & Infrastructure Investments Support Reliability

- Metropolitan is always focused on the future. Extensive planning efforts with our member agencies, and smart investments ensure regional benefits and reliability.
- One success story is water storage. We have 13 times as much storage as we did in 1990, including both surface storage – in Diamond Valley Lake and Lake Mead – as well as groundwater storage that has been developed through partnerships across the state.
- In wet years, large amounts of water are moved into storage. As a result, Southern California began the year with more water in these storage facilities than ever before – a total of 3.2 million acre-feet. That's about two years' worth of typical deliveries.
- Metropolitan's diverse water supply mix also means that when the Sierra Nevada is critically dry and State Water Project supplies are low, as they are this year, we can turn to our Colorado River supplies to help make up the difference.
- The Colorado River Aqueduct is currently operating at full capacity for the first time since 2015. This is made possible thanks to water Metropolitan stores in Lake Mead during wetter years, and water saved through partnership programs with farmers that support land fallowing, crop rotation and irrigation improvements in the region.
- Recent investments in Metropolitan's delivery system has added flexibility, allowing us to deliver water from either of our imported water sources – Northern California or the Colorado River - to most of our 5,200 square-mile service area. This ability stems from lessons learned from the last drought, which highlighted strengths and weaknesses of our system and brought changes that have made us even more resilient.

Water Saved through Conservation Extends Limited Resources

- Since 1990, Metropolitan has invested more than \$1.5 billion in conservation, recycling and groundwater recovery programs that have produced a cumulative 7.2 million acre-feet of water. There are currently 114 local water supply projects in the region that have received Metropolitan funding.
- Over the past 40 years, Metropolitan has provided conservation programs designed to encourage Southern Californians to adopt water-conscious behaviors, as well as supporting legislation that encourages water savings in homes and businesses.
- These conservation programs, including rebates for high efficiency toilets and clothes washers, have helped drive indoor water use down dramatically.
- The same is true outdoors, where there is still a big opportunity to reduce water use. Metropolitan's turf replacement program – which provides a rebate of \$2 per square foot of grass removed – has helped change the face of Southern California yards and transformed nearly 200 million square feet of water thirsty lawns into more sustainable outdoor gardens and landscapes.
- Rebates are also available for efficient irrigation systems, and training classes and tools are offered in multiple languages to help people learn ways to use less water outdoors.

Focusing on Local Projects, Statewide Investments to Help Drought-proof the Region

- Over the years, Metropolitan has provided significant incentives to local water agencies to develop local water supply projects that expand the use of recycled water, stormwater capture, and groundwater recovery. Metropolitan also has invested in its own potential recycled water project that could become the largest advanced water treatment facility in the nation.
- We support actions by the state and federal government to address droughts in California and the West with funding for infrastructure, investments to secure water for low-income communities, and programs to promote water use efficiency.
- Metropolitan's Capital Improvement Program is a necessary, ongoing investment that funds construction, repairs and maintenance on a vast network of pipelines and canals, pumping and water treatment facilities and other essential infrastructure.
- Similar investments are needed to modernize our statewide water infrastructure. This includes the Delta Conveyance Project, which would more sustainably capture more water in big storms – expected to become more common with climate change – and maintain this affordable water supply that serves about 3 million acres of farmland and 27 million Californians.
- Metropolitan also supports investments to repair subsidence that has occurred over the years along the California Aqueduct that serves much of Southern California. As climate change and environmental protections narrow the windows of opportunity to move water in wet years, any loss of carrying capacity threatens California's ability to reliably deliver water to farms, communities, businesses and families.