Crescenta Valley Water District

Responses to Questions & Comments for the
Public Hearing held on June 13, 2023
Regarding the Proposed Capital Charge on the Property Tax Roll

Posted June 21, 2023

Note: The below responses are as collated from the public hearing. Some questions or comments were posed more than once.

How could people have known the meeting was online?

The online meeting was noticed in the Prop 218 notice. It was posted on the website – https://www.cvwd.com/public-hearing – and it was mentioned in the paper. A virtual option is not a requirement, and many agencies have stopped this option. CVWD offered it as a courtesy to encourage attendance. Interested customers may also sign up for meeting alerts - https://www.cvwd.com/home.

What was the cost and linear feet of water pipe installed in recent years?

The cost per linear foot for pipeline installed from 2018-2023 has ranged from $385 to $536, depending on various factors such as contractor bids, length of pipeline per job, etc. The District installed 18,000+ linear feet during that period. Much more will be required to put the District back on track for pipeline replacement. A summary of these costs was recently reviewed during an Engineering Committee meeting https://www.cvwd.com/uploads/files/agendas_packets/2023/05032023%20Eng%20Com%20Packet.pdf (see last page).

Community Advisory Board was disbanded

The Community Advisory Committee was a voluntary committee comprised of interested customers who were provided background regarding District operations. The committee provided the Board and staff with a lot of good general feedback. Toward the end, the committee was unable to come to agreement, and the administration of the committee began to unduly impact staff time and other District costs.

The District is installing material that only lasts 50 years

The majority of the District's pipeline replacements, including installments from the past, are steel pipe and ductile iron to a lesser extent. It is rated for 75 years, which is industry standard. Plastic pipe has become more popular with other districts in recent years, but it has a shorter lifespan. A study to validate installation materials was completed in 2018.

1.5 million pipeline replacement in 2023 to 8.0M 2039. Please explain the large increase. Would like to see clarity on the water bill and sewer bill and would like everything on one bill.

In 2023, the planned pipeline replacement was a little over ½ mile. By 2039, in order to catch up, we are looking at 2 or miles of replacement a year. The replacement pace is scheduled to start ramping back down to 1 ¼ miles a year over the subsequent 10-15 years. In addition, there is inflation, and construction materials and labor tend to increase at a faster pace than other materials. If we use 4.5% as an inflation factor, $1.5 million of pipeline would cost $3.0 million by 2039.

How will this be decided? Will there be a secret vote?

All meetings are open to the public and noticed in advance in accordance with laws and regulations. There will not be a secret vote. The Board is expected to deliberate during the regularly scheduled June 27, 2023 Board meeting. Interested customers may also sign up for meeting alerts - https://www.cvwd.com/home.

What was the salary for the general manager 15 years ago and what is it today?

The District has pay records going back 10 years, when the General Manager was paid $164,040. The last General Manager who recently left was paid $258,430, which represents an annual increase, mostly cost of living and tracking with the labor market, of 4.65%. CVWD believes it is important to pay the General Manager a competitive salary.

Where can I find any grants that will be used to offset this program to help the impact on property taxes?

The District has a very successful history of obtaining grant funding. For example, the District has received a “dollar-for-dollar” match grant for upgrading its larger meters (1 ½” and above) to smart meters. The District’s service area is considered affluent by the US Census Bureau, and many grant-funding agencies use this data, which means that grant funding is limited – https://www.census.gov/quickfacts/fact/table/lacrescentamontrosecdpcalifornia,US/PST045222

Have you examined other options rather than raising our property tax? Federal or state funding. What happened to all the money that was previously used? How much of this increase will go to the board?

The District explores all federal, state, and other funding opportunities. For example, the District financed a bill forgiveness program through the State over the last several years. The District has considered other options such as rate increases to keep up with the cost of doing business. The board receives a per diem for each day they attend a board meeting. The increases in this per diem have averaged much less than the statutory maximum of 5% per year.

What’s the payback period on utility tunnels?

Utility tunnels are typically associated with “closed systems” like a large retirement community or an amusement park. Otherwise, they are cost-prohibitive, and are avenues for heightened and unnecessary liability. In many areas, it is illegal to put water main, sewer pipe, and storm drains in the same utility tunnel.

Why do I pay 3 bills for the same drop of water? I pay Crescenta Valley, Glendale and Hyperion.

For customers for whom CVWD provides both water and wastewater utilities, one bill is sent out every two months. Each bill accounts for water service (both the service to get water to your tap and the water itself) and wastewater service for a two-month period. About half of the sewer bill is used to pay LA City for their Hyperion treatment plant. Customers do not pay LA City directly. Certain customers within City of Glendale pay their wastewater bill to City of Glendale and not to CVWD. The proposed charge on the property tax roll is to replace water pipelines only and is not related to the sewer charge.

Why are you providing your total increases in dollars and not percentages, and where are you spending that money?

It is the first time the charge on the property roll is being proposed. The money is to be spent on catching up on pipeline replacement to save money over the long run.

The General Manager makes 21k a month. Board members get a cost of living increase.

The former General Manager, who left in May, made $21,619 per month. He left for a better compensated opportunity at another water company. The Board recently increased their compensation to $125/meeting for the first time in about 10 years, at which time they had decreased their compensation. Their compensation is well below the average for agencies, many of which pay benefits like health and/or life insurance. They do not receive cost of living increases. Their annual compensation is posted on the District website – https://www.cvwd.com/uploads/files/Board/2021%20Annual%20Compenation.png.

Would like to call for an outside auditor to come in and look at our financials.

The District is audited by an independent auditor each year. Audited financials for the last 9 years are posted on the District's website – https://www.cvwd.com/admin/audited-financial-statements.