



# IT'S ALL ABOUT THE WATER

## DISTRICT WATER RATE INCREASE EFFECTIVE JUNE 2017



Rates are going up for the first time since 2015 to pay for the increasing cost of leak repairs to CVWD's aging pipes. Parts of the water system were installed prior to 1970 and the CVWD has had in place for the past few years a Capital Improvement Plan (CIP) and a significant portion of the CIP budget is devoted to leak identification and repair.

During the past year, CVWD's Field Operator has spent numerous hours researching and locating leaks with the help of Evergreen Rural Water (ERWOW). ERWOW provides leak locating services as a benefit of membership. Several of the leaks that have been located during the past year have already been repaired, most of them by our Operator but there is more work to do, especially with the coming construction season.

So far CVWD has been pay-as-you-go instead of borrowing money that has to be repaid with interest, and has avoided the long term consequences associated with that type of debt. A minimal rate increase will allow CVWD to continue the repairs without borrowing money.

## News for: April 2017

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- ❖ Water Rate Increase
- ❖ Answers to Frequently Asked Questions About Rates
- ❖ Emergency leak repair on a Friday Afternoon

## ANSWERS TO FREQUENTLY ASKED QUESTIONS ABOUT RATES

### Why do the water rates need to be increased?

Water rates need to be sufficient to cover the total cost of service while at the same time, maintaining an adequate operating reserve. The water utility is self-funded meaning that revenues must equal expenditures. The rate increase is necessary so that the utility is financially sustainable and does not fall into deficit spending. The cost to supply the water, store it, and distribute it continues to increase each year. There are also required maintenance of and improvements to the water system to ensure that we have stable and safe drinking water. Even with the ongoing improvements and efficiencies in operations, the costs to provide water to the community will continue to increase and require increase in water rates.

### What will happen if the rates are not increased?

Without this rate increase, we will be unable to financially meet the future repair and replacement demands to our water system which is now over 40 years old. This will lead to increasing infrastructure failures, water interruptions, water loss, roadway damage, and violation of State health and safety regulations. The result will be higher operating costs, thereby depleting the funds that the District has in reserves for major emergencies and for planned infrastructure improvements. While the District currently has adequate operating revenue, if the rates are not increased in small amounts each year, the water system will become financially unstable and require much larger increases in the future



### **Did you know.....**

That the last time the District raised the rates was in 2015. Before that, they were not raised since 2011.

## THE STORY OF AN EMERGENCY LEAK REPAIR ON A FRIDAY AFTERNOON

At 3:30 pm in the afternoon of Friday 3/31, CVWD was notified of the presence of large amounts of water in a nearby ditch overflowing across the road, which turned out to be a major water leak at the intersection of Golden Valley Blvd and Chestnut. The cause was a large diameter root from a dead Cottonwood tree in the nearby right of way that had penetrated the 6 inch AC water main, resulting in a break in the pipe so big that large quantities of water eventually surged to the surface. The services of a contractor from CVWD's small work roster were enlisted, and CVWD's Operator had it repaired before 9 pm. So if you see a puddle that looks out of place, please advise CVWD, because it may be a leaky pipe.

*Have you been to the CVWD website?*

*Go to [www.cv-wd.com](http://www.cv-wd.com), to pay your bill, sign up for paperless billing, and discover a variety of water information.*

## WHAT ARE THE 2017 CAPITAL IMPROVEMENT PLAN (CIP) PROJECTS?

### 1. Residential Meter Replacement - Project #WS-003 Total Projected Costs: \$293,050

In 2004 & 2005, the District installed residential meters on every lot within the water system to satisfy the WA State DOH, Water Use Efficiency requirements and also use as an aid in determining the system's unaccounted for water (water loss). The meters at the time of install had an approximate life span of 10 years.

**The issue:** It has now been over 10 years since the meters were installed and the District has discovered that the transmitters have begun to show signs of rapid failure.

**Solution:** The District serves 1,570 lots and since all of the meters were installed within a short period of time of each other, the meters have been failing at a more rapid pace recently, demanding a more aggressive meter replacement program until all meters have been replaced with the new 20-year meters. In 2016, CVWD staff was able to replace over 700 meters, but there still are a little over 800 more to be replaced which are scheduled for replacement this year.

#### Other Misc. Projects:

1. Replace A/C Main (9 Identified Leaks)	Project #WS-001	Projected Costs: \$30,000
2. Fire Hydrant Replacement / Repair	Project #WS-005	Projected Costs: \$15,000
3. Back-Up Generator (Office)	Project #EQP-003	Projected Costs: \$ 8,000
4. Clean Reservoirs	Project #WS-006	Projected Costs: \$ 3,500
5. Misc. System Maintenance	Project #GEN-006	Projected Costs: \$ 6,200

## WHAT ARE THE 2017 RATES AND HOW WILL YOUR BILL LOOK?

Rate Schedules:	Old Rate	New Rate	Effective June 2017 Billing
<b>Basic Changes (No gallons included)</b>	\$37.50	<b>\$38.00</b>	Increase of \$.50 per connection
<b>Gallons used between 1-4,000 gallons</b>	\$.014 per 10 gallons	<b>\$.03 per 10 gallons</b>	Increase of \$.016 per ten gallons
<b>Gallons used between 4,001-10,000 gallons</b>	\$.020 per 10 gallons	<b>\$.04 per 10 gallons</b>	Increase of \$.02 per ten gallons
<b>Gallons used between 10,001-999,999 gallons</b>	\$.030 per 10 gallons	<b>\$.05 per 10 gallons</b>	Increase of \$.02 per ten gallons

Some examples of what your bill will look like with the new rate schedule (also add the \$2.00 street light charge):

If you used no water in a month	Basic Charges	\$38.00	Old Rate	\$37.50
If you used 1,000 gallons in a month	Basic Charges	\$38.00	Old Rate	\$37.50
	Consumption	<u>\$ 3.00</u>	Old Rate	<u>\$ 1.40</u>
	<b>Total Water Portion</b>	<b>\$41.00</b>	Total at Old Rate	\$38.90
If you used 2,000 gallons in a month	Basic Charges	\$38.00	Old Rate	\$37.50
	Consumption	<u>\$ 6.00</u>	Old Rate	<u>\$ 2.80</u>
	<b>Total Water Portion</b>	<b>\$44.00</b>	Total at Old Rate	\$40.30
If you used 5,000 gallons in a month	Basic Charges	\$38.00	Old Rate	\$37.50
	4,000 Consumption (gal 1-4,000)	\$12.00	Old Rate	\$ 5.60
	1,000 Consumption (gal 4,001-10,000)	<u>\$ 4.00</u>	Old Rate	<u>\$ 2.00</u>
	<b>Total Water Portion</b>	<b>\$54.00</b>	Total at Old Rate	\$45.10
If you used 15,000 gallons in a month	Basic Charges	\$38.00	Old Rate	\$37.50
	4,000 Consumption (gal 1-4,000)	\$12.00	Old Rate	\$ 5.60
	6,000 Consumption (gal 4,001-10,000)	\$24.00	Old Rate	\$12.00
	5,000 Consumption (gal 10,000-on up)	<u>\$25.00</u>	Old Rate	<u>\$15.00</u>
	<b>Total Water Portion</b>	<b>\$99.00</b>	Total at Old Rate	\$70.10

With the 3-tier rate schedule and consumption billed in 10 gallon units, a customer has more control over their monthly water bill and with the consumption charges increasing in each tier, those who use more will pay more; this adheres to Federal water conservation regulations.