



SCV Water  
27234 Bouquet Canyon Road  
Santa Clarita, CA 91350

Lea este aviso en español  
[yourscvwater.com/rate-planning](https://yourscvwater.com/rate-planning)

# NOTICE OF PUBLIC HEARING

## Regarding Proposed Changes in Water Service Rates

Tuesday April 1, 2025, at 6:00 p.m.

SCV Water | E. G. "Jerry" Gladbach Water Treatment Plant  
27234 Bouquet Canyon Road | Santa Clarita, CA 91350

### SCV Water is Considering Rate Changes

SCV Water has a simple and straightforward mission: To provide responsible water stewardship that ensures the SCV Water service area has reliable supplies of high-quality water at a reasonable cost.

As part of that mission, the Agency regularly evaluates the cost of providing service, to confirm that expenses are balanced with revenue so that we can adequately address system operations, maintenance and updates, meet government regulations and maintain financial stability.

SCV Water is considering a five-year schedule of changes to water rates and charges that could affect your monthly bill. The Agency is proposing changes to: **Water Usage Charges, Fixed Charges, Legacy Debt Charges and Private Fire Charges.**

Customers who may be impacted by these changes are receiving this notice and are invited to provide feedback that the Board of Directors will consider prior to voting on the proposal.



### Proposition 218: Notice Regarding Proposed Water Rate Changes

This notice is being provided to you by SCV Water (the Agency) pursuant to California Constitution Article XIII D (also known as "Proposition 218"). Under the terms of Proposition 218, SCV Water is required to notify the property owners or customers of record of proposed changes to property-related fees, such as water service. This serves as notice that the SCV Water Board of Directors will conduct a public hearing, at the time, date and location specified on the front of this notice, to consider a five-year schedule of adjustments to water rates and charges. If approved, the proposed adjustments would be implemented on July 1 of 2025, 2026, 2027, 2028, and 2029. Each element of the proposed action is explained in this document. All members of the public are invited to attend the public hearing. Additionally, under California state law, all property owners and customers of record may submit a written protest to the proposed rate changes. Only one protest per parcel is permitted.

Please refer to the "How Can I Participate?" section of this document for instructions on submitting a formal written protest against the proposed action. All written protests will be verified. You may also appear at the public hearing at the date and time specified in this notice. Per Government Code Section 53759, any legal challenge to the proposed rate adjustments must be filed within 120 days of the date that the resolution adopting the proposed rate adjustments is adopted. More information is available online: [yourscvwater.com/rate-planning](https://yourscvwater.com/rate-planning).



### Why the Proposed Rates?

Like other water utilities, SCV Water is facing increased costs to comply with increasingly stringent federal, state, and local mandates related to water quality, conservation, and the sustainability of groundwater and imported water supplies. At the same time, SCV Water must balance the availability of revenue with the economic and environmental risks associated with aging facilities in need of replacement, while also adapting our water supplies to the anticipated impacts of climate change and other factors.

Additional factors the Agency must consider include development and weather, as they relate to customer conservation and water use, and inflation.

You can see more information on each of the subjects below:

- **Water Resiliency Initiative:** [yourscvwater.com/watershed-planning](https://yourscvwater.com/watershed-planning)
- **Per- and polyfluoroalkyl substances (PFAS) Treatment:** [yourscvwater.com/pfas](https://yourscvwater.com/pfas)
- **Local groundwater sustainability:** [scvgsa.org](https://scvgsa.org)
- **Increased water quality standards:** [yourscvwater.com/water-quality](https://yourscvwater.com/water-quality)
- **Conservation Long-term Framework (CLTF) and other mandates:** [yourscvwater.com/conservation-requirements](https://yourscvwater.com/conservation-requirements)

To learn about the reasons for the rate change and SCV Water's ongoing commitment to resiliency, visit: [yourscvwater.com/rate-planning](https://yourscvwater.com/rate-planning).

### We Are Efficient

The Agency is actively pursuing cost-saving opportunities, such as installing solar panels to offset purchased power costs and seeking cell tower leases. In addition, several initiatives have been implemented, including having in-house staff manage tasks like PFAS testing, pipeline replacements, the Affordability and Cost of Service Study, and safety training. Further savings have been achieved through in-house improvements, including reduced fleet repair costs and consolidated procurement contracts.

You can see below how we stack up against other comparable water agencies. These rates reflect the average homeowner's total water service fees when this notice was prepared. SCV Water's number is based on our FY 2025/26 proposed rate.

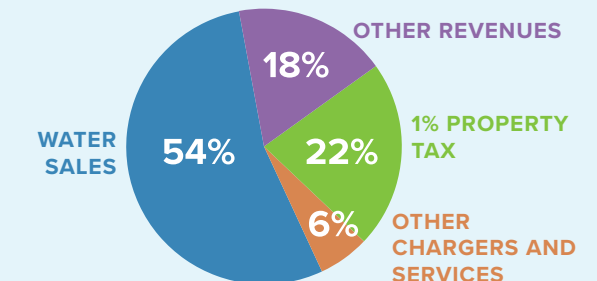
(NOTE: This rate estimate is based on a 3/4-inch meter using 14 ccf's per month. It also excludes SCV Water's Legacy Debt charge.)

- \$62.42 - SCV Water
- \$74.08 - Glendale Water and Power
- \$78.16 - Torrance Municipal Water
- \$87.04 - Palmdale Water District
- \$106.20 - Las Virgenes Municipal Water District
- \$149.42 - LA Department of Water and Power

### The Finance Connection: Bringing it All Together

Did you know? As a public agency, SCV Water cannot earn a profit from the services it provides and must charge no more than the actual costs associated with providing services to its customers.

SCV Water receives revenues (funding) from:



These revenue sources are used to meet SCV Water's total revenue requirements. **Revenue requirements** are the total amount of revenues (funds) SCV Water must generate to cover all operating and financial obligations necessary for SCV Water to provide reliable water services to our community.

### Learn More

In addition to the Community Meetings, there are several other resources available where you can learn more about SCV Water and the entire rate-setting process.

To learn more about the process and to submit a question to the Ratepayer Advocate, please visit [yourscvwater.com/rate-planning](https://yourscvwater.com/rate-planning).

To ask a question about the community meeting or public hearing, please call SCV Water at **661-297-1600**.



## Understanding the Proposed Water Rate Structure

The proposed rate structure includes a monthly fixed charge (service charge), imposed upon all customers based on the size of the meter serving the property, and a water use charge determined by the amount of water delivered to each parcel, measured in one-hundred cubic-feet (CCF).

- **Fixed charges** provide revenue stability for the Agency, helping recover essential costs like infrastructure improvements, water transmission, and distribution without over-relying on variable charges that fluctuate with consumption. While these types of costs are fixed, they can still vary with water usage. Fixed charges ensure that truly fixed costs are covered, while usage-driven costs are covered by the variable charge but not all fixed costs are recovered in the fixed charge.
- **The Water Use Charge (also known as the Variable Charge)** covers expenses such as purchased water, treatment, pumping and other costs attributable directly to the amount of water used.

In recent years, SCV Water has shouldered these costs by using its reserve funds rather than implementing a rate change ahead of the outlined schedule. Combined with inflation, these costs are driving the need for rate changes.

## Understanding Legacy Debt Charge

The legacy debt charge is billed separately as a monthly fixed charge to cover debt incurred by certain divisions prior to the formation of SCV Water, as outlined in Senate Bill 634. This ensures that infrastructure costs incurred for the benefit of each pre-merger service area are paid by those respective areas.

LEGACY DEBT CHARGES		
Meter Size	Santa Clarita Water Division	Valencia Water Division
5/8"	\$5.26	\$4.88
3/4"	\$7.89	\$7.32
1"	\$13.14	\$12.20
1 1/2"	\$26.29	\$24.40
2"	\$42.06	\$39.03
2 1/2"	\$49.95	\$46.35
3"	\$78.87	\$73.19
4"	\$131.44	\$121.98
6"	\$262.88	\$243.97
8"	\$420.61	\$390.34
10"	\$604.63	\$561.12
12"	\$1,130.40	\$1,049.05

# Proposed Rates

PROPOSED WATER USE CHARGES					
<i>Note: Water Use Charge is per unit of water used (ccf). 1 ccf = 748 gallons</i>					
Class (\$ per ccf)	Effective 7/1/2025	Effective 7/1/2026	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029
Potable	\$2.77	\$3.03	\$3.29	\$3.58	\$3.89
Recycled*	\$2.21	\$2.41	\$2.62	\$2.84	\$3.08

PROPOSED FIXED CHARGES					
Meter Size	Effective 7/1/2025	Effective 7/1/2026	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029
5/8"	\$17.10	\$18.83	\$20.65	\$22.64	\$24.82
3/4"	\$23.60	\$25.99	\$28.50	\$31.25	\$34.26
1"	\$36.60	\$40.31	\$44.19	\$48.46	\$53.13
1 1/2"	\$69.09	\$76.10	\$83.44	\$91.48	\$100.30
2"	\$108.08	\$119.05	\$130.53	\$143.11	\$156.91
2 1/2"	\$127.58	\$140.52	\$154.07	\$168.93	\$185.22
3"	\$199.07	\$219.26	\$240.41	\$263.59	\$289.00
4"	\$329.04	\$362.43	\$397.37	\$435.69	\$477.70
6"	\$653.99	\$720.34	\$789.79	\$865.95	\$949.45
8"	\$1,043.92	\$1,149.83	\$1,260.70	\$1,382.26	\$1,515.54
10"	\$1,498.84	\$1,650.90	\$1,810.09	\$1,984.62	\$2,175.99
12"	\$2,798.61	\$3,082.54	\$3,379.77	\$3,705.66	\$4,062.97

\***Recycled Water Use Charge.** Recycled water is billed based on the amount of recycled water used and only charged to customers that have a recycled water meter.

## Private Fire Service Charge

Private Fire Service Charges are imposed on properties that have a separate private fire line. These costs are recovered through a monthly service charge, charged only to private fire service customers based on the size of the fire service.

PROPOSED PRIVATE FIRE FIXED CHARGES					
Meter Size	Effective 7/1/2025	Effective 7/1/2026	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029
3/4"	\$4.27	\$4.70	\$5.16	\$5.65	\$6.20
1"	\$4.27	\$4.70	\$5.16	\$5.65	\$6.20
1 1/2"	\$4.59	\$5.05	\$5.54	\$6.07	\$6.66
2"	\$5.13	\$5.65	\$6.19	\$6.79	\$7.45
2 1/2"	\$7.08	\$7.80	\$8.55	\$9.38	\$10.28
3"	\$10.45	\$11.51	\$12.62	\$13.84	\$15.18
4"	\$22.55	\$24.84	\$27.23	\$29.86	\$32.74
6"	\$43.41	\$47.82	\$52.43	\$57.48	\$63.03
8"	\$74.79	\$82.38	\$90.33	\$99.04	\$108.59
10"	\$118.29	\$130.29	\$142.85	\$156.63	\$171.73
12"	\$163.96	\$180.60	\$198.01	\$217.10	\$238.04
14"	\$227.91	\$251.03	\$275.23	\$301.77	\$330.87
16"	\$317.43	\$349.63	\$383.34	\$420.31	\$460.83
18"	\$442.76	\$487.68	\$534.70	\$586.26	\$642.78
20"	\$618.22	\$680.94	\$746.60	\$818.58	\$897.52

Learn about our Ratepayer Assistance Program by visiting [yourscvwater.com/ratepayer-assistance](https://yourscvwater.com/ratepayer-assistance).

## Pass-Through Provision

As part of the rate-setting process, SCV Water projects the revenue needed in future years based on assumptions and projections on cost increases including, among other things, inflation and construction. SCV Water conservatively projects such cost increases based on historical data and trends. The proposed annual increases for the water rates and charges are based on the following expense escalation factors:

Expense Escalation Factors	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Overall Inflation Rate	3.80%	3.80%	3.10%	3.10%	2.69%
Construction Inflation Rate	6.10%	6.10%	6.10%	6.10%	6.10%

## Expense Escalation Factors

It is possible that, due to factors outside of SCV Water's control, overall inflation or construction inflation may increase in amounts that exceed those set forth in the table above. Pursuant to Government Code section 53756, SCV Water is proposing to pass-through such unforeseen inflationary increases directly to customers in future years as follows:

- Should the annual change in the Consumer Price Index ("CPI"), Los Angeles-Long Beach-Anaheim, measured from February to February exceed the "Overall Inflation Rate" listed in the table above for the applicable year, SCV Water proposes to pass through to its customers the difference by adjusting the Overall Inflation Rate upwards to match CPI; and
- Should the annual change in the Engineering News Record Construction Cost Index ("CCI") measured from February to February, exceed the "Construction Inflation Rate" listed in the table above for the applicable year, SCV Water proposes to pass through to its customers the difference by adjusting the Construction Inflation Rate to match CCI; and

Collectively, the proposed adjustments described above are referred to as the "Pass-Throughs." SCV Water may implement the Pass-Throughs at any time commencing July 1, 2025, through and including June 30, 2030, provided that should SCV Water determine it is necessary to implement a Pass-Through, SCV Water will mail notice of such adjustment to each impacted property owner and customer of record at least 30 days prior to implementation. The Pass-Throughs may be applied to the Fixed Charges, the Water Use Charges, or the Private Fire Service Charges as applicable, provided that the impacted proposed water rates and charges shall not increase by more than 10% in any fiscal year as a result of implementation of the Pass-Throughs, and in no event shall the Pass-Throughs cause the proposed rates to exceed the cost of providing water service.

## Exhaustion of Administrative Remedies

Notice is hereby given that any person that wishes to challenge the proposed water rates and charges must first file a written legal objection as described below no later than April 1, 2025. Legal objections will only be considered valid if they meet the following procedural and substantive requirements:

- Legal objections must be in writing.
- SCV Water must receive your legal objections no later than the close of the public hearing on April 1, 2025.
- Legal objections must be mailed, or hand delivered to 27234 Bouquet Canyon Road, Santa Clarita, CA 91350, or alternatively, may be emailed to [lutfi.kharuf@bbklaw.com](mailto:lutfi.kharuf@bbklaw.com)
- Legal objections must include the following information:
  - Your name, parcel number and/or service address.
  - A statement that your communication constitutes a legal objection.
  - A description of the nature of the legal objection, with sufficient specificity to allow SCV Water to respond in writing. A statement that the proposed water rates and charges violate Proposition 218, without an explanation as to the basis of your claim, will be insufficient to constitute a legal objection.

**Failure to submit a legal objection, or to meet the requirements set forth above, will bar any right to challenge the proposed water rates and charges through a legal proceeding.**

## How can I participate?

### Join us at a Community Meeting!

Please attend one of our scheduled public meetings to hear more about the proposed rates changes and have your questions answered. Community groups (including HOAs) can request a separate meeting for members by calling 661-297-1600.

### The Public Hearing Process

At the time of the public hearing, the Board of Directors will hear and consider all written protests and public comments. After the public hearing, if property owners or customers of record representing a majority of the impacted parcels submit written protests in opposition to the proposed rates, they will not be adopted.

If a majority written protest is not received, the Board may, but is not obligated to, adopt the proposed changes. If adopted, the new rates would take effect on July 1 of 2025, 2026, 2027, 2028 and 2029.

### The Protest Process

Any customers or property owners may appear at the hearing to make comments regarding the proposed change. To file a protest, property owners of real property and tenants who are directly liable to pay water bills may submit a written protest.

Written protests may be mailed to SCV Water, Attention: Board Secretary, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. Protests must include: your name, parcel number and/or service address, validation code (a unique ID # located on the front of this mailer with your mailing address) and your signature.

Protests submitted by email or other electronic means do not count as formal written protests. All written protests must be received prior to the conclusion of the public hearing on Tuesday, April 1, 2025. More information, including the cost-of-service analysis and the Ratepayer Advocate report about the proposed changes, is available online at: [yourscvwater.com/rate-planning](https://yourscvwater.com/rate-planning).

### Community Meetings (Virtual Only)

Attend a community meeting to learn more about SCV Water's rate structure and proposed changes. Questions, concerns and comments will be addressed.

**6:00 p.m. – 7:00 p.m.**

**Wednesday, February 5, 2025**

**Wednesday, March 5, 2025**

For Zoom Webinar and call-in information, please visit [yourscvwater.com/rate-planning](https://yourscvwater.com/rate-planning).

### Public Hearing

**Tuesday, April 1, 2025, at 6:00 p.m.**

at the SCV Water Regular Board Meeting

### SCV Water

E. G. "Jerry" Gladbach Water Treatment Plant  
27234 Bouquet Canyon Road  
Santa Clarita, CA 91350