



NEWS RELEASE

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FOR IMMEDIATE RELEASE

**SCV Water Board Adopts Fiscal Year 2018/19 Budget
*First Consolidated Budget as a New Full-Service Regional
Water Agency Shows Cost Savings***

A projected savings of nearly \$6 million dollars are outlined in the budget adopted by the SCV Water Board of Directors at their June 5 meeting. The action represents the first consolidated budget since establishing a new full-service regional water agency January 1, 2018. SCV Water was formed to improve regional water management, enhance governance and reduce costs for local ratepayers.

The creation of SCV Water has streamlined resources and increased efficiencies. It converged Newhall County Water District, Santa Clarita Water Division and Valencia Water Company into one new retail provider. The projected cost savings for ratepayers was originally estimated at \$14 million in the first 10 years.

“The encouraging part is that we are on track to meet the projected cost savings within the first three years,” said Bill Cooper, board president. “That’s seven years ahead of schedule, and most of the savings are ongoing.”

Some of the first-year savings of \$5.57 million come from eliminating redundancies among the four entities, such as costs for legislative advocates, auditing and tax consulting, insurance and labor.

Highlights

The consolidated FY 2018/19 budget recognizes the transition to a new agency and organizes the finances by regional and retail divisions as required by SB 634, the establishing legislation sponsored by Senator Scott Wilk. Additional budget highlights include:

- A balanced budget
 - Total budget = \$224 million
 - Regional revenues of \$139.2 million and expenditures of \$123.6 million
 - Retail revenues of \$84.8 million and expenditures of \$84.7 million
 - Includes \$52.7 million in regional and retail capital improvements

- 216 staff positions (Seven positions eliminated through attrition or vacancy)

Water supply and demand plays a key role in budget projections. The adopted budget reflects a \$1.2 million decrease in Water Resource expenses from earlier versions, as the allocation of state water was increased from 20% to 35%, eliminating the need to call on SCV Water’s banking programs. The budget assumes water demand at 80% of 2013, reflecting ongoing conservation habits.

Organization & Transparency

The FY 2018/19 budget was developed by staff from the four former entities, and combined into one seamless presentation that reflects the reorganization that has taken place and economies of scale and savings that have already been identified. Future budgets will continue to further unify the budget and document economies of scale and savings.

More importantly, the budget establishes a plan to provide for SCV Water's current customers, the community, and the goals of SCV Water.

"Our goal is to be transparent with our customers. Our strategic planning process establishes the goals and the budget provides the resources for accomplishing the goals," said Matt Stone, general manager.

"As a full-service regional water agency, we have the opportunity to better serve customers in the Santa Clarita Valley," said Cooper. "The FY 2018/19 Budget reflects our commitment to providing an affordable, reliable supply of high quality water to our customers."

The FY 2018/19 budget will be posted at www.yourSCVwater.com by June 15.

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About SCV Water:

The Santa Clarita Valley Water Agency (SCV Water) is a full-service regional water agency located in the Santa Clarita Valley. SCV Water provides water service to business and residential customers – half are local groundwater supplies and the other half is imported from the State Water Project and other sources.

SCV Water was formed on January 1, 2018 and combines the former service areas of Castaic Lake Water Agency, Newhall County Water District, Santa Clarita Water Division and Valencia Water Company. Following a multi-year public engagement process, the agency was formed through Senate Bill 634 authored by Senator Scott Wilk and signed by Governor Jerry Brown on October 15, 2017. SCV Water was formed to enhance regional water management and reduce costs for local ratepayers.

More information can be found at www.YourSCVwater.com

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