

2018

SERVICE COMMUNITY VALUE

Our **First** Year
in a new era of water





Our First Year
in a new era of water

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LEADERSHIP

Board of Directors

2018

- B.J. Atkins
- Thomas Campbell
- Ed Colley
- Kathy Colley
- William Cooper, *President*
- Robert J. DiPrimio
- Dean Efstathiou
- Jerry Gladbach
- Maria Gutzeit, *Vice President*
- R.J. Kelly, *Vice President*
- Gary Martin
- Jacque McMillan
- Daniel Mortensen
- Lynne Plambeck

2019

- Dante Acosta
- B.J. Atkins
- Thomas Campbell
- Ed Colley
- Kathy Colley
- William Cooper, *President*
- Robert J. DiPrimio
- Jerry Gladbach
- Maria Gutzeit, *Vice President*
- R.J. Kelly
- Gary Martin, *Vice President*
- Daniel Mortensen
- Lynne Plambeck

VIEW THIS REPORT ONLINE at yourSCVwater.com/state-of-the-agency for videos and additional resources.



A MESSAGE FROM THE GENERAL MANAGER

One Year, One Watershed, Many Successes

On January 1, 2019, SCV Water celebrated our first year of operations. We are by far the newest water agency in California. But we have packed many accomplishments into just 12 months – successes you can read about in the following pages.

Our legacy agencies – Castaic Lake Water Agency, Newhall County Water District, Santa Clarita Water Division and Valencia Water Company – certainly provided exceptional service and value.

But becoming a best-in-class agency for our nearly 300,000 customers required the “one watershed” approach afforded by SCV Water, which now covers nearly the entire Santa Clarita Valley. It is successful precisely because it leverages the best of all corners of our valley.

It allows us to more fully tap the extraordinary “brain trust” of our combined workforce to solve problems creatively and efficiently. It gives us regional perspective on watershed-wide issues, and it creates an operating scale that drives down costs, enables us to provide a new level of service and provides a stronger voice in Sacramento and Washington, D.C.

That was the promise of SCV Water when we began exploring its potential in 2015. It is now abundantly clear that it is the enduring model we needed to create the finest water agency possible to serve our community in the Santa Clarita Valley.

This is one watershed. We are one water agency. Together, we have generations of success to come.

Sincerely,

Matt Stone

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2018
SERVICE
COMMUNITY
VALUE

DIRECTION DETERMINES DESTINATION

MISSION

PROVIDING RESPONSIBLE WATER STEWARDSHIP TO ENSURE THE SANTA CLARITA VALLEY HAS RELIABLE SUPPLIES OF HIGH QUALITY WATER AT A REASONABLE COST.

VISION

EXEMPLARY WATER MANAGEMENT FOR A HIGH QUALITY OF LIFE IN THE SANTA CLARITA VALLEY.

CORE VALUES

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INTEGRITY

We commit to the highest ethical standards of honesty, transparency and respect in our interactions with each other, the customers we serve and the entire community.

TRUST

We are dedicated to partnering with community stakeholders to pursue responsible long-term management of water resources that effectively enhance quality of life and further the agency's mission and duty to be stewards of the water supply.

PROFESSIONALISM

We maintain a diverse team of highly skilled employees who are devoted to honest, courteous and accountable business practices and take their role as stewards of our resources seriously and with humility.

EXCELLENCE

We strive to exceed customer expectations and deliver extraordinary service while providing a reliable, safe water supply at an affordable cost.

SAFETY

We prioritize creating and maintaining healthy, secure conditions at our facilities and in the community by adhering to safety policies and procedures and by offering technical and preventative training to our workforce.

INNOVATION

We are industry leaders who embrace change by finding sustainable, pioneering solutions to challenges and continuing to learn and grow in all we do.

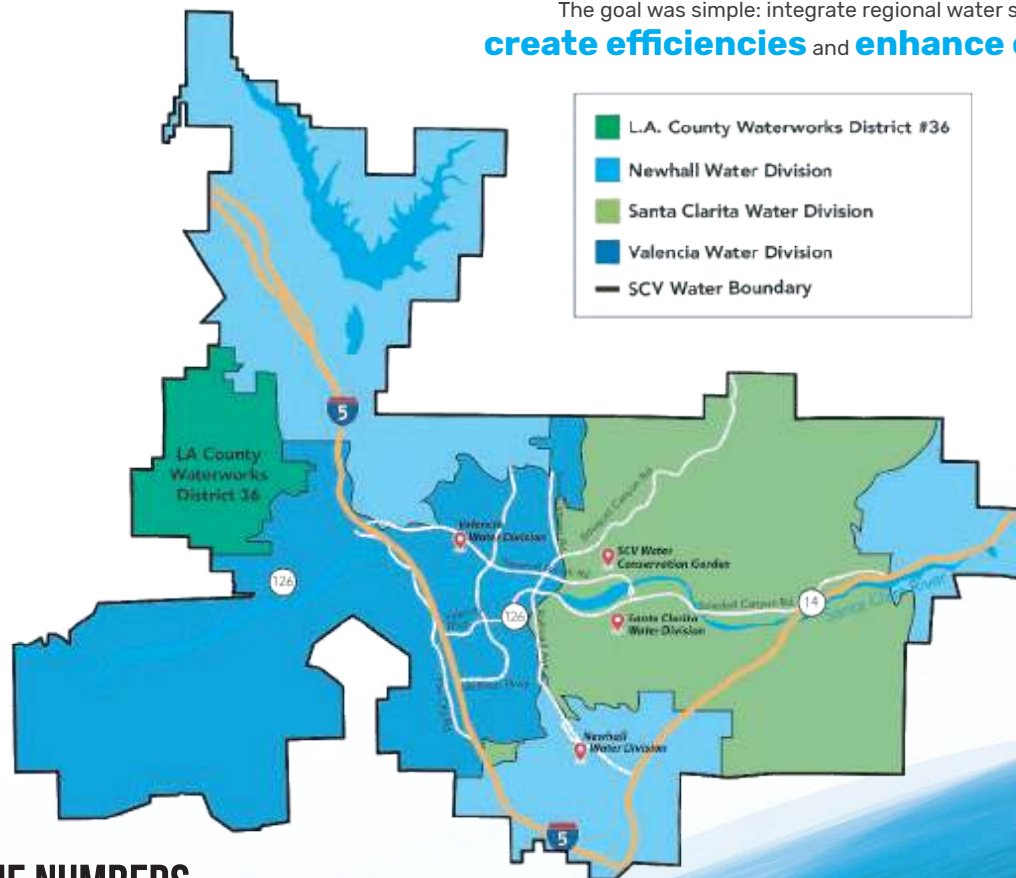
FUNDAMENTAL ELEMENTS

FUNCTIONS AND SERVICES

UNIFIED. INTEGRATED. BEST IN CLASS. A NEW ERA IN REGIONAL WATER RESOURCE MANAGEMENT FOR A VALLEY THAT SHARES ONE RIVER, ONE WATERSHED.

This was the vision when leaders of four legacy agencies – Castaic Lake Water Agency, Santa Clarita Water Division, Valencia Water Company and Newhall County Water District – came together for **a common purpose** on January 1, 2018. SCV Water was formed through a collaborative process, and formalized by Senate Bill 634, legislation which was authored by Senator Scott Wilk.

The goal was simple: integrate regional water service, **reduce costs**, **create efficiencies** and **enhance customer service**.



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SCV WATER BY THE NUMBERS



273,000
POPULATION SERVED



141,000 ACRE FEET
BANKED IN KERN COUNTY



44 ACTIVE WELLS
GROUNDWATER



195 SQUARE MILES
SERVICE AREA



95 LOCAL
STORAGE RESERVOIRS/
145 MILLION GALLON CAPACITY



887 MILES PIPELINE
INFRASTRUCTURE

WHERE DOES MY WATER COME FROM?

ENHANCED WATER RESOURCE MANAGEMENT

“The job of the water resources team is to identify the water resources we need to meet our customers’ demands each year. In an average year, about half our water comes from local groundwater, and half from imported State Water Project supply. Both dry and wet years pose challenges. I also work on developing new water resources for the community to make sure that we can continue to meet the water demand as the Santa Clarita Valley grows.”



SARAH FLEURY
ASSOCIATE WATER
RESOURCES PLANNER
5 YEARS OF SERVICE



MIKE REYES
SENIOR PRODUCTION
OPERATOR
5 YEARS OF SERVICE

“My job entails making sure there is enough water in the system and in the tanks. When customers turn on the faucet at their house and have clean water to use, we are doing our jobs.”

RECYCLED WATER

SCV Water has the opportunity to significantly expand its recycled water production in the coming years. The longterm goal is to serve more than 10,000 acre-feet of recycled water – roughly 45 times what is served today.

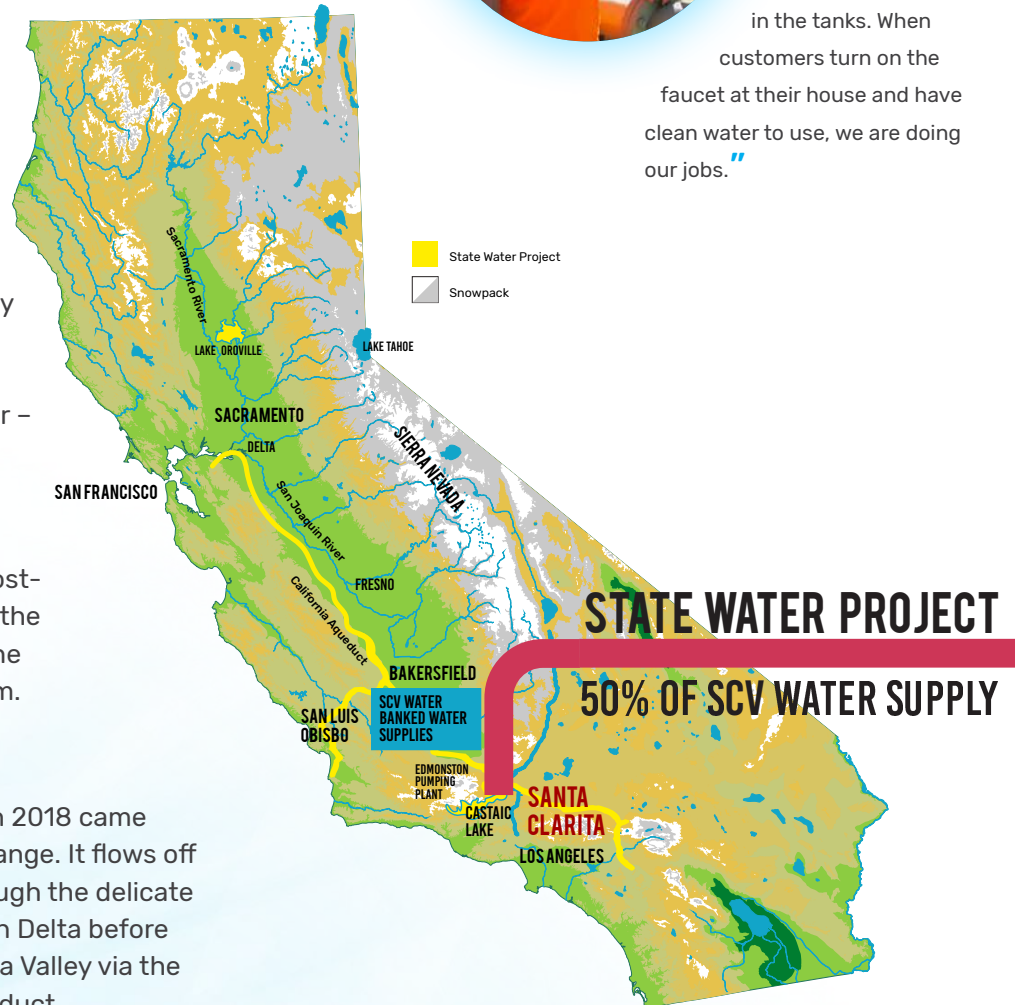
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GROUNDWATER

Groundwater is local, sustainable and cost-effective. In 2018, it supplied about half the water we used. A series of wells pump the groundwater into our distribution system.

IMPORTED WATER

About half of our water in 2018 came from the Sierra Nevada range. It flows off the mountains then through the delicate Sacramento-San Joaquin Delta before reaching the Santa Clarita Valley via the State Water Project aqueduct.



WATER BANKING

SCV Water stores (“banks”) water in Kern County and can call for this water in times of need. Due to conservation and efficiencies, SCV Water did not have to use any of this water in 2018, saving approximately \$1.2 million.

LEARN ABOUT GROUNDWATER at scvgsa.org

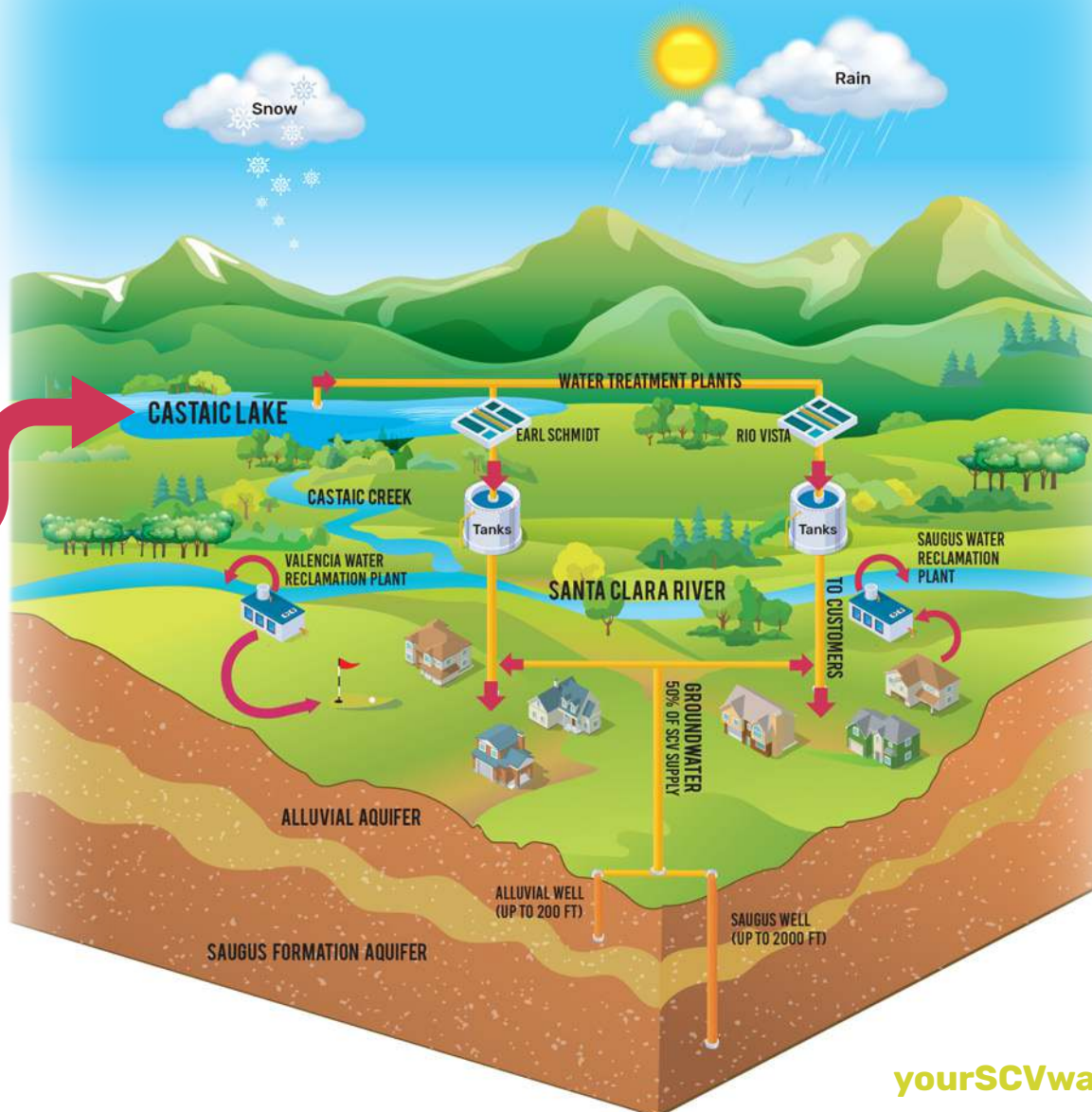


LOOKING TOWARD THE FUTURE: RECYCLED WATER

This process treats wastewater to a high standard then sends it to be used for irrigation and other non-potable uses.

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It is a promising approach that would be nearly drought-proof. It is currently in conceptual stages.



yourSCVwater.com/recycled-water

RATEPAYER BENEFITS

KEY HIGHLIGHTS

LEADING UP TO ITS LAUNCH, SCV WATER'S LEADERS COMMITTED TO A SERIES OF IMPROVEMENTS AS A RESULT OF THE NEW AGENCY. Here are just a few of the results for the first year of operations:

REPORT CARD ON RESULTS:

ELEMENT	COMMITMENT	FIRST YEAR RESULT
Cost Savings	Reduce overall costs to SCV ratepayers by \$1 million in the first year and \$14 million in its first 10 years	Saved \$5.5 million in the inaugural SCV Water budget
Transparency	Enhance elected representation, public access and impact on budget/rate-setting process	<ul style="list-style-type: none"> Merged Valencia Water Company, a private water company, into SCV Water Established Ratepayer Advocate role
Efficiencies	Maintain and enhance service while eliminating redundancies	Standardized customer processes and programs across divisions
Watershed-wide Planning	Integrate environmental and watershed planning across the region	<ul style="list-style-type: none"> Initiated a watershed-wide effort to develop alternative water supplies Studies underway for groundwater recharge
Water Reliability	Ensure a stronger water supply portfolio for SCV customers	<ul style="list-style-type: none"> Established Groundwater Sustainability Agency Initiated additional legal efforts to protect groundwater from contamination Expanded groundwater banking capabilities



DARINE CONNER
ACCOUNTING TECHNICIAN II
3 YEARS OF SERVICE

"I enjoy working for SCV Water because I believe in its mission of providing high quality water to our customers. We have intelligent and competent employees who are dedicated to their jobs. I'm glad to contribute to our fiscal responsibility through my role in the finance department."

HOW WE SAVED \$5.5 MILLION

A priority for customers has been reducing costs. SCV Water's inaugural budget reduced regional costs by more than \$5 million. Some of the ways we achieved these savings include (estimated for fiscal year 2018-2019):

Personnel: Reduced seven staff positions due to attrition and retirements (no layoffs). **Savings: \$1.1 million**

Contractors: Moved to in-house crews for some maintenance and construction, instead of contractors. **Savings: \$180,000**

Professional Services: Eliminated redundant consultants among divisions, such as audits, legislative advocates; plus insurance. **Savings: \$1.02 million**

Operations: Increased efficiencies by grouping departments together.

FISCAL YEAR 2018/19 **\$223 MILLION**
TOTAL BUDGET

\$52.7 MILLION
CAPITAL IMPROVEMENT PROJECT BUDGET

yourSCVwater.com/financial-information

PROVIDING SUPERIOR CUSTOMER CARE

MOST OFTEN, CUSTOMER CARE IS THE FIRST POINT OF CONTACT WITH OUR AGENCY. We open accounts, and answer questions about rates, bills and resources. We

help them save water and money by guiding them to rebate programs and gardening classes.

Our job is to help customers navigate our agency, and to do it with compassion and a smile.

We pride ourselves on being able to resolve most customer questions in a single call. It's gratifying to help solve problems and make our customers' lives easier, and it's why we're here.

As a new agency this year, processes and services were aligned across the divisions, and bills were redesigned, to create a similar experience no matter where you live in the Santa Clarita Valley. Our goal was a nearly invisible transition for our customers and we achieved that **with fewer than 30 calls from among our 72,000 accounts when SCV Water launched.**



"My goal is to have every customer I come in contact with get the answers they were looking for, and go away satisfied and happy.

Basically, I treat and talk to all my customers the same way I would want to be treated. Turning an upset customer into a happy one is very gratifying for me."

ROBYN ZAKAR

CUSTOMER CARE REPRESENTATIVE I
13 YEARS OF SERVICE



THE POWER OF THREE

While most customers may only have contact with our office customer care representatives, there is one more key part of the equation - **field customer service representatives.**

Not only do our field customer service representatives read your water meter each month, they also coordinate with the office staff on customer work orders to check for leaks or change out aging meters for more efficient ones. If a customer is going to encounter an SCV Water employee in the field, it's probably someone from this crew. They think on their feet, and problem-solve on the fly! **BEHIND THE COUNTER, ON THE PHONE OR IN THE FIELD - WE'RE HERE FOR OUR CUSTOMERS.**



"In my role, I meet new people every day out in the field and enjoy educating them on the distribution side of the water system. I love trying to resolve situations where everyone is happy."

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JOHN FOOTE

SENIOR FIELD CUSTOMER SERVICE REPRESENTATIVE
11 YEARS OF SERVICE



yourSCVwater.com/customer-care

PLANNING FOR THE FUTURE

KEY INITIATIVES

California WaterFix A MODERN INFRASTRUCTURE UPGRADE

The California WaterFix is a long-overdue infrastructure upgrade that will improve the reliability and sustainability of California's aging water system, improve river flows and benefit the fragile Sacramento-San Joaquin Delta ecosystem. This bold, forward-thinking approach has been extensively studied and is guided by the best available science and public input. The SCV Water Board of Directors took several actions in support of the project in 2018. californiawaterfix.com

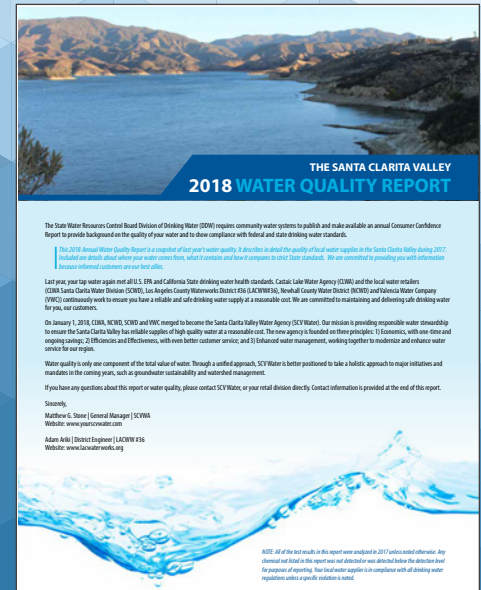
Groundwater Sustainability THE SCV GROUNDWATER SUSTAINABILITY AGENCY

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Groundwater is a critical buffer against the impacts of drought and climate change, and plays a vital role in environmental sustainability. To ensure balanced levels of groundwater pumping and recharge, the Santa Clarita Valley Groundwater Sustainability Agency (SCV-GSA) began work in 2018 on a Groundwater Sustainability Plan (GSP). Per the Sustainable Groundwater Management Act of 2014, the GSP will be complete in 2022. The SCV-GSA is a partnership of SCV Water, the City of Santa Clarita and the County of Los Angeles. scvgsa.org

Water Use Efficiency CONSERVATION IS A CALIFORNIA WAY OF LIFE

Conservation is vital to the sustainability of the Santa Clarita Valley and all of California. It helps prepare us for fluctuations between extreme wet and extreme dry years, allowing us to remain resilient in times of drought. In 2018, the Agency's customers saved about 6.8 billion gallons of water – you could fill up almost 10,000 Olympic-sized pools with that! We're proud of our customers for their continued commitment, and we need to build on that momentum to reach new community-wide water use efficiency targets the State has set for 2025. conserve.yourSCVwater.com



Water Quality Report

The SCV Water 2018 Water Quality Report* found our regional drinking water supply to once again meet or exceed U.S. Environmental Protection Agency (EPA) and California standards. The report describes the quality of local water supplies in the Santa Clarita Valley during 2017. Included are details about where your water comes from, and the results of thousands of tests from numerous sources.

**In 1998, the Environmental Protection Agency began requiring community water systems to prepare and provide their customers annual consumer confidence reports on the quality of the water delivered by the systems, as compliance with the Safe Drinking Water Act.*

SURPASSING STANDARDS

WATER QUALITY



JENNY ANDERSON

WATER QUALITY SPECIALIST
3 YEARS OF SERVICE

“Water quality is essential to SCV Water. I take pride in knowing that I am part of an amazing team tasked with the responsibility of providing our customers with the highest quality of water.”

Jenny Anderson, our in-house expert, answers your most frequently asked questions about water quality.

■ My water is hard. What does that mean?

Water “hardness” is caused by naturally occurring minerals. It is harmless, except it can leave spots on dishes or shower doors. It is most common in our local groundwater. In some areas, SCV Water is able to blend the groundwater with imported water to further dilute the minerals.

■ Why is my water cloudy?

Occasionally you may notice water from your faucet has a cloudy, or milky-white, color. This is nothing more than tiny bubbles of air. When you turn on your tap, pressure is released and the air creates bubbles. Let the water sit for a minute or two (in a glass or pitcher), and you can watch it clear up.

■ Is perchlorate still an issue in the Valley?

Yes, perchlorate can still be found in certain areas of the groundwater basin. SCV Water rigorously monitors water quality in its wells and has installed wellhead treatment on impacted wells to remove the contaminant. Furthermore, legal action by SCV Water against the responsible parties helps ensure that the contamination cleanup proceeds.

■ How does SCV Water ensure a safe drinking supply?

Both imported and groundwater supplies are continuously tested and monitored. Thousands of tests are conducted each year in our own advanced state certified lab. We’re proud that our drinking water meets or exceeds all state and federal standards.



RAFAEL PULIDO

SENIOR WATER TREATMENT OPERATOR
9 YEARS OF SERVICE

“As an operator I am providing an important service to the community. My job may not always be as dramatic or in the public eye as a first responder or medical personnel, but it is essential to our quality of life. When you can get up in the middle of the night and turn your faucet on without a second thought, I know I’m doing my part.”

TO LEARN MORE, VISIT

yourSCVwater.com/water-quality

RESOURCES TO SAVE WATER AND MONEY

PROGRAMS AND SERVICES



Conservation Programs

Being water efficient saves money over time, but can cost a little up front. SCV Water helps by providing rebates for devices like pool covers, smart irrigation controllers, and other irrigation components. In 2018, we helped replace 192,000 square feet of turf, and rebated 205 smart irrigation controllers and 30 pool covers. We also provided 301 free in-home water conservation check-ups, where specialists help you discover ways to easily use less water, and save money in the process. conserve.yourscvwater.com



JANET KEITH

WATER CONSERVATION SPECIALIST II
35 YEARS OF SERVICE

“My job is to help residents and businesses prevent water waste and increase water use efficiency to align with the State’s conservation goals. Water use efficiency should be a way of life, whether or not we are in a drought. The water we have today is the least expensive water we’ll ever have! Let’s ensure we have enough for the future.”



TAMERA BASTIAANS

WATER CONSERVATION
EDUCATION SPECIALIST
10 YEARS OF SERVICE

“SCV Water has been educating SCV students about preserving and protecting our water supplies for almost 25 years. I enjoy teaching K-12 students about water conservation, treatment and many other issues. It’s vital to arm children with the knowledge so they can make a difference from a young age.”

Landscape Classes

Most people just want landscaping that looks good, is easy to maintain, and doesn’t use a lot of water. Our classes give them the blueprint to get there. It’s like having your own personal landscape architect to help design your yard and save water. Over 600 people took advantage of 24 classes held in 2018. Expert instructors have designed the class series with our climate in mind. Water use efficiency is a way of life for the Santa Clarita Valley, but that doesn’t mean giving up on a rich tapestry of colors and textures for landscaping.

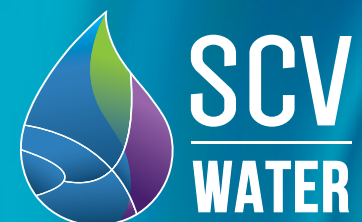
yourscvwater.com/gardening-classes



School Programs

SCV Water believes in the importance of educating our youth, the leaders of tomorrow, on the benefits of protecting and conserving our water supply. In 2018, more than 11,000 students and 670 teachers participated in our K-12 programs. They feature hands-on activities that present interesting and age-appropriate water treatment and conservation topics. It’s not only an enjoyable and educational experience for students, but it also meets state standards for each grade level.

yourscvwater.com/school-education-programs



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