



NEWS RELEASE

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FOR IMMEDIATE RELEASE

New Water Rates and Charges Approved

New rate structure will fund water treatment needs and unify divisions

SANTA CLARITA – The Board of Directors approved a five-year schedule of changes to SCV Water’s rate structure on Tuesday, June 15. The new rate structure standardizes charges for all divisions, and also addresses the need for additional water treatment facilities.

“The unification of rates represents the final step in bringing all our divisions together under the SCV Water umbrella since the merger in January 2018,” Board President Gary Martin said. “I look forward to moving ahead with the important work our agency does to ensure sustainable water supplies for the future.”

The changes were based on recommendations from a cost-of-service study that determined the revenue needed to continue current service levels and fund critical capital projects.

The Board passed the new water rates and service charges following a public hearing conducted virtually due to COVID-19 restrictions. The rates take effect on July 1, 2021 and will be adjusted each July 1st through 2025.

“It is imperative that we consider the future needs of the agency and our customers so that we can continue providing safe, reliable water service,” General Manager Matt Stone said. “The new rates will help us respond to water quality needs and put customers in all divisions on the same footing.”

A primary driver of the rate change was the need to construct treatment facilities to meet state regulations for PFAS substances in groundwater. PFAS is a collective term for per- and polyfluoroalkyl substances, manmade chemicals in common household products that have made their way into the groundwater from consumer products and other industrial uses.

The agency also needed to standardize rates for all its divisions. When SCV Water began operating as a new agency in 2018, it combined three separate agencies that now make up its divisions – Valencia, Santa Clarita and Newhall – and each division had its own rates.

Valencia and Santa Clarita had debt incurred prior to the creation of SCV Water (legacy debt). Newhall had the highest rates prior to joining SCV Water, in part as a planned measure to pay down its debt levels faster, which was accomplished in June 2020.

As part of the rate restructuring, the legacy debt will be shown as a separate line item and continues to be paid only by customers in that division. Additionally, the new water rates and services charges reflects the current combined cost of service and is allocated equitably across all customers.

Beginning July 1, a typical residential customer using 15 billing units per month will pay \$49.73 per month. The legacy debt charge will be \$10.20 in the Santa Clarita Division and \$6.50 in the Valencia Division. The legacy debt for the Newhall Division was retired in 2020.

SCV Water conducted extensive public outreach and education on the new rates prior to approval, including two community meetings and an online bill estimator tool to help customers determine how they would be affected by the change. Additional information can be found at www.yourSCVwater.com/rateplanning.

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 approximately 74,000 business and residential customers. It was formed on January 1, 2018, when local water suppliers combined into one integrated, regional water provider. More information can be found at www.yourSCVwater.com.

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