
The Economics, Efficiencies and Enhanced Water Management of a New Public Water District



A Community Report
November 2016



WHAT A NEW WATER DISTRICT CAN MEAN FOR YOU!

Newhall County Water District and Castaic Lake Water Agency have been exploring the possibility of a new water provider for the Santa Clarita Valley. A comprehensive study completed by the districts and independent experts provides a clear picture of what a new water district can offer the Santa Clarita Valley and its residents. The full report is available online at yourscwater.com, with key findings listed below.



Economics



\$1.62 million in annual savings



\$14 million in first ten years



Greater economies of scale



No sharing of debt between former agencies



Efficiencies & Effectiveness



\$1.25 million in staff cost savings



Upwards of 30% reduction in legal and outside fees



7% reduction in staff through attrition



Retention of superior customer service



Enhanced Water Resource Management



100% divisionally-elected board of directors (first time in history)



Increase recycled water and other alternative supply opportunities



Stronger, more integrated groundwater management



Integrate systems currently in silos

QUESTIONS AND ANSWERS: A New Public Water District



How will a new public water district benefit customers?

A comprehensive study analyzing a new public water district found three core benefits for local residents, including:

- *Cost Savings:* A new entity will save \$1.62 million annually and nearly \$14 million over the first ten years. These savings can stabilize rates, strengthen regional water reliability and improve local customer service.
- *Customer Service:* Customer service will not change. Your water service, rate structure, billing cycle and other business practices will remain as they are today. This is largely an administrative shift to increase efficiencies.
- *Governance:* A new district would create three evenly populated divisions – each with four to five representatives to ensure neighbors can elect neighbors.



Will it impact my rates, service or reliability?

No. The Study finds roughly \$1.62 million in savings annually, which comes largely as a result of staffing reductions over time. However, the districts conservatively estimated reductions to ensure customer service, water reliability and other day-to-day conveniences would not be impacted.



Is public feedback incorporated into the new district proposal?

Yes. The public demanded several critical items, including: reduce costs, ensure that debt not be shared regionally and build more regional projects. The cost savings are clear, but the districts have also proposed an enterprise accounting system that achieves public priorities.



How will the \$1.62 million in savings be used?

The future board of directors will decide the specific use of savings. However, any savings will go back into operations and reduce costs, stabilize rates and increase water reliability.



Are there challenges anticipated with a new district?

A new district does represent change. The districts anticipated these changes and address potential challenges in each section. Please reference the report for each potential benefit, opportunity and challenge.



Does the report address concerns about the size of a new water district?

Yes. It was important to “right-size” a new district. The “by-division” board structure ensures accountability to local neighborhoods and communities. It also ensures equal voices for all corners of the region. A new district would reflect the small-town, but sophisticated, nature of the Santa Clarita Valley.

KEY MILESTONES

Local Decision:
December 2016

Potential Legislation:
Fall 2017

Potential
Implementation: *2018*

THE BOTTOM LINE:

This exhaustive and nearly yearlong process has uncovered great potential for the Santa Clarita Valley. Your water districts will continue to explore the best path forward to achieve these benefits and realize a stronger, more optimized way to provide water service for customers.

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Attend a public workshop, for a detailed discussion about what a new, regional water agency could mean for you and your family

Our goal is to provide you with numerous avenues to offer feedback and ask questions. **We value your input.**