

NOTICE OF PUBLIC HEARING

CONCERNING PROPOSED RATE INCREASES AND ADJUSTMENTS FOR CRESTLINE-LAKE ARROWHEAD WATER AGENCY



Crestline-Lake Arrowhead Water Agency (the "Agency") will conduct a public hearing at 2 p.m. on Tuesday, June 17th at 24116 Crest Forest Drive, Crestline, CA 92325 to consider adopting changes and increases to its water rates effective July 1, 2025.

A Water Cost of Service Study is the basis for allocating costs and calculating the proposed adjustments and increases to the Agency's water rates as shown and described in this notice. A copy of the Water Cost of Service Study Report can be found at www.clawa.org/waterrates or is available for inspection at the Agency's office.

The Agency proposes to adopt a five-year water rate schedule effective July 1, 2025. Therefore, rate increases only apply to water use after July 1, 2025. All revenue generated from bills for water service are used to pay for purchased water, maintain and operate the water system, and fund needed capital repairs and improvements.

Why is the Agency Adjusting Water Rates?

To cover increased operational and infrastructure costs, driven by inflation and unexpected weather, the Agency must raise water rates. This follows annual rate adjustments since 2019, with no increase in 2024.

Will the Way My Bill is Calculated Change?

No. Bills will still include a fixed charge assessed by meter size, plus a uniform volumetric rate for each hundred cubic feet (hcf) of water used. One hcf equals 748 gallons.

Proposed Water Rates

The Agency proposes a revised water rate schedule that will slowly increase water rates over the next five years. The proposed rate structure retains a fixed charge, either monthly or annually, which recovers certain fixed costs (such as meter reading, billing, collection, and customer service costs), plus a rate for each unit of water used. The fixed charge does not include an allotment of water; it is charged in addition to the volumetric rate for water delivered. The volumetric rate for

retail customers that pay taxes will be offset by unrestricted revenues of the Agency in an amount equal to the tax revenue received from such customers. The Agency also proposes revising the monthly fixed charges for individual fire service connections, which also vary by size of connection, to help pay for the cost of capacity necessary to provide instantaneous fire protection as needed.

The tables shown in this notice show the proposed rates for the next five years.

Bill Impacts

Assuming water use remains the same, customer bills may increase a maximum of 9.5% annually from 2026-2028, 8.5% in 2029, and 4% in 2030. The Agency's Board will annually consider the amount of the increase, which may be less than, but not more than, the proposed maximum amount. Customers are encouraged to review the financial plan report available either at the Agency's office or online (www.clawa.org/waterrates).

Protests of the Proposed Rates

At the June 17, 2025 Public Hearing, the Board of Directors will consider oral and written testimony, as well as written protests by property owners and customers of record against the proposed water and fire line rates. Property owners or customers of record subject to the proposed water or fire line rate increases may file a written protest of the water or fire line rates, or all proposed rates. The requirements for filing a protest are detailed below.

Protest Instructions:

If you wish to file a written protest, please mail a letter addressed to Protest of Water Rate Increase or Protest of Fire Line Rate Increase, directed to the Board of Directors at Crestline Lake Arrowhead Water District, PO Box 3880, Crestline, CA 92325.

Written protests must:

- i. Include a statement that it is a protest against the proposed change in water or fire line rates, or any combination thereof;
- ii. Provide the name of the record owner or customer of record submitting the protest;

Tuesday, June 17, 2025
2 p.m.

24116 Crest Forest Dr
P.O. Box 3880
Crestline, CA 92325

(909) 338-1779
www.clawa.org

- iii. Identify the affected parcel by assessor's parcel number or service address associated with the person submitting the protest; and
- iv. Include the original signature of the record owner or customer of record that is submitting the protest.

Protests will not be counted if any of the required elements (i through iv) are omitted. Written protests must be received by the Agency by 2 p.m. on June 17, 2025 if delivered by U.S. Mail or submitted in person prior to the public hearing. Written protests may also be hand-delivered to the Agency, up until the close of the public input portion of the public hearing on the matter. Electronic submissions, including protests submitted by fax or email, will not be counted.

If prior to the close of the public input portion of the public hearing, written protests are presented by a majority of parcels that receive water services, the Board of Directors will not increase the water and/or fire line rates from their existing level. While oral and written testimony will be considered, only written protests will be counted toward the majority protest threshold, and only one written protest per parcel will be counted in calculating a majority protest.

Proposed Fixed Charges

The proposed fixed monthly charges, by meter size, over the next five years, are as shown below:

Monthly Fixed Charges						
Meter Size	Current	1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030
5/8"	\$23.74	\$26.00	\$28.46	\$31.17	\$33.82	\$35.17
1"	\$39.97	\$43.77	\$47.93	\$52.48	\$56.94	\$59.22
1 1/2"	\$67.01	\$73.38	\$80.35	\$87.98	\$95.46	\$99.28
2"	\$99.44	\$108.89	\$119.23	\$130.56	\$141.66	\$147.32
3"	\$202.22	\$221.43	\$242.47	\$265.50	\$288.07	\$299.59
4"	\$353.67	\$387.27	\$424.06	\$464.34	\$503.81	\$523.97
6"	\$716.08	\$784.11	\$858.60	\$940.16	\$1,020.08	\$1,060.88
8"	\$1,527.44	\$1,672.55	\$1,831.44	\$2,005.43	\$2,175.89	\$2,262.92

The proposed annual fixed charges by meter size, over the next five years, for customers who currently pay a fixed annual charge are as follows:

Annual Fixed Charges for Customers Who Currently Have an Annual Charge						
Meter Size	Current	1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030
2C"	\$794.00	\$869.00	\$952.00	\$1,042.00	\$1,131.00	\$1,176.00
2T"	\$1,183.00	\$1,295.00	\$1,418.00	\$1,553.00	\$1,685.00	\$1,752.00
3C"	\$1,572.00	\$1,721.00	\$1,884.00	\$2,063.00	\$2,238.00	\$2,328.00
3T"	\$2,611.00	\$2,859.00	\$3,131.00	\$3,428.00	\$3,719.00	\$3,868.00
4C"	\$2,449.00	\$2,682.00	\$2,937.00	\$3,216.00	\$3,489.00	\$3,629.00
4T"	\$7,317.00	\$8,012.00	\$8,773.00	\$9,606.00	\$10,423.00	\$10,840.00
6C"	\$4,884.00	\$5,348.00	\$5,856.00	\$6,412.00	\$6,957.00	\$7,235.00
6T"	\$14,620.00	\$16,009.00	\$17,530.00	\$19,195.00	\$20,827.00	\$21,660.00

The proposed monthly fixed charges, by meter size, for private fire service connections are as follows:

Monthly Fixed Charges - Private Fire						
Fire Line	Current	1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030
1"	\$15.53	\$17.01	\$18.62	\$20.39	\$22.12	\$23.01
1 1/2"	\$20.54	\$22.49	\$24.63	\$26.97	\$29.26	\$30.43
2"	\$29.15	\$31.92	\$34.95	\$38.27	\$41.53	\$43.19
2.5"	\$42.12	\$46.12	\$50.50	\$55.30	\$60.00	\$62.40
3"	\$60.09	\$65.80	\$72.05	\$78.89	\$85.60	\$89.02
4"	\$113.45	\$124.23	\$136.03	\$148.95	\$161.61	\$168.08
6"	\$304.96	\$333.93	\$365.65	\$400.39	\$434.43	\$451.80
8"	\$304.96	\$333.93	\$365.65	\$400.39	\$434.43	\$451.80

Proposed Volumetric Rates

The proposed volumetric rates for each unit of water are uniform, meaning that the rate is applied to all water use (1 unit of water = one hundred cubic feet (hcf) = 748 gallons). The rate is less for taxpayers who pay the Agency's tax, which includes most residential and commercial retail customers, and purveyors, for the delivery of imported water from the State Water Project. Customers who do not pay this tax have a higher rate. The uniform volumetric rates are shown below:

Volumetric Rates (\$/hcf)						
Customer Class	Current	1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030
Tax Exempt/Public Agencies	\$5.59	\$6.12	\$6.70	\$7.34	\$7.96	\$8.28
Wholesale Purveyors	\$3.77	\$4.13	\$4.52	\$4.95	\$5.37	\$5.59
Tax Payer Retail	\$3.77	\$4.13	\$4.52	\$4.95	\$5.37	\$5.59
Silverwood	\$3.23	\$3.54	\$3.87	\$4.24	\$4.60	\$4.79