



# WATER LINES

## State financial crisis, water supply issues, rising cost of goods and services will have an effect on water rates

The new State of California budget calls for all independent enterprise special districts, such as Yorba Linda Water District, to give-up 40 percent of their net property tax receipts for the next two fiscal years. This revenue will go into state coffers to help California solve its current fiscal crisis. The State of California has a long tradition of taking revenue from cities, counties and special districts to meet state funding shortfalls. Local governments have agreed to help the State with its financial problems once again, in exchange for state constitutional protections against such raids in the future.

Unlike some agencies, Yorba Linda Water District is not critically dependent upon property tax money. The District receives only around 10 percent of its total revenue from this source. Yorba Linda Water District operates on a non-profit basis – our primary revenue source comes from the sale of water.

But revenue income must equal the cost of operating the water supply system that provides water to our community. The District will need to either increase revenue, or scale back services in order to make-up for this state created revenue shortfall.

Southern California, in its natural state, is a semi-desert environment. Because of this, regional water planners have provided three sources of water for the area: Local well water; water from northern California via the State Water Project; and water from the Colorado River via the Colorado River Aqueduct.

The Colorado River has always been southern California's most plentiful and reliable water source. But the U.S. Department of the Interior warns that the Rocky Mountain watershed, the source for Colorado River water, may in the next year or two experience severe drought conditions. A reduction of water from the Colorado River would put a severe strain on our region's water supplies – and possibly lead to higher costs to implement programs to stretch available water reserves.

The District's day-to-day cost of supplies and services continue to gradually rise due to the effects of inflation. The cost of certain goods, such as electrical energy to operate wells, pumps and other equipment, and gasoline to operate our fleet of 30 some service vehicles, is rising at a much faster rate. The cost to purchase and produce local groundwater is also going up due to increases in the Groundwater Replenishment Assessment by Orange County Water District.

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The loss of property tax revenue, a possible reduction of Colorado River water supplies and the resulting mitigation costs, and the increasing cost of supplies, services and water production exert an upward pressure on the rates all water providing agencies must charge their customers.

Yorba Linda Water District has long maintained conservative fiscal policies and a lean, efficient operation. Our water rates have always been among the lowest of the thirty-some water providing agencies in Orange County. But you should expect to see moderate, incremental increases in water rates over the next several years as the District works to maintain your water service at a high standard.

## **Central Yorba Linda Pipeline Project**

Yorba Linda Water District is currently constructing a 30 inch diameter water main that will carry water from our Highland Reservoir located near the Richard Nixon Library to our Bastanchury Reservoir in the hills in northern Yorba Linda. This new pipeline will replace a water main that was installed during the 1930s – and is becoming a reliability and maintenance liability.

Pipeline projects built within established communities are constructed beneath existing roadways. The streets that will be affected are: Highland Avenue and Mountain View Avenue south of Yorba Linda Boulevard; Yorba Linda Boulevard between Mountain View Avenue and Park Place; Park Place and portions of Park Avenue between Yorba Linda Boulevard and Lemon Drive; Lemon Drive between Park Avenue and Lakeview Avenue; and Lakeview Avenue between Lemon Drive to north of Bastanchury Road.

As with all major construction projects, there will be temporary street obstructions, increased noise, dust and truck traffic. The District's contractor will be progressively trenching, laying the pipeline and repaving the streets at various times during the project. A boring operation will be conducted to place the pipeline beneath Imperial Highway without obstructing this major artery.

The District's inspectors will monitor the contractor at all times to insure that noise and dust is kept to a minimum, and that all safety requirements are observed. Yorba Linda Water District's service personnel will continue to be on call 24 hours a day, seven days a week to assist our customers.