



**LA PUENTE VALLEY COUNTY WATER DISTRICT  
NOTICE OF PROPOSED INCREASE IN WATER RATES AND CHARGES AND PUBLIC HEARING  
REGARDING SUCH INCREASE**

Hearing Date and Time: **August 22, 2011 at 5:30 p.m.** or as soon thereafter as the matter may be heard  
Hearing Location: 112 N. First Street, La Puente, CA 91744 in the La Puente Water District Board Room.

**Why a Water Rate Increase is Needed**

La Puente Valley County Water District (District) recently completed the "La Puente Valley County Water District Study of Water Rates, Fees and Charges." That study, which is referred to herein as the "Rate Study," is available for review at the District office and on the District website ([lapuentewater.com](http://lapuentewater.com)), and is incorporated herein by this reference. The District has not had a water rate increase since September 2008. In 2009, the District's Board of Directors cancelled a previously approved rate increase scheduled to take in effect in September 2009 and committed the District to undertake a water rate study before any further increase could be instituted. Although the District has tried to minimize the impact of rising operational costs through various cost savings efforts, the Rate Study concludes that rate increases are necessary to generate additional revenue needed to offset the increases in overall operational expenses that the District has experienced, and will continue to experience. Those increased expenses include, but are not limited to, the cost of water through increases in replacement water assessments imposed on the District's groundwater production, infrastructure improvement costs resulting from necessary capital improvements to the District's water delivery system and standard inflation of material and labor costs.

**Calculation of Proposed Water Rate Increase**

In determining the amount of the required future rate increases for years 2011 through 2015, The District projected the expenses it would face and the revenues necessary to meet those anticipated expenses. That analysis examined the yearly expenses required to operate the District's water system, less recurring non-rate revenue, miscellaneous income and interest earnings. The yearly expenses include operating and maintenance expenses, reserve funding and cash financed capital projects. The District is a public agency and, thus, to the extent its revenues exceed its expenses, those revenues are either re-invested in the District's water supply and distribution systems or added to the District's reserves to be used for subsequent repair or replacement of its system and facilities or held in the event of an emergency. The District then used water industry standard cost of service calculations to allocate the required revenues among its customer classes.

The District also sought to promote efficient water use through price signaling. Thus, the proposed rate increases are applied in a tiered rate structure, under which those residential customers who use more water than other District residential customers, pay a higher rate. The District proposes to revise the current tiered rate structure so that the higher rate for second tier water usage now applies after use of 25 billing units (each billing unit consists of 748 gallons) in a billing period. The rates in the tiers increase in an effort to recover the expensive replacement water assessments the District is required to pay for water the District produces in excess of its annual production right in the Main San Gabriel Groundwater Basin.

**Basis of Proposed Increases in Water Rates and Charges**

Costs to produce and deliver water, including replacement water assessments, are the District's most significant costs in providing water service. In recent years, the District has not passed through increases in those costs. However, now those costs and additional operating expense increases, as discussed above and in more detail in the Rate Study, necessitate additional revenues to cover continuing cost increases. The Rate Study provides a detailed analysis of the methods used to calculate the proposed increased rates and charges, and how those rates and charges are fairly allocated across the District's various customer classes.

In addition, the Rate Study recommends that the District impose additional pumping surcharges as part of the commodity rate for each of the District's five pumping zones. These surcharges are established to fairly allocate the costs of providing water to higher elevations. Those costs include higher electrical power costs and increased pump maintenance costs that benefit those customers who reside in the higher elevations. The Rate Study includes the detailed calculation by which the District calculated those surcharges. The specific pumping zone in which a customer resides is shown on the bi-monthly bill each customer receives. A customer should contact the District office with any questions concerning the applicable pumping zone criteria or concerning in which pumping zone the customer resides.

**Impact of Proposed Increases to Rates and Charges**

**Potential increases would be implemented in five phases, beginning with the first billing cycle after September 15, 2011** with additional increases effective on the first billing cycle after September 15th of each succeeding year, i.e. September 15, 2012, September 15, 2013, September 15, 2014 and September 15, 2015. For convenience, Table-3 in this notice shows the impact of the proposed increases for 2011 on a typical residential customer. Additional examples are set forth in the Rate Study.

**Proposed Increased Water Rates and Charges**

The following tables set forth the District's new proposed water rates and charges. **Table-1** shows the proposed bi-monthly flat rate service charge, which is determined by meter size, and **Table-2** shows the proposed increases in the commodity rate, which is determined by the quantity of water used in the applicable billing period.

**Table-1  
Current and Proposed Service Charges**

Meter Size	Current Bi-Monthly Rate				Proposed Bi-Monthly Rate				
	Zone 1	Zone 2	Zone 3 & 4	Zone 5	2011	2012	2013	2014	2015
5/8"	27.95	29.85	31.95	N/A	28.58	29.19	29.80	30.41	31.02
3/4"	27.95	29.85	31.95	N/A	29.81	31.65	33.49	35.33	37.19
1"	44.03	45.93	48.03	65.26	45.13	46.23	47.33	48.43	49.54
1.5"	96.83	98.73	100.83	N/A	97.56	98.29	99.02	99.75	100.50
2"	112.14	114.04	116.14	N/A	115.18	118.22	121.26	124.30	127.36
3"	234.59	236.49	238.59	N/A	236.86	239.13	241.40	243.67	245.94
4"	326.43	328.33	330.43	N/A	332.81	339.19	345.57	351.95	358.35
6"	617.25	619.15	621.25	N/A	630.32	643.39	656.46	669.53	682.60
8"	785.82	787.52	789.62	N/A	830.02	874.22	918.42	962.62	1,006.84

**Table-2  
Current and Proposed Commodity Rates**

**Zone 1**

User Class	Current		Proposed 2011		Proposed 2012		Proposed 2013		Proposed 2014		Proposed 2015	
Residential	0-30 HCF	>30 HCF	0-25 HCF	>25 HCF	0-25 HCF	>25 HCF	0-25 HCF	>25 HCF	0-25 HCF	>25 HCF	0-25 HCF	>25 HCF
		\$1.25	\$1.52	\$1.32	\$1.65	\$1.39	\$1.77	\$1.46	\$1.93	\$1.53	\$2.18	\$1.61
Commercial	\$1.25	\$1.52	\$1.52		\$1.63		\$1.74		\$1.85		\$1.95	
Multi-Family	\$1.25	\$1.52	\$1.52		\$1.63		\$1.74		\$1.85		\$1.95	

**Zone 2**

User Class	Current		Proposed 2011		Proposed 2012		Proposed 2013		Proposed 2014		Proposed 2015	
Residential	0-30 HCF	>30 HCF	0-25 HCF	>25 HCF	0-25 HCF	>25 HCF	0-25 HCF	>25 HCF	0-25 HCF	>25 HCF	0-25 HCF	>25 HCF
		\$1.38	\$1.64	\$1.52	\$1.85	\$1.59	\$1.97	\$1.66	\$2.13	\$1.73	\$2.38	\$1.81
Commercial	\$1.38	\$1.64	\$1.72		\$1.83		\$1.94		\$2.05		\$2.15	
Multi-Family	\$1.38	\$1.64	\$1.72		\$1.83		\$1.94		\$2.05		\$2.15	

### Zone 3

User Class	Current		Proposed 2011		Proposed 2012		Proposed 2013		Proposed 2014		Proposed 2015	
Residential	0-30 HCF	>30 HCF	0-25 HCF	>25 HCF	0-25 HCF	>25 HCF	0-25 HCF	>25 HCF	0-25 HCF	>25 HCF	0-25 HCF	>25 HCF
		\$1.49	\$1.76	\$1.69	\$2.02	\$1.76	\$2.14	\$1.83	\$2.30	\$1.90	\$2.55	\$1.98

### Zone 4

User Class	Current		Proposed 2011		Proposed 2012		Proposed 2013		Proposed 2014		Proposed 2015	
Residential	0-30 HCF	>30 HCF	0-25 HCF	>25 HCF	0-25 HCF	>25 HCF	0-25 HCF	>25 HCF	0-25 HCF	>25 HCF	0-25 HCF	>25 HCF
		\$1.41	\$1.69	\$1.57	\$1.90	\$1.64	\$2.02	\$1.71	\$2.18	\$1.78	\$2.43	\$1.86
Commercial	\$1.41	\$1.69	\$1.77		\$1.88		\$1.99		\$2.10		\$2.20	
Multi-Family	\$1.41	\$1.69	\$1.77		\$1.88		\$1.99		\$2.10		\$2.20	

### Zone 5

User Class	Proposed 2010		Proposed 2011		Proposed 2012		Proposed 2013		Proposed 2014		Proposed 2015	
Residential	0-30 HCF	>30 HCF	0-25 HCF	>25 HCF	0-25 HCF	>25 HCF	0-25 HCF	>25 HCF	0-25 HCF	>25 HCF	0-25 HCF	>25 HCF
		\$1.53	\$1.79	\$1.83	\$2.16	\$1.90	\$2.28	\$1.97	\$2.44	\$2.04	\$2.55	\$2.12

Table-3 shows the impact of the proposed 2011 increases on a typical District residential customer with a 5/8 inch meter. Thirty (30) billing units (each billing unit is 748 gallons) is highlighted as an average quantity of usage among the District's customers.

**Table-3  
Example 5/8" Meter Service Residential Bill Impacts for Customers in Zone 1**

Usage (HCF)	Current Bi-Monthly Bill	2011	% Increase	2012	% Increase	2013	% Increase	2014	% Increase	2015	% Increase
5	34.22	35.18	3%	36.14	3%	37.10	3%	38.06	3%	39.07	3%
10	40.47	41.78	3%	43.09	3%	44.40	3%	45.71	3%	47.12	3%
15	46.72	48.38	4%	50.04	3%	51.70	3%	53.36	3%	55.17	3%
20	52.97	54.98	4%	56.99	4%	59.00	4%	61.01	3%	63.22	4%
25	59.22	61.58	4%	63.94	4%	66.30	4%	68.66	4%	71.27	4%
30	65.47	69.83	7%	72.79	4%	75.95	4%	79.56	5%	82.87	4%
35	73.00	78.08	7%	81.64	5%	85.60	5%	90.46	6%	94.47	4%
40	80.58	86.33	7%	90.49	5%	95.25	5%	101.36	6%	106.07	5%
45	88.16	94.58	7%	99.34	5%	104.90	6%	112.26	7%	117.67	5%
50	95.74	102.83	7%	108.19	5%	114.55	6%	123.16	8%	129.27	5%
55	103.32	111.08	8%	117.04	5%	124.20	6%	134.06	8%	140.87	5%
60	110.90	119.33	8%	125.89	5%	133.85	6%	144.96	8%	152.47	5%

**Table-4** and **Table-5** below show the bill impacts over the next five years for the Commercial and Multi-Family rate classes for different levels of consumption based on a 1-inch and 2-inch meter size. The average use for this rate class is approximately 54 HCF (1-inch) and 320 HCF (2-inch) per bi-monthly billing period.

**Table-4**  
**1" Meter Commercial Bill Impacts (Zone 1)**

Usage (HCF)	Current Bi-Monthly Bill	2011	% Increase	2012	% Increase	2013	% Increase	2014	% Increase	2015	% Increase
10	56.53	60.33	7%	62.53	4%	64.73	4%	66.93	3%	69.04	3%
20	69.03	75.53	9%	78.83	4%	82.13	4%	85.43	4%	88.54	4%
30	81.53	90.73	11%	95.13	5%	99.53	5%	103.93	4%	108.04	4%
40	96.73	105.93	10%	111.43	5%	116.93	5%	122.43	5%	127.54	4%
50	111.93	121.13	8%	127.73	5%	134.33	5%	140.93	5%	147.04	4%
60	127.13	136.33	7%	144.03	6%	151.73	5%	159.43	5%	166.54	4%
70	142.33	151.53	6%	160.33	6%	169.13	5%	177.93	5%	186.04	5%
80	157.53	166.73	6%	176.63	6%	186.53	6%	196.43	5%	205.54	5%
90	172.73	181.93	5%	192.93	6%	203.93	6%	214.93	5%	225.04	5%
100	187.93	197.13	5%	209.23	6%	221.33	6%	233.43	5%	244.54	5%
110	203.13	212.33	5%	225.53	6%	238.73	6%	251.93	6%	264.04	5%
120	218.33	227.53	4%	241.83	6%	256.13	6%	270.43	6%	283.54	5%

**Table-5**  
**2" Meter Commercial Bill Impacts (Zone 1)**

Usage (HCF)	Current Bi-Monthly Bill	2011	% Increase	2012	% Increase	2013	% Increase	2014	% Increase	2015	% Increase
50	180.04	191.18	6%	199.72	4%	208.26	4%	216.80	4%	224.86	4%
75	218.04	229.18	5%	240.47	5%	251.76	5%	263.05	4%	273.61	4%
100	256.04	267.18	4%	281.22	5%	295.26	5%	309.30	5%	322.36	4%
125	294.04	305.18	4%	321.97	6%	338.76	5%	355.55	5%	371.11	4%
150	332.04	343.18	3%	362.72	6%	382.26	5%	401.80	5%	419.86	4%
175	370.04	381.18	3%	403.47	6%	425.76	6%	448.05	5%	468.61	5%
200	408.04	419.18	3%	444.22	6%	469.26	6%	494.30	5%	517.36	5%
225	446.04	457.18	2%	484.97	6%	512.76	6%	540.55	5%	566.11	5%
250	484.04	495.18	2%	525.72	6%	556.26	6%	586.80	5%	614.86	5%
275	522.04	533.18	2%	566.47	6%	599.76	6%	633.05	6%	663.61	5%
300	560.04	571.18	2%	607.22	6%	643.26	6%	679.30	6%	712.36	5%
325	598.04	609.18	2%	647.97	6%	686.76	6%	725.55	6%	761.11	5%
350	636.04	647.18	2%	688.72	6%	730.26	6%	771.80	6%	809.86	5%
375	674.04	685.18	2%	729.47	6%	773.76	6%	818.05	6%	858.61	5%
400	712.04	723.18	2%	770.22	7%	817.26	6%	864.30	6%	907.36	5%

**Table-6** shows the proposed bi-monthly services charges for private service connections, as compared to the current bi-monthly charge. As is evident, these charges depend on the size of the applicable connection.

**Table-6  
Private Fire Service Charge**

Size of Connection (inch)	Number of Services	Current Bi-Monthly Charge	Proposed 2011	Proposed 2012	Proposed 2013	Proposed 2014	Proposed 2015
.75	0	N/A	13.26	14.25	15.24	16.23	17.23
1	0	N/A	14.78	15.87	16.97	18.07	19.19
1.5	0	N/A	19.42	20.59	21.76	22.93	24.10
2	0	N/A	24.17	25.63	27.08	28.53	29.99
3	0	N/A	36.83	39.04	41.26	43.47	45.69
4	7	48.00	51.07	54.14	57.21	60.28	63.35
6	5	90.00	94.48	98.97	103.45	107.94	112.42
8	18	167.00	167.86	168.72	169.59	170.45	171.31
10	4	208.00	214.40	220.80	227.21	233.61	240.01
12	2	263.00	278.03	293.06	308.09	323.12	338.15

**Public Hearing**

The California Constitution requires that the District provide notice of the proposed rate increases to all property owners of record. The District is also providing this notice as a courtesy to its customers who are tenants of real property who are directly liable to pay water bills. This notice must be given at least forty-five (45) days prior to the District holding a public hearing to consider the proposed rate increase. The District's Board of Directors will hold a public hearing on these proposed increases based on the needs discussed above at **5:30 p.m.** on **August 22, 2011**, or as soon thereafter as the matter may be heard, at **112 N. First Street, La Puente, CA 91744 in the La Puente Valley County Water District Board Room.**

**Your Right to Protest**

You may file a written and signed protest against the proposed increases with the District's Secretary at or before the close of the public hearing. A protest must contain a description of the property owned sufficient to identify the property. If you own more than one parcel, you may file a single protest covering all parcels, but it must separately identify each parcel you own. If the name on the written protest is not shown on the last equalized assessment roll of the county as the owner of the property, the signer of the protest must submit written evidence of entitlement to protest. At the hearing, the District's Board of Directors shall consider all written protests that comply with the legal requirements specified in the California Constitution. Written protests may be mailed to, or delivered in person to:

**La Puente Valley County Water District  
Attn: Secretary  
112 North First Street  
La Puente, California 91744**