



## **AGENDA**

### **REGULAR MEETING OF THE BOARD OF DIRECTORS LA PUENTE VALLEY COUNTY WATER DISTRICT 112 N. FIRST STREET, LA PUENTE, CALIFORNIA MONDAY, AUGUST 28, 2017 AT 5:30 PM**

#### **1. CALL TO ORDER**

#### **2. PLEDGE OF ALLEGIANCE**

#### **3. ROLL CALL OF BOARD OF DIRECTORS**

President Hastings\_\_\_\_ Vice President Rojas\_\_\_\_ Director Aguirre\_\_\_\_

Director Escalera\_\_\_\_ Director Hernandez\_\_\_\_

#### **4. PUBLIC COMMENT**

Anyone wishing to discuss items on the agenda or pertaining to the District may do so now. The Board may allow additional input during the meeting. A five-minute limit on remarks is requested.

#### **5. ADOPTION OF AGENDA**

Each item on the Agenda shall be deemed to include an appropriate motion, resolution or ordinance to take action on any item. Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review at the District office, located at the address listed above.

#### **6. APPROVAL OF CONSENT CALENDAR**

There will be no separate discussion of Consent Calendar items as they are considered to be routine by the Board of Directors and will be adopted by one motion. If a member of the Board, staff, or public requests discussion on a particular item, that item will be removed from the Consent Calendar and considered separately.

A. Approval of Minutes of the Regular Meeting of the Board of Directors held on August 14, 2017.

B. Approval of Attendance to the Southern California Water Utilities Association Vendors Fair on Thursday, September 14, 2017 at 11:30 AM in Irwindale, CA.

#### **7. FINANCIAL REPORTS**

A. Summary of Cash and Investments for July 31, 2017.

***Recommendation:*** Receive and File.

B. Statement of District's Revenues and Expenses as of July 31, 2017.

***Recommendation:*** Receive and File.

- C. Statement of City of Industry Waterworks System's Revenues and Expenses as of July 31, 2017.

**Recommendation:** Receive and File.

## **8. ACTION/DISCUSSION ITEMS**

- A. California Legislative Update.

**Recommendation:** Discussion Only.

- B. Consideration of Purchase of a 2017 Ford F-250 Supercab Truck with Service Body.

**Recommendation:** Approve the Purchase of a 2017 Ford F-250 Supercab Truck with Service Body from Ed Butts Ford for a Not-to-Exceed Price of \$39,731.26.

- C. Discussion on Request for Proposal for a Comprehensive Water Rate and Fees Study.

**Recommendation:** Discussion Only.

## **9. PROJECT ENGINEER REPORT**

**Recommendation:** Receive and File Report.

## **10. GENERAL MANAGER'S REPORT**

## **11. OTHER ITEMS**

- A. Upcoming Events.
- B. Correspondence to the Board of Directors.

## **12. ATTORNEY'S COMMENTS**

## **13. BOARD MEMBER COMMENTS**

- A. Report on Events Attended.
- B. Other Comments.

## **14. FUTURE AGENDA ITEMS**

## **15. ADJOURNMENT**

POSTED: Friday, August 25, 2017

President David Hastings, Presiding.

Any qualified person with a disability may request a disability-related accommodation as needed to participate fully in this public meeting. In order to make such a request, please contact Ms. Rosa Ruehlman, Board Secretary, at (626) 330-2126 in sufficient time prior to the meeting to make the necessary arrangements.

**Note:** Agenda materials are available for public inspection at the District office or visit the District's website at [www.lapuentewater.com](http://www.lapuentewater.com).



**MINUTES OF THE REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
LA PUENTE VALLEY COUNTY WATER DISTRICT**

A regular meeting of the Board of Directors of the La Puente Valley County Water District was held on Monday, August 14, 2017, at 5:30 at the District office, 112 N. First St., La Puente, California.

**Meeting called to order:**

President Hastings called the meeting to order at 5:30 pm.

**Pledge of Allegiance**

President Hastings led the meeting in the Pledge of Allegiance.

**Directors present:**

David Hastings, President; William Rojas, Vice President; Charles Aguirre, Director; John Escalera, Director and Henry Hernandez, Director

**Staff present:**

Greg Galindo, General Manager; Rosa Ruehlman, Board Secretary and Roland Trinh, District Counsel.

**Others Present:**

No members of the public present.

**Adoption of Agenda:**

President Hastings asked for the approval of the agenda.

Motion by Vice President Rojas, seconded by Director Hernandez, that the agenda be adopted as presented.

Motion approved by the following vote:

Ayes: Hastings, Rojas, Aguirre, Escalera and Hernandez.

Nays: None.

**Consent Calendar:**

President Hastings asked for the approval of the Consent Calendar.

- A.** Approval of the Minutes of the Regular Meeting of the Board of Directors held on July 24, 2017.
- B.** Approval of District Expenses for the Month of July 2017.
- C.** Approval of City of Industry Waterworks System Expenses for the Month of July 2017.
- D.** Receive and File the District's Water Sales Report for July 2017.
- E.** Receive and File the City of Industry Waterworks System's Water Sales Report for July 2017.

Motion by Director Aguirre, seconded by Vice President Rojas, to approve the consent calendar as presented.

Motion approved by the following vote:

Ayes: Hastings, Rojas, Aguirre, Escalera and Hernandez.  
Nays: None.

**Action/Discussion Items:**

- A.** Consideration of Sponsorship of the La Puente Jr. All American Football Opening Day Event.
- Mr. Galindo reported that Staff received a request from Susanna Fajardo-Rovira from the La Puente Jr. All American Football Opening day event, on August 20, 2017. He stated that the District has participated the last two years, setting up a booth, provided water and water conservation information.
  - Mr. Galindo stated that this year the event is on a Sunday there will be no Staff available to set up and mend a booth.
  - Mr. Galindo recommended a \$500 sponsorship towards water or gift cards. He asked the Board if they would be comfortable with this idea to support the event and possibly throughout the season.

After further discussion, motion by President Hastings, seconded by Vice President Rojas, to approve a donation of \$500 to the La Puente Jr. All American Football Opening Day event for use at Staff's discretion after conferring with the organizer of the event.

Motion approved by the following vote:

Ayes: Hastings, Rojas, Aguirre, Escalera and Hernandez.  
Nays: None.

- B.** Consideration of ACWA Committee Appointment Nominations for the 2018-19 Term.
- Mr. Galindo reported that every two years ACWA reaches out to all water entities requesting the nomination of individuals to serve on various committees. ACWA has 12 active Committees that meet throughout the year and we typically get a request from Lagerlof, Senecal, Gosney and Kruse, District's general counsel to nominate some of their attorneys to certain committees. The recommended individuals are as follows: Roland Trinh and Jim Ciampa to serve on the Legal Affairs Committee; Andy Turner, Local Government Committee and Tom Bunn, Groundwater Committee.
  - Mr. Galindo stated that there is also an option if the Board is interested in serving on one of those committees.

After further discussion, motion by Director Escalera, seconded by Vice President Rojas to nominate the recommended slate of Candidates to serve on the ACWA Committees for the 2018-19 term as presented.

Motion approved by the following vote:

Ayes: Hastings, Rojas, Aguirre, Escalera and Hernandez.  
Nays: None.

- C.** Consideration to Cast Election Ballot for the ACWA's Region 8 Board of Directors for the 2018-19 Term.
- Mr. Galindo reported that ACWA's Region 8 Nominating Committee has put together a recommended slate of Officers to serve the 2018-19 term.

Motion by Vice President Rojas, seconded by President Hastings to cast the ballot to concur with the ACWA's Region 8 nominating Committee's recommended slate.

Motion approved by the following vote:

Ayes: Hastings, Rojas, Aguirre, Escalera and Hernandez.  
Nays: None.

- D.** Consideration of Nomination of District Representative to Serve on Local Agency Formation Commission Redevelopment Agency Oversight Board.

- Mr. Galindo provided some background of how the Redevelopment Agency (RDA) Oversight Board is set up. He added that in 2015, the State approved Senate Bill 107 to dissolve all the redevelopment agencies. The legislation calls for Counties to be consolidated into one of five Oversight Boards. The RDA Oversight Boards will be organized by Supervisorial District and each consolidated Oversight Board shall have jurisdiction over each successor agency located within its borders. By July 2018, all the RDA's should be combined into 5 different RDA Oversight Boards made up of at least one member of a County Water District
- Mr. Galindo stated LAFCO is asking for nominations to serve on the RDA Oversight Board and it must be submitted by August 21, 2017, at 5 pm.
- Vice President Rojas asked what is the purpose of the RDA Oversight Board. Mr. Galindo responded, it is to manage the dispositions of the remaining properties, so when they get sold, the revenues are split and go to taxing entities, special districts or cities, school districts and the State. The District has received some monies from the sale of those properties.
- President Hastings asked if there is anyone interested to service on the RDA Oversight Board.
- Vice President Rojas asked how soon he can let us know if he is interested. Mr. Galindo responded it needs to be decided at this Board meeting.
- After further discussion, Vice President Rojas expressed interest to run for the RDA Oversight Board.

Motion by Director Escalera, seconded Director Hernandez to nominate Vice President William "Bill" R. Rojas for the Redevelopment Agency Oversight Board No. 1 as a Voting Member.

Motion approved by the following vote:

Ayes: Hastings, Rojas, Aguirre, Escalera and Hernandez.

Nays: None.

#### **E. Update on the PVOU Intermediate Zone Project.**

- Mr. Galindo reported that Staff has provided comments to Northrop on the Management Agreement and is waiting for their response.
- Mr. Galindo also reported that Staff has received the first draft agreement for the delivery of water to Suburban. The PVOU IZ Ad hoc Committee will be meeting this Wednesday to review the redlines of the agreement and then submit them back to Northrop.
- Mr. Galindo stated that one of the provisions on the agreement is insurance for the Operation and Maintenance. He stated he has been in contact with ACWA JPIA to review some of the comments provided by Northrop.
- Mr. Galindo added that the negotiations are going very well.

Discussion only, no action required.

#### **General Manager's Report:**

Mr. Galindo presented his report:

- Mr. Galindo provided a memorandum of the activities he and Staff worked on in the month of July 2017.

Motion by President Hastings, seconded by Director Rojas, to receive and file the General Manager's Report as presented.

Motion approved by the following vote:

Ayes: Hastings, Rojas, Aguirre, Escalera and Hernandez.

Nays: None.

#### **Information Items:**

##### **A. Upcoming Events.**

- Mrs. Ruehlman presented an update on the upcoming events and who will be attending.
- Mrs. Ruehlman shared that she adjusted the date for the ACWA Region 8, from August 17<sup>th</sup> to August 24<sup>th</sup>.

- Mrs. Ruehlman reported that currently she shows Vice President Rojas attending Congresswoman Napolitano's Water Forum on August 31<sup>st</sup>.
- Director Escalera asked to sign up for ACWA Fall Conference in late November.
- President Hastings, Vice President Rojas, and Directors Aguirre and Escalera to sign up for the SCWUA on September 28th

B. Correspondence to the Board of Directors

- Upper District's upcoming event the WaterFest.

**Attorney comments:**

Mr. Trinh had no comments.

**Board member comments:**

A. Report on events attended.

- President Hastings, Vice President Rojas and Directors Aguirre and Escalera attended the SCWUA on July 27<sup>th</sup>.
- President Hastings, Vice President Rojas and Director Escalera attended the San Gabriel Valley Water Association Breakfast on August 9th.

B. Other comments.

- Correspondence from Upper District about the upcoming Water Fest.

**Future agenda items:**

No future items.

**Adjournment:**

There is no further business or comment, the meeting was adjourned 6:07 p.m.

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David Hastings, President

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Rosa B. Ruehlman, Secretary



## Summary of Cash and Investments

July 2017

### La Puente Valley County Water District

Investments	Interest Rate (Apportionment Rate)	Beginning Balance	Receipts/ Change in Value	Disbursements/ Change in Value	Ending Balance
Local Agency Investment Fund	0.92%	\$ 1,996,538.43	\$ -	\$ -	\$ 1,996,538.43
Raymond James Financial Services		\$ 505,853.03	\$ -	\$ 64.76	\$ 505,788.27
<b>Checking Account</b>					
Well Fargo Checking Account (per General Ledger)		\$ 784,482.83	\$ 444,667.99	\$ 517,354.10	\$ 711,796.72
<b>District's Total Cash and Investments:</b>					<b>\$ <u>3,214,123.42</u></b>

### Industry Public Utilities

Checking Account	Beginning Balance	Receipts	Disbursements	Ending Balance
Well Fargo Checking Account (per General Ledger)	\$ 479,004.11	\$ 169,867.23	\$ 154,048.33	\$ 494,823.01
<b>IPU's Total Cash and Investments:</b>				<b>\$ <u>494,823.01</u></b>

I certify that; (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy as set forth in Resolution No. 237 and, (2) the District will meet its expenditure obligations for the next six (6) months.

Greg B. Galindo

, General Manager

Date: 8/23/2017

**La Puente Valley County Water District (Treatment Plant Included)**  
**Statement of Revenues and Expenses**  
**For the Period Ending July 31, 2017**  
**(Unaudited)**

<b><u>DESCRIPTION</u></b>	<b>LPVCWD YTD 2017</b>	<b>TP YTD 2017</b>	<b>COMBINED YTD 2017</b>	<b>COMBINED BUDGET 2017</b>	<b>% OF BUDGET</b>	<b>COMBINED 2016</b>
Total Operational Revenues	\$ 1,026,053	\$ -	\$ 1,026,053	\$ 1,925,600	53%	\$ 1,897,789
Total Non-Operational Revenues	274,330	717,288	991,618	3,367,500	29%	1,823,685
<b>TOTAL REVENUES</b>	<b>1,300,383</b>	<b>717,288</b>	<b>2,017,671</b>	<b>5,293,100</b>	<b>38%</b>	<b>3,721,474</b>
Total Salaries & Benefits	561,831	164,045	725,876	1,269,800	57%	1,175,969
Total Supply & Treatment	611,310	484,478	1,095,787	1,639,400	67%	1,486,410
Total Other Operating Expenses	81,588	51,460	133,048	403,300	33%	294,555
Total General & Administrative	193,589	17,304	210,894	507,200	42%	367,578
<b>TOTAL EXPENSES</b>	<b>1,448,318</b>	<b>717,288</b>	<b>2,165,606</b>	<b>3,819,700</b>	<b>57%</b>	<b>3,324,512</b>
<b>TOTAL OPERATIONAL INCOME</b>	<b>(147,935)</b>	<b>-</b>	<b>(147,935)</b>	<b>1,473,400</b>	<b>-10%</b>	<b>396,962</b>
Total Capital Improvements	(11,283)	-	(11,283)	(2,085,000)	1%	(69,922)
Total Capital Outlay	(30,487)	-	(30,487)	(82,000)	37%	(145,725)
<b>TOTAL CAPITAL OPERATIONS</b>	<b>(41,770)</b>	<b>-</b>	<b>(41,770)</b>	<b>(2,167,000)</b>	<b>2%</b>	<b>(215,646)</b>
Total Developer	-	-	-	15,000	0%	8,292
<b>OPERATING INCOME</b>	<b>(189,705)</b>	<b>-</b>	<b>(189,705)</b>	<b>(678,600)</b>		<b>189,607</b>
Non-Cash Items (Dep. & OPEB)	(199,847)	(427,583)	(627,430)	1,007,000	-62%	52,385
<b>NET INCOME (LOSS)</b>	<b>\$ (389,551)</b>	<b>\$ (427,583)</b>	<b>\$ (817,135)</b>	<b>\$ 328,400</b>	<b>-249%</b>	<b>\$ 241,992</b>



**La Puente Valley County Water District**  
**Statement of Revenues and Expenses**  
**For the Period Ending July 31, 2017**  
**(Unaudited)**

Description	JULY 2017	YTD 2017	ANNUAL BUDGET 2017	58% OF BUDGET	YEAR END 2016
<b>Operational Revenues</b>					
Water Sales	\$ 93,326	\$ 609,818	\$ 1,209,500	50.42%	\$ 1,179,947
Service Charges	45,633	347,159	598,000	58.05%	601,298
Surplus Sales	2,810	19,994	36,000	55.54%	30,558
Customer Charges	1,829	19,381	29,200	66.37%	31,429
Fire Service	1,330	29,126	52,700	55.27%	53,902
Miscellaneous Income	230	575	200	287.50%	655
<b>Total Operational Revenues</b>	<b>145,158</b>	<b>1,026,053</b>	<b>1,925,600</b>	<b>53.28%</b>	<b>1,897,789</b>
<b>Non-Operational Revenues</b>					
Management Fees	-	91,035	257,000	35.42%	253,500
Taxes & Assessments	3,178	101,893	195,000	52.25%	215,708
Other O & M Fees	5,408	39,683	62,000	64.00%	68,259
Rental Revenue	2,937	20,303	33,300	60.97%	33,969
Interest Revenue	-	-	10,000	0.00%	13,992
Miscellaneous Income	285	21,417	36,500	58.68%	75,860
Recycled Water System (Grant Revenue)	-	-	415,000	0.00%	-
Recycled Water System (Loan Proceeds)	-	-	1,000,000	0.00%	-
<b>Total Non-Operational Revenues</b>	<b>11,807</b>	<b>274,330</b>	<b>2,008,800</b>	<b>13.66%</b>	<b>661,288</b>
<b>TOTAL REVENUES</b>	<b>156,965</b>	<b>1,300,383</b>	<b>3,934,400</b>	<b>33.05%</b>	<b>2,559,077</b>
<b>Salaries &amp; Benefits</b>					
Total District Wide Labor	38,724	265,294	472,600	56.13%	448,209
Directors Fees & Benefits	9,610	67,750	106,900	63.38%	102,802
Benefits	11,131	75,302	140,900	53.44%	100,078
OPEB Payments	2,900	83,969	165,200	50.83%	163,062
Payroll Taxes	3,386	25,157	45,300	55.53%	38,934
Retirement Program Expense	9,724	44,359	73,900	60.03%	57,493
<b>Total Salaries &amp; Benefits</b>	<b>75,475</b>	<b>561,831</b>	<b>1,004,800</b>	<b>55.91%</b>	<b>910,577</b>
<b>Supply &amp; Treatment</b>					
Purchased & Leased Water	153	421,347	386,600	108.99%	475,464
Power	15,188	81,246	154,700	52.52%	135,678
Assessments	-	96,806	174,200	55.57%	86,920
Treatment	369	2,699	10,000	26.99%	6,363
Well & Pump Maintenance	-	9,212	56,700	16.25%	21,490
<b>Total Supply &amp; Treatment</b>	<b>15,709</b>	<b>611,310</b>	<b>782,200</b>	<b>78.15%</b>	<b>725,916</b>
<b>Other Operating Expenses</b>					
General Plant	2,678	14,218	35,600	39.94%	23,830
Transmission & Distribution	2,228	24,523	76,500	32.06%	46,997
Vehicles & Equipment	(2,813)	6,251	28,100	22.24%	12,758
Field Support & Other Expenses	1,316	16,878	45,500	37.09%	74,084
Regulatory Compliance	772	19,719	34,100	57.83%	25,177
Recycled Water Short Term Loan Payment	-	-	-	N/A	-
Recycled Water Loan Payment	-	-	-	N/A	-
<b>Total Other Operating Expenses</b>	<b>4,180</b>	<b>81,588</b>	<b>219,800</b>	<b>37.12%</b>	<b>182,846</b>

**La Puente Valley County Water District**  
**Statement of Revenues and Expenses**  
**For the Period Ending July 31, 2017**  
(Unaudited)

Description	JULY 2017	YTD 2017	ANNUAL BUDGET 2017	58% OF BUDGET	YEAR END 2016
<b>General &amp; Administrative</b>					
District Office Expenses	1,447	31,557	65,600	48.11%	35,904
Customer Accounts	1,310	10,885	20,000	54.43%	19,804
Insurance	1,311	43,619	89,000	49.01%	61,400
Professional Services	10,089	76,028	183,000	41.55%	163,869
Training & Certification	3,362	16,370	30,000	54.57%	21,850
Public Outreach & Conservation	133	8,616	37,000	23.29%	13,266
Other Administrative Expenses	395	6,514	29,600	22.01%	26,684
<b>Total General &amp; Administrative</b>	<b>18,047</b>	<b>193,589</b>	<b>454,200</b>	<b>42.62%</b>	<b>342,776</b>
<b>TOTAL EXPENSES</b>	<b>113,411</b>	<b>1,448,318</b>	<b>2,461,000</b>	<b>58.85%</b>	<b>2,162,115</b>
<b>TOTAL OPERATIONAL INCOME</b>	<b>43,554</b>	<b>(147,935)</b>	<b>1,473,400</b>	<b>-10.04%</b>	<b>396,962</b>
<b>Capital Improvements</b>					
Zone 3 Improvements	-	(1,300)	(85,000)	1.53%	-
Service Line Replacements	-	(9,970)	(25,000)	39.88%	(47,395)
Valve Replacements	(13)	(13)	(15,000)	0.09%	(3,107)
Fire Hydrant Repair/Replacements	-	-	(5,000)	0.00%	(3,673)
Main & 1st Street Building Retrofit	-	-	(55,000)	0.00%	-
Phase 1 - Recycled Water System	-	-	(1,700,000)	0.00%	(15,747)
Phase 2 - Recycled Water System	-	-	(200,000)	0.00%	-
<b>Total Capital Improvements</b>	<b>(13)</b>	<b>(11,283)</b>	<b>(2,085,000)</b>	<b>0.54%</b>	<b>(69,922)</b>
<b>Capital Outlay</b>					
Communications Systems Upgrade	-	-	-	N/A	(12,944)
Meter Read Collection System Equipment	-	(30,487)	(45,000)	67.75%	-
New Pick-Up & Backhoe	-	-	(37,000)	0.00%	(132,780)
<b>Total Capital Outlay</b>	<b>-</b>	<b>(30,487)</b>	<b>(82,000)</b>	<b>37.18%</b>	<b>(145,725)</b>
<b>TOTAL CAPITAL OPERATIONS</b>	<b>(13)</b>	<b>(41,770)</b>	<b>(2,167,000)</b>	<b>1.93%</b>	<b>(215,646)</b>
<b>Developer</b>					
Developer Fees	-	-	5,000	0.00%	8,292
Developer Contributions	-	-	10,000	0.00%	-
<b>Total Developer</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>0.00%</b>	<b>8,292</b>
<b>OPERATING INCOME</b>	<b>43,541</b>	<b>(189,705)</b>	<b>(678,600)</b>		<b>189,607</b>
Add Back Capitalized Assets	13	41,770	2,167,000	1.93%	215,646
Less Depreciation Expense	(34,517)	(241,617)	(414,200)	58.33%	(361,474)
Less OPEB Expense - Not Funded	-	-	(12,800)	0.00%	20,223
<b>NET INCOME (LOSS)</b>	<b>\$ 9,038</b>	<b>\$ (389,551)</b>	<b>\$ 1,061,400</b>	<b>-36.70%</b>	<b>\$ 64,003</b>

**Treatment Plant**  
**Statement of Revenues and Expenses**  
**For the Period Ending July 31, 2017**  
**(Unaudited)**

Description	JULY 2017	YTD 2017	ANNUAL BUDGET 2017	58% OF BUDGET	YEAR END 2016
<b>Non-Operational Revenues</b>					
Reimbursements from CR's	\$ 182,040	\$ 717,288	\$ 1,358,700	53%	\$ 1,162,397
Miscellaneous Income	-	-	-	N/A	-
<b>Total Non-Operational Revenues</b>	<b>182,040</b>	<b>717,288</b>	<b>1,358,700</b>	<b>53%</b>	<b>1,162,397</b>
<b>Salaries &amp; Benefits</b>					
Total District Wide Labor	27,089	164,045	265,000	62%	265,392
Contract Labor	-	-	-	N/A	-
<b>Total Salaries &amp; Benefits</b>	<b>27,089</b>	<b>164,045</b>	<b>265,000</b>	<b>62%</b>	<b>265,392</b>
<b>Supply &amp; Treatment</b>					
NDMA, 1,4-Dioxane Treatment	26,046	142,368	195,600	73%	143,768
VOC Treatment	-	3,989	17,600	23%	35,449
Perchlorate Treatment	94,729	206,039	332,600	62%	342,688
Other Chemicals	2,951	8,223	16,600	50%	13,231
Treatment Plant Power	17,690	97,637	204,800	48%	160,313
Treatment Plant Maintenance	884	10,668	70,000	15%	29,404
Well & Pump Maintenance	2,599	15,555	20,000	78%	35,641
<b>Total Supply &amp; Treatment</b>	<b>144,898</b>	<b>484,478</b>	<b>857,200</b>	<b>57%</b>	<b>760,495</b>
<b>Other Operating Expenses</b>					
General Plant	2,087	8,122	45,000	18%	12,414
Vehicles & Equipment	852	5,810	6,500	89%	9,356
Field Support & Other Expenses	-	-	15,000	0%	-
Regulatory Compliance	7,087	37,529	117,000	32%	89,940
<b>Total Other Operating Expenses</b>	<b>10,026</b>	<b>51,460</b>	<b>183,500</b>	<b>28%</b>	<b>111,710</b>
<b>General &amp; Administrative</b>					
District Office Expenses	-	-	20,000	0%	-
Insurance	-	5,741	18,000	32%	9,506
Professional Services	26	11,563	15,000	77%	15,296
<b>Total General &amp; Administrative</b>	<b>26</b>	<b>17,304</b>	<b>53,000</b>	<b>33%</b>	<b>24,801</b>
<b>TOTAL EXPENSES</b>	<b>182,040</b>	<b>717,288</b>	<b>1,358,700</b>	<b>53%</b>	<b>1,162,397</b>
<b>TOTAL OPERATIONAL INCOME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>-</b>
<b>Capital Outlay</b>					
Scada Computer	-	-	-	N/A	-
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>-</b>
Depreciation Expense	(61,083)	(427,583)	(733,000)	58%	177,989
<b>Total Non-Cash Items (Dep. &amp; OPEB)</b>	<b>(61,083)</b>	<b>(427,583)</b>	<b>(733,000)</b>	<b>58%</b>	<b>177,989</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (61,083)</b>	<b>\$ (427,583)</b>	<b>\$ (733,000)</b>	<b>58%</b>	<b>\$ 177,989</b>

**INDUSTRY PUBLIC UTILITIES - WATER OPERATIONS**  
**Statement of Revenue and Expenses Summary**  
**For the Period Ending July 31, 2017**  
**(Unaudited)**

<b>DESCRIPTION</b>	<b>JULY 2017</b>	<b>FISCAL YTD 2017-2018</b>	<b>BUDGET FY 2017-2018</b>	<b>8% OF BUDGET</b>	<b>FY END 2015-2016</b>
Total Operational Revenues	\$ 232,052	\$ 232,052	\$ 1,959,100	11.84%	\$ 1,898,530
Total Non-Operational Revenues	-	-	27,500	0.00%	34,876
<b>TOTAL REVENUES</b>	<b>232,052</b>	<b>232,052</b>	<b>1,986,600</b>	<b>11.68%</b>	<b>1,933,407</b>
Total Salaries & Benefits	50,533	50,533	629,700	8.02%	614,212
Total Supply & Treatment	14,407	14,407	804,060	1.79%	725,035
Total Other Operating Expenses	12,625	12,625	157,500	8.02%	166,293
Total General & Administrative	2,786	2,786	317,890	0.88%	241,546
Total Other & System Improvements	13	13	93,000	0.01%	132,828
<b>TOTAL EXPENSES</b>	<b>80,365</b>	<b>80,365</b>	<b>2,002,150</b>	<b>4.01%</b>	<b>1,879,914</b>
<b>OPERATING INCOME</b>	<b>151,687</b>	<b>151,687</b>	<b>(15,550)</b>	<b>-975.48%</b>	<b>53,492</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 151,687</b>	<b>\$ 151,687</b>	<b>\$ (15,550)</b>	<b>-975.48%</b>	<b>\$ 53,492</b>

**INDUSTRY PUBLIC UTILITIES - WATER OPERATIONS**

**Statement of Revenue and Expenses**

**For the Period Ending July 31, 2017**

**(Unaudited)**

<b>DESCRIPTION</b>	<b>JULY 2017</b>	<b>FISCAL YTD 2017-2018</b>	<b>BUDGET FY 2017-2018</b>	<b>8% OF BUDGET</b>	<b>FY END 2016-2017</b>
<b>Operational Revenues</b>					
Water Sales	\$ 160,292	\$ 160,292	\$ 1,250,000	12.82%	\$ 1,188,722
Service Charges	57,029	57,029	600,000	9.50%	597,471
Customer Charges	1,655	1,655	21,000	7.88%	20,115
Fire Service	13,076	13,076	88,100	14.84%	92,223
Miscellaneous Income	-	-	-	N/A	-
<b>Total Operational Revenues</b>	<b>232,052</b>	<b>232,052</b>	<b>1,959,100</b>	<b>11.84%</b>	<b>1,898,530</b>
<b>Non-Operational Revenues</b>					
Contamination Reimbursement	-	-	27,500	0.00%	19,510
Developer Fees	-	-	-	N/A	14,568
Miscellaneous Income	-	-	-	N/A	798
<b>Total Non-Operational Revenues</b>	<b>-</b>	<b>-</b>	<b>27,500</b>	<b>0.00%</b>	<b>34,876</b>
<b>TOTAL REVENUES</b>	<b>232,052</b>	<b>232,052</b>	<b>1,986,600</b>	<b>11.68%</b>	<b>1,933,407</b>
<b>Salaries &amp; Benefits</b>					
Administrative Salaries	13,369	13,369	179,100	7.46%	165,274
Field Salaries	19,023	19,023	224,000	8.49%	225,518
Employee Benefits	11,623	11,623	139,000	8.36%	139,630
Pension Plan	4,202	4,202	51,600	8.14%	49,805
Payroll Taxes	2,317	2,317	29,000	7.99%	27,928
Workman's Compensation	-	-	7,000	0.00%	6,058
<b>Total Salaries &amp; Benefits</b>	<b>50,533</b>	<b>50,533</b>	<b>629,700</b>	<b>8.02%</b>	<b>614,212</b>
<b>Supply &amp; Treatment</b>					
Purchased Water - Leased	-	-	367,890	0.00%	496,961
Purchased Water - Other	773	773	14,400	5.37%	14,069
Power	13,058	13,058	125,000	10.45%	120,263
Assessments	-	-	132,770	0.00%	91,367
Treatment	-	-	7,000	0.00%	-
Well & Pump Maintenance	577	577	157,000	0.37%	2,376
<b>Total Supply &amp; Treatment</b>	<b>14,407</b>	<b>14,407</b>	<b>804,060</b>	<b>1.79%</b>	<b>725,035</b>
<b>Other Operating Expenses</b>					
General Plant	539	539	10,500	5.13%	5,313
Transmission & Distribution	9,512	9,512	60,000	15.85%	67,558
Vehicles & Equipment	-	-	30,000	0.00%	31,515
Field Support & Other Expenses	1,114	1,114	27,000	4.13%	26,761
Regulatory Compliance	1,460	1,460	30,000	4.87%	35,146
<b>Total Other Operating Expenses</b>	<b>12,625</b>	<b>12,625</b>	<b>157,500</b>	<b>8.02%</b>	<b>166,293</b>

**INDUSTRY PUBLIC UTILITIES - WATER OPERATIONS**

**Statement of Revenue and Expenses**

**For the Period Ending July 31, 2017**

**(Unaudited)**

<b>DESCRIPTION</b>	<b>JULY 2017</b>	<b>FISCAL YTD 2017-2018</b>	<b>BUDGET FY 2017-2018</b>	<b>8% OF BUDGET</b>	<b>FY END 2016-2017</b>
<b>General &amp; Administrative</b>					
Management Fee	-	-	183,890	0.00%	180,285
Office Expenses	643	643	20,500	3.14%	20,792
Insurance	-	-	25,500	0.00%	12,004
Professional Services	450	450	45,000	1.00%	4,739
Customer Accounts	1,270	1,270	16,000	7.94%	15,748
Public Outreach & Conservation	14	14	25,000	0.05%	4,688
Other Administrative Expenses	410	410	2,000	20.48%	3,291
<b>Total General &amp; Administrative</b>	<b>2,786</b>	<b>2,786</b>	<b>317,890</b>	<b>0.88%</b>	<b>241,546</b>
<b>Other Expenses &amp; System Improvements (Water Operations Fund)</b>					
Transfer to Capital or Expense	-	-	-	N/A	-
Developer Capital Contributions	-	-	-	N/A	-
Developer Project -	-	-	-	N/A	-
Developer Project -	-	-	-	N/A	-
Developer Project -	-	-	-	N/A	-
Developer Project -	-	-	-	N/A	-
Developer Project -	-	-	-	N/A	-
Developer Project -	-	-	-	N/A	-
<b>Net Developer Project Activity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Master Plan Update / Hydraulic Model	-	-	-	N/A	11,359
Other System Improvements (Materials)	-	-	-	N/A	223
Fire Hydrant Repairs / Replacements	-	-	9,000	0.00%	83
Service Line Replacements	-	-	30,000	0.00%	71,893
Valve Replacements	13	13	25,000	0.05%	660
Plant Electrical System Improvements	-	-	20,000	0.00%	-
Meter Installations - Industry Hills	-	-	-	N/A	24,818
Meter Read Collection System	-	-	-	N/A	23,792
SCADA System Assessment & Upgrades	-	-	9,000	0.00%	-
<b>Total Other &amp; System Improvements</b>	<b>13</b>	<b>13</b>	<b>93,000</b>	<b>0.01%</b>	<b>132,828</b>
<b>TOTAL EXPENSES</b>	<b>80,365</b>	<b>80,365</b>	<b>2,002,150</b>	<b>4.01%</b>	<b>1,879,914</b>
<b>OPERATING INCOME</b>	<b>151,687</b>	<b>151,687</b>	<b>(15,550)</b>	<b>N/A</b>	<b>53,492</b>

# Memo



To: Honorable Board of Directors

From: Greg Galindo, General Manager

Date: August 25, 2017

Re: Purchase of a New 2017 Ford F-250 Supercab Truck with Service Body

---

## ***Summary***

The District currently has 11 trucks and 6 pieces of large equipment. A list of the District's current vehicles and equipment is enclosed. The 2017 District Budget for Capital Outlay provides \$37,000 for the purchase of a new pickup truck. The new truck will be utilized primarily for water production and treatment plant operations. This will result in an existing 2007 Ford Ranger Pickup, that has 111,000 miles of service, to be used as an extra truck to supplement when another vehicle is out of service.

District staff sent notice of inviting bids to four different dealers that have fleet sales. The notice of inviting bids is enclosed for your reference. In response to the notice of inviting bids, staff received one bid from Ed Butts Ford, which is enclosed and summarized below.

Dealer	Location	Bid (tax and doc fees included)
Ed Butts Ford	La Puente, CA	\$ 39,731.26

This bid is over the District's Budget appropriation for this Capital Outlay item; however the bid price is within reason based on the specifications requested. Ed Butts Ford is located in La Puente and they have a long history of providing fleet services to the District. In addition to the purchase price of the truck, staff will be equipping the truck with a light bar and radio communication equipment, which is estimated to cost \$3,500. The total cost of the new truck, including light bar and radio equipment, is estimated to be \$43,300.

## ***Recommendation***

Staff recommends the Board approve the purchase of a new 2017 F-250 Supercab Truck with Service Body for a not to exceed price of \$39,731.26, from Ed Butts Ford. In addition, staff recommends the Board authorize staff to equip the new truck with a light bar and radio equipment for an estimated cost of \$3,500.

If you have any questions on the information provided, please feel free to contact me.

Respectfully Submitted,

*Greg B. Galindo*

General Manager

***Enclosures***

- ◆ List of District Vehicles and Large Equipment
- ◆ Notice of Inviting Bids for a 2017 F-250 Supercab Truck with Service Body
- ◆ Bid from Ed Butts Ford



### LPVCWD Vehicles & Equipment

<u>Unit #</u>	<u>Description</u>	<u>Assigned To</u>	<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>Current Miles/Hours</u>
29	GM Vehicle	General Manager	2012	CHEVY	EQUINOX	56968
20	T&P Supervisor truck	Prod. & Treat. Supervisor	2006	FORD	F-150	118886
24	Prod. truck	Production	2007	FORD	RANGER	112343
30	Dist. Supervisor truck	Distribution Supervisor	2016	FORD	F-150	18097
14	Service truck 1	Distribution	2000	FORD	F-450	63239
17	Service truck 2	Distribution	2004	FORD	F-350	39459
22	Dump truck	Distribution	2007	FORD	F-450	28726
25	On Call truck	Distribution	2008	FORD	F-150	109704
26	Valve truck	Distribution	2009	FORD	F-350	13959
28	Dist. truck	Distribution	2010	FORD	F-150	76001
23	Bobcat	Distribution	2007	Bobcat		845
18	Backhoe	Distribution	1991	CASE	580	5309
31	Backhoe	Distribution	2016	CASE	580 EP	120
19	Compressor #1	Distribution	1998	Ingersol Rand		1156
21	Compressor #2	Distribution	2004	Ingersol Rand		1396



Greg Galindo &lt;ggalindo@lapuentewater.com&gt;

---

**Notice Inviting Bid for F-250 Supercab with service body**

1 message

---

**Greg Galindo** <ggalindo@lapuentewater.com>

Mon, Aug 21, 2017 at 10:23 AM

To: Dave Pleasant &lt;dpleasant@edbuttsford.com&gt;, jramirez@puentehillsford.com, brad@fordmontebello.net, wmarshall@chinohillsford.com, Bill Damore &lt;bdamore@puentehillsford.com&gt;

Cc: Gina Herrera &lt;gherrera@lapuentewater.com&gt;, "cortiz@lapuentewater.com" &lt;cortiz@lapuentewater.com&gt;

Good Morning All,

Our Water District is requesting bids for a new F-250 4X2 Super Cab with service body. I have attached a notice inviting bids for the unit we would like a bid for. We are moving pretty fast and would like to place an order in the next couple weeks. We ask that if you are interested in providing a bid that it be emailed to me by this Thursday at 1pm. If you have any questions, please feel free to contact me. Thank you for your time in response.

Greg Galindo

General Manager

La Puente Valley County Water District

Office (626) 330-2126

Moblie (626) 890-0797

**LPVCWD NIB for F-250 - August 21, 2017.pdf**

193K



## **NOTICE INVITING BIDS**

### **District Information**

The La Puente Valley County Water District is a local government agency. Our District was incorporated in August 1924 under the County Water District Act of the State of California Water Code. A five-member Board of Directors elected at large from the District's service area governs the District. The District has approximately 2,500 water connections serving about 9,000 residents of portions of the cities of La Puente and Industry.

### **Request**

**La Puente Valley County Water District is requesting bids for the purchase of one (1) 2017 F-250 SRW 4X2 SUPERCAB WITH SERVICE BODY.**

**Bids must be submitted on the District provided Bid Sheet and must be received at the La Puente Valley County Water District Office by 1:00 P.M., Thursday, August 24, 2017. Bids may be faxed to (626) 330-2679 or emailed to [ggalindo@lapuentewater.com](mailto:ggalindo@lapuentewater.com).**

The bids shall specify delivery date after Notice of Award and must be signed by a qualified agent of the company submitting the bid.

La Puente Valley County Water District reserves the right to accept or reject, in the best interest of the District, any or all bids and/or any alternate items thereof.

No bidder may withdraw his bid for a period of thirty (30) days after the date set for closing thereof.

Dated this 21<sup>st</sup> day of August 2017.

La Puente Valley County Water District

Greg B. Galindo  
General Manager



## **LA PUENTE VALLEY COUNTY WATER DISTRICT**

### **SPECIFICATIONS FOR THE PURCHASE OF A 2017 F-250 SRW 4X2 SUPERCAB WITH SERVICE BODY**

#### **SPECIFICATIONS AND BIDDING INSTRUCTIONS**

The bid sheet shall include the unit cost, sales tax, total thereof and the total bid written words, the delivery date after Notice of Award. Also, please attach warranty information and mileage rating.

Prior to the acceptance of the vehicle the successful bidder shall prep the unit, i.e., clean, wash, fuel, lube, and make road ready. The District shall have the right to inspect the unit and verify compliance with the following specifications and the State of California Standards for emission control and safety features.

The following page provides the specifications of the unit desired:

**(SUCCESSFUL BIDDER SHALL PROVIDE A SHOP MANUAL TO COVER  
ALL VEHICLE MAINTENANCE.)**

# Vehicle Specification

## Super Duty

2017 F250 SRW 4x2 Supercab  
XL 164"WB Styleside  
6.2L EFI V-8 Engine  
6 Speed Automatic Trans G

### Exterior

Oxford White

### Interior

Medium Earth Gray Vinyl

### **Standard Equipment Included at no Extra Charge**

#### Exterior

- Box rail/tailgate moldings
- Door handles - Black
- Headlamps – Wiper Activated
- Locking Removable Tailgate w/lift Asst-NA W/box DLT
- Pickup Box, Tie down Hooks – NA w/Box DLT
- Spare Tire and Wheel Lock – NA W/Box DLT
- Tow Hooks
- Trailer Sway Control

#### Interior

- 60/40 Fold-up Rear Bench Seat
- Air Cond, Manual Front
- Driver Seat-Manual Lumbar
- Outside Temp Display
- Particulate Air Filter
- Tilt/Telescope Str Column
- Vinyl Sun Visors

#### Functional

- 4-Wheel Anti-lock Disc braking System
- Hill Start Assist
- Jewel Effect Headlamps
- Mykey
- Twin I-Beam Independent Frt Suspension W/Stab Bar

#### Safety/Security

- Advancetrac with RSC
- Belt-Minder Chime
- Securilock Pass Anti Theft
- SOS Post Crash Alert Sys.

#### Warranty

3yr/36000 Bumper/Bumper  
5yr/60,000 Powertrain  
5yr/60,000 Roadside Assist

### **Other Equipment**

Preferred Equipment Pkg600A

6 Speed Automatic Trans G  
3.73 Ratio Regular Axle  
Power Equipment Group  
XL Décor Package  
10000# GVWR Package  
50 State Emissions  
Spare Tire and Wheel  
Trailer Brake Controller  
Telescoping TT Mirror-Power/HTD  
Jack  
Upfitter Switches  
Extra Heavy Duty Alternator  
Sync Voice Activated Systems  
XL Value Package  
Cruise Control  
AM/FM Stereo CD/CLK  
Rearview Backup Camera

**Seizel Enterprise Inc. Service Body (SB-98-79-49-38-VO) or equal**

Bed of Service body shall have a sprayed lining. Rhino Lining or equal.

**LA PUENTE VALLEY COUNTY WATER DISTRICT**

**2017 F-250 SRW 4X2 SUPERCAB**

VEHICLE UNIT COST: \_\_\_\_\_

ALL APPLICABLE TAXES: \_\_\_\_\_

TOTAL BID: \_\_\_\_\_

\_\_\_\_\_  
(TOTAL BID IN WORDS)

DELIVERY DATE OR TIME PERIOD AFTER NOTICE OF AWARD:

\_\_\_\_\_  
WARRANTY INFORMATION AND GAS MILEAGE RATING, (PLEASE ATTACH).

PLEASE LIST ANY DEVIATIONS FROM DESCRIBED SPECIFICATIONS

\_\_\_\_\_  
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Go Further

ford.com

## VEHICLE DESCRIPTION

## SUPER DUTY

2017 F250 SRV 4X2 SUPER CAB  
XL 164" WB STYLE SIDE  
6.2L EFI V8 ENGINE  
6 SPEED AUTOMATIC TRANS G

## HE D46721

EXTERIOR: OXFORD WHITE  
INTERIOR: MEDIUM EARTH GRAY VINYL

## STANDARD EQUIPMENT INCLUDED AT NO EXTRA CHARGE

**EXTERIOR**  
• BOX RAIL/TAIL GATE MOLDS  
• DOOR HANDLES - BLACK  
• HEADLAMP AMPER ACTIVATED  
• LOCKING REMOVABLE TAILGATE  
• W/LEFT ASST-NA W/BOX DLT  
• PICKUP BOX TIE DOWN HOOKS  
• -NA W/BOX DLT  
• SPARE TIRE AND WHEEL LOCK  
• -NA W/BOX DLT  
• TOW HOOKS  
• TRAILER SWAY CONTROL

**INTERIOR**  
• 60/40 FOLD-DOWN REAR BENCH  
• SEAT  
• AIR COND. MANUAL FRONT  
• DRIVER SEAT/MANUAL LUMBAR  
• OUTLET TEMP DISPLAY  
• PARKING BRAKE FILTER  
• TILT/TELESCOPE STR COLUMN  
• VINYL SUN VISORS

**FUNCTIONAL**  
• 4-WHEEL ANTI-LOCK DISC  
• BRAKING SYSTEM  
• HILL START ASSIST  
• JEWEL EFFECT HEADLAMPS  
• MTRK  
• TWIN I-BEAM INDEPENDENT  
• FRT SUSPENSION W/STAB BAR

**SAFETY/SECURITY**  
• ADVANCE TRAC WITH HSC  
• BELT-MINDER CHIME  
• SECURILOCK PASS ANTI THEFT  
• SOS POST CRASH ALERT SYS  
• W/NA  
• 3YR/36,000 BUMPER / BUMPER  
• 5YR/60,000 POWERTRAIN  
• 5YR/60,000 ROADSIDE ASSIST

## INCLUDED ON THIS VEHICLE

(MSRP)

**OPTIONAL EQUIPMENT/OTHER**  
PREFERRED EQUIPMENT PKG.690A  
6 SPEED AUTOMATIC TRANS G  
3.73 RATIO REGULAR AXLE  
POWER EQUIPMENT GROUP  
PICKUP BOX DELETE  
1000W GVWR PACKAGE  
50 STATE EMISSIONS  
SPARE TIRE AND WHEEL  
TRAILER BRAKE CONTROLLER  
TELESCOPING TT MIRR-POWER/STD  
JACK  
UPFITTER SWITCHES  
EXTRA HEAVY DUTY ALTERNATOR  
SYNC VOICE ACTIVATED SYSTEMS  
XL VALUE PACKAGE  
JAM/FM STEREO CD/CLK

NO CHARGE  
NO CHARGE  
915.00  
NO CHARGE  
NO CHARGE  
270.00  
165.00  
NO CHARGE  
365.00  
720.00

**PRICE INFORMATION**  
BASE PRICE \$35,070.00  
TOTAL OPTIONS/OTHER 2105.00  
TOTAL VEHICLE & OPTIONS/OTHER 37175.00  
DESTINATION & DELIVERY 1295.00

(MSRP)

TOTAL MSRP \$38,470.00

This label is affixed pursuant to the Federal Automobile Information Disclosure Act. Gasoline, License, and Title Fees, State and Local taxes are not included. Dealer installed options or accessories are not included unless listed above.

## SPECIAL ORDER

R156 R 65 2X 755 000237 06 23 17

## EPA Fuel Economy and Environment

FUEL ECONOMY RATINGS NOT  
REQUIRED ON THIS VEHICLE

## fuelconomy.gov

Calculate personalized estimates and compare vehicles



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choices that are right for you. See your Ford  
Dealer for details or visit [www.FordCredit.com](http://www.FordCredit.com).

08/25/2017

LA PUENTE VALLEY COUNTY WATER DISTRICT

2017 F-250 SRW 4X2 SUPERCAB

VIN # IFD7K2AG6HED46721

VEHICLE UNIT COST: \$36,279.28

ALL APPLICABLE TAXES: SALES TAX 3,363.23 ED. DOC FEE 8.75 TIRE FEE

TOTAL BID: \$39,731.26

THIRTY NINE THOUSAND SEVEN HUNDRED THIRTY ONE AND  
(TOTAL BID IN WORDS) TWENTY SIX CENTS

DELIVERY DATE OR TIME PERIOD AFTER NOTICE OF AWARD:

7-10 DAYS

WARRANTY INFORMATION AND GAS MILEAGE RATING, (PLEASE ATTACH).

PLEASE LIST ANY DEVIATIONS FROM DESCRIBED SPECIFICATIONS

GAS MILEAGE N/A

Daniel Pearson

SIGNATURE

8-23-17

DATE

FLT MGR

TITLE

ED BUTTS FORM

1515 N. HACIENDA BLVD

LA PUENTE CA 91744

ADDRESS





# Memo



To: Honorable Board of Directors

From: Greg Galindo, General Manager

Date: August 25, 2017

Re: Discussion Regarding the Request for Proposal for a Comprehensive Rate and Fee Study

---

## *Summary*

The District's current water rates were adopted in August of 2011. The water rates were substantiated by a water rate study that was completed by District staff in April of 2011. The rates adopted increased rates by approximately 25% over a five year period, with the last year of the increases to be instituted in September 2015.

As the Board is aware, the cost of imported water, for replenishment, has increased substantially over the last decade and is projected to increase above the standard rate of inflation for some time to come. In addition, new groundwater production assessments adopted by Watermaster, which are designed to improve groundwater reliability for the region, are driving up the source of supply costs for the District. To address these cost increases and support the District's capital improvement program, adjustment to water rates will be needed within the next year.

The approved 2017 District Budget appropriates \$163,800 for professional services, which encompasses the cost for legal services, finance consulting and a portion of a water rate study. The remaining portion of the cost of a water rate study will be budgeted for year 2018. Staff highly recommends that a consultant with vast experience in preparing water rate studies be engaged to complete this study. To support this effort, District staff drafted and then distributed a Request for Proposal (RFP) for a Comprehensive Water Rate and Fee Study to four consulting firms with known experience in this area. The RFP was distributed on August 23, 2017 and proposals are due by September 14, 2017. A copy of the RFP is enclosed for your reference.

At the upcoming Board of Directors meeting, staff would like to discuss with the Board the RFP and the timeline for completing the water rate and fee study.

If you have any questions on the information provided, please feel free to contact me.

Respectfully Submitted,

*Greg B. Galindo*

General Manager

## *Enclosure*

◆ Request for Proposal for a Comprehensive Water Rate and Fee Study



**REQUEST FOR PROPOSALS TO PREPARE A  
COMPREHENSIVE RATE AND FEE STUDY**

**August 23, 2017**

**Proposal Due Date**

**3:00 p.m., Thursday September 14, 2017**

**Submit to**

**Greg B. Galindo, General Manager**

**112 North 1<sup>st</sup> Street**

**La Puente, CA 91744**

## REQUEST FOR PROPOSALS

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ATTACHMENT A:	2010 WATER RATE STUDY
ATTACHMENT B:	CURRENT RATES AND CHARGES
ATTACHMENT C:	CURRENT OTHER FEES AND CHARGES
ATTACHMENT D:	WATER SYSTEM CONNECTION FEE POLICY
ATTACHMENT E:	RULES AND REGULATIONS FOR WATER SERVICE - not included to reduce file size
ATTACHMENT F:	2016 AUDITED FINANCIAL STATEMENTS - not included to reduce file size

**LA PUENTE VALLEY COUNTY WATER DISTRICT**

**INVITATION TO SUBMIT PROPOSAL**

**TO PREPARE A COMPREHENSIVE WATER RATE AND FEE STUDY**

The La Puente Valley County Water District (“District”) invites your company to submit a written proposal to provide a comprehensive, Water Rate and Fee Study, as described herein.

Sealed proposals will be accepted at the District office until 3:00 p.m. on Thursday September 14, 2017. Proposals submitted must be binding for no less than ninety (90) days after the date received. The District will select the proposal that, in its opinion, is in the best interest of the District. The District reserves the right to reject any or all proposals or portions of a proposal. The District also reserves the right to waive minor technicalities in the proposal. The District not only reserves the right at the sole discretion of the District to reject any or all proposals and to waive technicalities, but also reserves the right of evaluation and the right to determine the methodology for evaluation of the proposals to determine which is the best proposal. In addition, to accept the proposal (or proposals) deemed to be in the best interest of the District, i.e., the most qualified proposal will not necessarily be the proposal with the lowest cost. Further, the District reserves the right to accept a proposal (or proposals) for any or all items separately or together.

Proposals may be mailed or hand-delivered to the below address by the date and time specified. It is the responsibility of the Respondent to deliver the proposal in accordance with these instructions contained above and/or elsewhere in the request for proposal (RFP). Proposals dispatched, but not received by the District proposal closing time, will be returned, unopened.

Each proposal shall be submitted in a sealed envelope, addressed to:

Greg B. Galindo, General Manager

La Puente Valley County Water District

112 N. First Street

La Puente, CA 91744

This package must be sealed and marked “Proposal for a Water Rate and Fee Study” and delivered to the District office no later than 3:00 p.m. Pacific Standard Time, on the Closing Date of September 14, 2017.

All requests for information, clarification or related inquiries shall be submitted in writing to Greg Galindo, General Manager, at [ggalindo@lapuentewater.com](mailto:ggalindo@lapuentewater.com).

## SECTION 1

### **Agency Information**

The La Puente Valley County Water District (District) was organized in August 1924 under the provisions of the County Water District Act (Statutes 1913, P 1049). Under the provisions of this statute the people of any area, which may include either incorporated or unincorporated areas within a county, or both, may organize a District for the purpose of serving its inhabitants with water for all purposes, including domestic, agricultural, and industrial uses. The assets and property of the District are publicly owned, that is, belong to the people in the District, and in the same manner as property of a City is owned by the people in the City. Other water District's in the San Gabriel Valley that were formed under the same statute and share other similarities include San Gabriel County Water District and Valley County Water District.

The District's service area includes a portion of the City of La Puente and the City of Industry. Approximately 62% of the District's service area lies within the City of La Puente and 38% in the City of Industry. The District has approximately 2,500 active services serving approximately 9,600 people. The District's water system includes approximately 34.2 miles of distribution and transmission mains, 3 active wells, 6 booster pump stations, and 3 reservoirs.

<b>La Puente Valley County Water District</b>	
Population in Service Area	9,600
Total Acreage in Service Area	1,600
Number of Active Water Services	2,500
Number of Reservoirs	3
Number of Active Wells	3
Number of Booster Pump Stations	4
Total Gallons of Water Storage	4.9 million
Number of Pressure Zones	5
Total Distance of Water Mains in System (Miles)	34.2
Average Annual Water Deliveries (Acre Feet)	1,690
Average Water System Daily Use (Million Gallons)	1.51

## **Source of Supply**

The District's primary source of supply is from three groundwater wells that produce water from the adjudicated Main San Gabriel Basin (MSGB). The MSGB is bounded by the San Gabriel Mountains to the north, San Jose Hills to the east, Puente Hills to the south, and by a series of hills and the Raymond Fault to the west. The District has 1,130.40 acre-feet of ground water production rights that equals (0.57197%) of all adjudicated water rights in the MSGB. The District's annual production rights is dependent on the MSGB Annual Safe Yield. On average, approximately 40% of the water needed to meet the annual demand of District customers, requires the District to either lease additional groundwater production rights or purchase imported water for replenishment.

## **Other Relevant Background Information**

Besides the potable water service, the District provides customers within its service are the District provides the following services:

- **Baldwin Park Operable Unit** - The District's well field is located within an area of the MSGB that has experienced extensive groundwater contamination. This area of the MSGB is designated as a Superfund Site, known as the Baldwin Park Operable Unit (BPOU). The District constructed and now manages and operates a groundwater treatment facility. In 2002, the District entered into the BPOU Agreement to address the contamination of groundwater in the BPOU from which the United States Environmental Protection Agency (EPA) named certain entities as potentially responsible parties (PRPs) and local water agencies (Water Entities) from which the District is included. The Agreement provided funding from the PRPs to fund the reasonable and necessary costs of design, construction, operation, maintenance and management of District's groundwater treatment facilities. The Agreement requires the District to pump and treat water at a target rate of 2,250 gallons per minute with any water that is surplus to the District's needs to be delivered wholesale to neighboring investor owned Suburban Water Systems. In May of 2017 a new BPOU Agreement was entered into by the same parties to extend the funding of groundwater cleanup to May 2027.
- **City of Industry Waterworks System** - The District operates and manages the City of Industry Waterworks System (CIWS) under agreement with the City of Industry. The current agreement's term expires in 2024. The CIWS is a potable water system that serves approximately 1,860 water services, mostly within the unincorporated area of Los Angeles County known as Avocado Heights and a small portion of the City of Industry.
- **Recycled Water** - The District is currently working on the design for phase 1 of its recycled water system, to provide irrigation water service to 10 locations in the southern portion of its water system. The project is expected to be completed in 2018 and is expected to deliver 50 acre-feet a year of recycled water.

- Puente Valley Operable Unit Intermediate Zone - The District is currently working with Northrop Grumman on an agreement to manage and operate a groundwater treatment facility, which is referred to as the Puente Valley Operable Unit Intermediate Zone, that will be located adjacent to the District's service area. Construction of this facility is scheduled in 2018 with the facility anticipated to be permitted and in service by 2020. This proposed facility will provide treated groundwater to the District and neighboring Suburban Water.

## **Major Revenue Sources**

The District's current and anticipated future revenue sources are as follows:

- Retail water sales
  - Water use
  - Service charge
  - Miscellaneous charges
- Surplus (wholesale) water sales
- Property tax disbursements
- Management fee for the CIWS
- Management fee for the BPOU Treatment Facility
- Management fee for the PVOU IZ Treatment Facility

## **Current Rates & Charges**

In 2010, a water rate study was completed by District staff and approved by the District Board of Directors in early 2011. The result of this study was a 5-year water rate plan with the first year implemented in September 2011 and final year implemented in September 2015. A copy of this study is provided as attachment "A". A schedule of our current rates, charges and fees is provided as attachments "B" & "C".

## **Water System Connection Fee**

In 2011, the District instituted a Water System Connection Fee for new potable water service connections so that they bear a proportionate share of the cost of water system facilities. The Water System Connection Fee is structured so that the fee from a new connection will make an investment to the Water System equivalent to the benefit it will receive from the existing Water System. A copy of the District's Water System Connection Fee Policy is provided as attachment "D".

## **Rules and Regulations for Water Service**

The District's current Rules and Regulation for Water Service is provided as attachment "E".

## **Financial Statements**

The District's fiscal year coincides with the calendar year. Its financial statements for year ending December 31, 2016 are provided as attachment "F".



## **Water Master Plan**

In May of this year the District completed and update to its Water Master Plan which provides a comprehensive analysis of the District's water system and recommendation for capital improvements over the next ten years. The Water Master Plan will be provided in electronic if requested.

### **SECTION 2**

#### **SCOPE OF WORK**

##### **General**

The work product must include water user fee studies and rate models which shall provide a framework within the study for the evaluation of multiple variable rate impacts from future requirements, including but not limited to water obligation adjustments, electrical cost adjustments, environmental compliance, salary and benefits adjustments, inflation, or other legislative mandates imposed by regulatory agencies. The professional consulting firm shall conduct but not be limited to performing the following services:

- Evaluation of the District's current policies, goals, and objectives and development of a "baseline scenario" which will serve as the standard for measuring/evaluating the changes from alternative rate structures, including any changes that will result in typical bi-monthly billings to customers.
- Meeting(s) with District staff for determination of required data collection and analysis.
- Based on the priorities and goals of the District draft formal Rate Setting Principles and present to the Board for discussion.
- Evaluation of current rate classes, rate structure and assessment of appropriateness; examination of potential alternatives.
- Determination of a bi-monthly service charge that fully supports operations and maintenance, replacement, capital improvements, and potential debt service costs.
- Review of projected maintenance repair or replacement costs of water assets, which will be built into the rate analysis.
- Supply a project schedule for developing the recommended rate structure with identifiable deliverables including any preliminary and final reports.
- The recommended structure must be consistent with industry practice for utility rate making and must comply with all legal requirements of the State of California, particularly Prop 218.
- Provide an easy-to-use electronic rate model in MS Excel that may be readily controlled to take into account alternative scenarios.
- Train staff on how to use and update the rate model on their own with limited or no consultant assistance.
- Prepare any and all necessary reports required by law or otherwise (including but not limited to requirements set forth in California Government Code Section 66001 and

Article XIII C & D of the California Constitution) for adoption of the recommended rate structure.

- Provide a comparative rate analysis to at least seven (7) other comparable communities in the San Gabriel Valley.
- Meet or confer with staff and other consultants as needed and attend all public meetings, hearings and/or work sessions with the District Board and/or its Committees to present interim recommendations in an effort to obtain input.

### **Water Rates and Fees**

- Development of a revenue sufficiency forecast for the water enterprise fund, which will take into account current and projected expenditures, fixed and variable expenditures, capital improvements and requirements for compliance with all county, state and federal regulations over the next 5 years, and then overall financial projection for the next 10 years.
- The Study should include current rate information and recommended rates over the next 5 years, with methodology and supporting analysis, connection fees and rate comparisons.
- Prepare required mailings and fee notifications to affected property owners impacted by the proposed changes to the rate structure and/or billing.
- Assist staff with the design of property related fee notices and ballots in accordance with the requirements of Proposition 218.
- Provide additional assistance as it pertains to any applicable requirements set forth in Proposition 218.
- Assist with one public hearing and two workshops for the District's Board of Directors.

### **Water System Connection Fees**

- Evaluation of current connection fee for appropriateness and examination of potential alternatives.
- Recommendation of a connection fee that is equivalent to the benefit an owner of a new water service connections will receive from the existing water system and prepare any necessary reports required by law to substantiate such recommendation.
- Assist and/or direct staff with the design, printing and mailing all applicable notices in accordance with all applicable California state law.
- Provide additional assistance as it pertains to any applicable requirements set forth in state law.
- Assist with one public hearing.

### **Other Fees**

- Evaluation of current miscellaneous fees for appropriateness, recommend adjustment to these fees and prepare any necessary reports required by law to substantiate such recommendation.
- Assist and/or direct staff with the design, printing and mailing all applicable notices in accordance with all applicable California state law.

- Provide additional assistance as it pertains to any applicable requirements set forth in state law.
- Assist with and be present for one public hearing.

### **Study Considerations**

- The recommended rate structure and fees shall be consistent with industry practice for water rates in California and comply with all applicable legal requirements.
- Meet or confer with District staff to discuss any findings, recommendations and potential legal concerns.
- The recommended rate structure shall be based on actual cost of service and shall be sufficient to meet the revenue requirements of the District including the capital costs and ongoing operations and maintenance costs for 5 years.
- The recommended rate structure shall be easy to administer and understand and take into consideration the District's billing system capabilities.
- The recommended rate structure shall take into consideration the District's existing and proposed reserve fund policies.

### **General Timeline**

- Present draft to the Board for review and comment on December 18, 2017.
- Adoption of Final Report and delivery of Rate Model completed before the end of February 2018 and presented to the Board in March 2018.
- Development and mailing of Proposition 218 Notice completed before the end of April 2018.
- Public hearing and adoption of rates to be presented to the Board in July at the second Board meeting for implementation of new rates effective the first billing cycle after September 15, 2018.

## **SECTION 3**

### **PROPOSAL INSTRUCTIONS**

#### **Proposed Methodology**

Responses to this RFP shall contain a written description of the process and methodology to be used in performance of the services necessary to accomplish the Scope of Work. All responses shall be in accordance with the requirements of the RFP.

In addition, any consultant proposing to conduct this project must be agreeable to meet the terms and conditions of the District's standard agreement for Professional Services.

## **Request for Clarification**

All requests for clarification concerning the RFP or Scope of Work shall be made in writing and must be received by 3:00 p.m. on September 5, 2017. Responses will be provided via email to the Respondent requesting clarification. All requests for clarification shall be directed to Greg B. Galindo, General Manager via e-mail, [ggalindo@lapuentewater.com](mailto:ggalindo@lapuentewater.com).

## **Respondent's Qualifications**

The information requested in this paragraph will be used to determine the Respondent's demonstrated competence and qualifications required for the project. Respondents shall include the following information:

- Resumes demonstrating the qualifications and experience of key personnel and sub consultants who will be involved in the project.
- The name of the individual selected to serve as the project manager who shall coordinate all activities with the General Manager.
- References for work performed within the last five years, with your firm, similar in scope and size to demonstrate the Respondent's competence to perform the project, with the most current projects listed first. Prime consideration will be given to projects that illustrate the Respondent's capability to perform the work specified in the Scope of Work. The information shall include the following:
  - The client's name, contact person, address, and telephone number.
  - A brief description of the type and extent of services provided by the Consultant.
  - Names of key personnel on Respondent's team that participated in the named project and their specific responsibilities.
  - Completion dates of projects (estimated, if not yet completed).
  - Total cost of completed projects.

## **Project Budget**

Respondents shall submit a proposed Project Budget, including proposed fee schedule, with the Proposal.

Respondent's Project Budget shall contain a subtotal for each category of proposed services with a minimum of 5 categories and a maximum of 10 categories.

All estimated reimbursable expenses shall be listed in the Project Budget. All administrative costs, including accounting, taxes, overhead, profit, and other direct, indirect, general, and administrative costs are to be included in the budget. Payment for mileage is restricted to the Internal Revenue Service published mileage rate.

District reserves the right to select only those services that are necessary for the completion of the Scope of Work and to deduct the cost of any unnecessary services from the Project.

## **Proposal Submittals**

District requests that Proposals be organized and presented in a neat and logical format and be relevant to the professional services required to be performed. Proposals shall be clear, accurate, and comprehensive, and excessive or irrelevant material will not be favorably received.

Proposals shall be rejected if conditional or incomplete, or if the Proposal contains alterations of form or other irregularities. A proposal will be rejected if such defect or irregularity results in a material deviation from this RFP.

Proposals may be modified only if written notice is received by District prior to the hour fixed for receiving proposals.

Proposals shall be tabbed, organized and numbered in the order presented below. Each Proposal shall have at minimum the following sections:

Section 1	Identification of Respondent
Section 2	Organizational Qualifications
Section 3	Team Qualifications
Section 4	Approach
Section 5	Additional Information Relating to Project
Section 6	Project Budget

Proposals must be received at the District by **3:00 p.m., Thursday, September 14, 2017**. Proposals can be hand delivered or mailed to La Puente Valley County Water District, 112 N. First Street, La Puente CA., 91744.

Proposals received after this time and date will not be accepted.

Respondent shall submit two physical copies of the Proposal and one electronic (PDF) copy, which shall be provided on a flash drive included with the hard copy submission.

The District will not be responsible for submittals that are delinquent, lost, mismarked, sent to an address other than that given, and/or sent by mail or courier service.

Proposals submitted shall be in writing and in the English language. Faxed proposals will not be accepted.

-END OF SECTION-

## SECTION 4

### SELECTION PROCESS

#### **Proposal Evaluation**

The following evaluation factors will be used for the evaluation and selection of the Consultant. The order of the listed criteria is not indicative of priority or importance.

- **Organizational Qualifications:**
  - Respondents' specialized experience, which demonstrates competence to perform the required services.
  - References, which demonstrate the experience of Respondent and any sub consultants with complex projects. References should be relevant to the required services.
  - Staffing capability to handle additional work in view of the Respondent's current workload.
  - Respondent's experience in similar projects, including similar projects awarded within the last five years.
- **Team Qualifications:**

Description of personnel functions with names of key staff and sub consultant's resumes, showing qualifications, training, experience, education, and licenses of the key personnel who will be assigned to this project.
- **Approach, including but not limited to:**
  - Respondent's method and process of accomplishing goals and objectives, description of intended Scope of Work with expected outcomes, and outline of activities to provide the required services.
  - The completeness and competence of the answers Respondent gives in the Scope of Work sections and subsections and its proven ability to accurately prepare the documents required.
  - Understanding of the nature and extent of the Scope of Work, requirements of the Agreement, and the specific outline of work to be performed.
  - Discussion of constraints, problems, and issues that should be anticipated during contract performance and suggestions as to approaches to resolving foreseeable problems.
  - Project schedule and timeline, which shows project flow and includes start and end dates, schedule of activities, and projected outcomes. The schedule should be detailed enough to include staff selection and start dates.
- **Project Budget as specified in Project Budget section of the RFP.**

## **Selection of Consultant**

After evaluating all Proposals, and conducting interviews if required, District will select the Consultant to perform the services requested, finalize the Agreement for execution by the parties, and notify each Respondent in writing of its selection status.

District reserves the right to verify all resumes submitted prior to the selection of the Consultant.

District reserves the right to verify all information submitted in the Proposal, reject any or all Proposals, or to select the Proposal that is most advantageous to District. District's decision shall be final, and there shall be no obligation on the part of District to justify its decision to select a particular Consultant.

-END OF SECTION-

## **SECTION 5**

### **CONTRACTUAL & OTHER REQUIREMENTS**

#### **General**

Respondent shall be fully capable, qualified, insured, and licensed as required to provide the services required to complete the work specified in the Scope of Work.

Respondent shall name a project manager for these services that will coordinate all activities with District's General Manager.

All services provided by Respondent shall be completed under one unified management and organizational affiliation effort led by Respondent. Respondent shall submit an organizational chart showing proposed staff for these services that illustrates the relationship between District, the project manager, key personnel and sub consultants.

#### **Sub Consultants**

Respondent shall identify sub consultants used in the performance of these services and provide a resume and a detailed description of the services to be performed by each sub consultant. Any substitution from personnel identified in Respondent's proposal in response to this RFP requires prior written approval by District. Changes in the use of sub consultants shall not: (1) affect the work schedule presented in the Scope of Work, (2) affect the proposed procedures and methodology used, or (3) increase the cost of services provided.

Consultant shall be responsible for all services performed under the Agreement with District by sub consultants. Sub consultant services must be: (1) identified with the services to be performed and (2) identified in the project budget with their fee schedule/billing rates.

Consultant shall not assign or transfer its interest in any contract or subcontract for sub consultant services without the prior written consent of District.

District will not approve Consultant billing for any personnel who are not specifically approved for work on the project. Personnel provided by the Consultant who do not meet the requirements for the classification assigned will be rejected by District and the Consultant shall supply a suitably qualified candidate for approval by District.

### **Key Personnel**

Respondent shall identify all key personnel to be used in the performance of these services under the Agreement and provide a resume and detailed description of the services to be performed by key personnel.

Changes in key personnel shall not: (1) affect the work schedule presented in the Scope of Work, (2) affect the proposed procedures and methodology used, or (3) increase the cost of services provided.

District reserves the right to review and approve/disapprove all key personnel and any substitution or removal of previously approved key personnel.

District will not approve Consultant billing for any key personnel who are not specifically approved for work on the project. Key personnel provided by the Consultant who do not meet the requirements for the classification assigned will be rejected by District and the Consultant shall supply a suitably qualified candidate for approval by District.

### **Indemnity**

Consultant assumes all risk of injury to its employees, agents, and sub consultants, including loss of or damage to property and shall defend, indemnify, and hold harmless the District, its Board of Directors, officers, employees and agents from and against all claims, suits or causes of action for injury to any person or damage to any property arising out of any intentional or negligent acts or errors or omissions connected with performance of work under the Agreement.

### **Insurance**

Consultant shall maintain such insurance as will protect it from claims under workers' compensation laws, and such liability insurance as will protect against claims for damages for bodily injury, including death, and damages to property in accordance with the terms of the Agreement.

Consultant shall maintain evidence of coverage in an updated form during the term of the Agreement.

### **Non-Discrimination Practices**

Consultant shall not discriminate against any employee or applicant for employment because of race, sex (including pregnancy, childbirth, or related medical condition), creed, national origin,



color, disability as defined by law, disabled veteran status, Vietnam veteran status, religion, age, medical condition, marital status, ancestry, or sexual orientation.

### **Right to Audit**

Consultant shall be responsible for ensuring the accuracy and propriety of all billings and shall maintain all supporting documentation for a period of three years.

For a period of three years following completion of performance of the services specified in the Scope of Work, District will have the right to audit Consultant's and sub consultant's invoices and all supporting documentation for purposes of compliance with the Agreement.

Consultant shall cooperate fully with any audit of its billings conducted by District and permit access to its books, records and accounts as may be necessary to conduct such audits.

### **Release of Information**

Consultant shall not make public information releases, or otherwise publish any information obtained or produced by it as a result of, or in connection with, the performance of services under the agreement without prior written consent from District.

### **Use of District's Name**

Consultant shall not publish or use any advertising, sales promotion, or publicity in matters relating to services, equipment, products, reports, and material furnished by Consultant in which District's name is used, or its identity is implied, without prior written approval by District.

### **Confidentiality**

District is subject to the Public Records Act, California Government Code Section 6250 et. seq.

Respondent shall identify any trade secret information as defined by California Government Code Section 6254.7 in its response to this RFP.

When submitting trade secret information, such information shall be submitted on colored paper different from the rest of the Proposal, and shall be clearly marked "Confidential." All confidential information submitted in proposals not selected will be returned to Respondent.

### **Conflict of Interest**

Respondents shall identify any existing or potential conflict of interest in its proposal that is related to or arises from this RFP or the work contemplated to be performed herein or under the Agreement. Consultant shall agree not to accept any employment from or perform services with or for any other person, firm, or corporation where such employment is a conflict of interest or where such employment or service is likely to lead to a conflict between District's interest and the interests of such person, firm, corporation, or any other third party.

When submitting any existing or potential conflict of interest information, such information shall be submitted on a colored paper different from the rest of the Proposal, and shall be clearly marked "Conflict of Interest."

### **Use of Materials**

District will make available to Consultant such materials from its files as may be required by Consultant to perform these services. Such materials shall remain the property of District while in Consultant's possession. Upon termination of the Agreement or completion of work under the Agreement, Consultant shall turn over to District any District property or materials in its possession and any calculations, notes, reports, electronic files, or other materials prepared by Consultant in the performance of these services.

District may utilize any material prepared or work performed by Consultant in any manner, which District deems proper without additional compensation to Consultant. Consultant shall have no responsibility or liability for any revisions, changes, or corrections made by District, or any use or reuse pursuant to this paragraph unless Consultant accepts such responsibility in writing.

### **Software Rights and Copyrights**

District may use any material prepared or work performed by Consultant pursuant to the Agreement in any manner District deems proper without additional compensation to Consultant. Consultant shall have no responsibility or liability for any revisions, changes, or corrections made by District, or any use or reuse pursuant to this paragraph unless Consultant accepts such responsibility in writing.

Consultant shall maintain complete ownership and proprietary rights with regard to Consultant's software programs used or developed by Consultant, which have universal applications. District shall obtain the right to use, sell, and/or modify custom programs and databases specifically developed for District. Upon District's request, Consultant shall cooperate with and assist District in obtaining or perfecting any copyright interests arising from or related to Consultant's work under the Agreement.

### **Award of Contract**

After Consultant is selected, award of contract is contingent upon the successful negotiation of the Agreement and its formal approval by the Board of Directors of District. After approval by District, Consultant will receive a written notice of award of contract. The District, at its sole discretion, may determine it is in its best interest to issue separate contracts to complete the work detailed in the Scope of Work.

### **Payment**

Payment for the work described in the Scope of Work shall be on a time and material basis with a pre-approved, not to exceed limit based on the project budget submitted by the Consultant and as approved by District. Additional funds will only be authorized for work requested by the District, which is clearly beyond the Scope of Work, or for the optional items identified in the

Scope of Work. All additional/optional work to be performed must have prior written approval of District. Monthly progress payments will be made based on the Consultant's invoice and District's concurrence with the project's progress. The invoice must be submitted to District by the first workday of each month in order to be considered for payment authorization in that month. Payments will normally be made on the second Tuesday of each month and will be for work completed during the previous month.

#### **Termination of Agreements**

District may terminate the Agreement, with or without cause, by providing written notice of termination to Consultant not less than five working days prior to the effective termination date. District's only obligation in the event of termination will be payment of fees and expenses incurred up to and including the date of the notice of termination.

-END OF SECTION-



# **LA PUENTE VALLEY COUNTY WATER DISTRICT STUDY OF WATER RATES, FEES AND CHARGES**

**MARCH 2011**



**Prepared by:** Greg B. Galindo  
General Manager  
La Puente Valley County Water District

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## Summary

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The La Puente Valley County Water District (District) approved Resolution 178 in July of 2006, thereby adopting rates and charges for water service, which instituted a multiyear (5 year) rate increase plan. The adopted rate schedule was to increase rates in September of each year; starting in September 2006 ending in September 2010; by approximately 10% for both the commodity rate and service charge rate.

In September 2009, the District approved Resolution 193 which canceled the scheduled rate increases for 2009 and committed the District to complete a water rate study before any future rate increases would be instituted. This action was based on the Board of Director's belief that benefits from cost saving measures implemented by the District, should be passed along to the customers of the District. Other motivating factors included the Board's concern of increasing water rates in a time when District customers were feeling the effects of a significant economic downturn in the region. This action also provided the District time to study its rate structure to ensure that it complied with current laws governing the setting of water rates and charges.

The District's Board of Directors directed District Staff to conduct an in house water rate study to avoid the additional expenses for professional services to conduct such a study. Staff has researched other water agencies that have conducted similar studies and has found that the cost of this type of study ranged from \$30,000 to over \$80,000. As part of the study, the Board of Directors requested Staff to provide a recommendation for water rates, which will generate sufficient revenue to meet the cost of providing water service to its customers over the next five years.

The last water rate adjustment instituted by the District was in September 2008. At that time, rates were increased by an average of 10%. The District is concerned with rising costs that will have a significant impact on the cost of providing water service to its customers over the next five years. The District has tried to minimize the effect of rising costs through various cost savings efforts, such as the procurement of additional water rights in the Main San Gabriel Groundwater Basin at a reduced cost to offset future costs of replacement water assessments. However, increases in overall operational expenses have necessitated additional revenue requirements. The costs that are projected to have the largest effect on operational expenses include but are not limited to:

1. Cost of Water- The Main San Gabriel Basin Watermaster Replacement Water Assessment was increased from \$251.90/acre-foot in 2008 to \$450.00/acre-foot in 2009, then to \$587.00/acre-foot in 2010, and is projected to exceed \$800.00/acre-foot by 2015. (Approximately 25% of the District's annual groundwater production is over its annual rights and this assessment is imposed on the District to that extent).
2. Infrastructure Improvement- In 2009 the District completed an update of the Water System Master Plan which identified various capital improvements needed in the District system.
3. Inflation- Costs for materials, supplies and labor have increased since the last rate adjustment and are conservatively projected to increase at an annual rate of inflation of 2% to 3%.

The major goals for this rate study include:

1. Distribution of the costs to water system customers in a fair and equitable manner.
2. Ensure rates reflect the current and projected cost of replacement water assessments from the Main San Gabriel Basin Watermaster (Watermaster).
3. Increased revenue stability.
4. Promotion of efficient water use through price signaling.

In addition to these specific goals, water rates in general should:

1. Generate revenues which do not exceed the costs necessary to provide water service to the District's customers (these costs include operations and infrastructure improvements as well as funding for adequate reserves).
2. Be as simple as possible to explain and administer.
3. Conform to current industry standards and practices.

This report provides an explanation of the process followed in conducting the rate study and the development of the proposed water rate structure.

In summary, the two major changes are proposed for the water rates:

- 1) Adjust service charges (by meter size) to better reflect the cost of service.
- 2) Adjust the commodity rate, tiered rate structure, to better reflect the cost of water for the customer classes in each service zone, based on historical usage trends.

**Note:** *The District has a limited amount of annual production rights in the Main San Gabriel Groundwater Basin. In most years these rights are significantly less than total customer water demands. The water produced in excess of these rights is subject to a replacement water assessment. Thus, the amount of water used by District customers that exceeds these annual production rights is substantially more expensive to provide. The tiered rate structure encourages water use efficiency and will benefit all customers by decreasing the replacement water assessments the District will be required to pay.*

Table-1 shows the proposed and current bi-monthly service charge by meter size. Based on Cost of Service methodology, an increase to the service charges is recommended. In addition, costs associated with the maintenance and repair of pump stations serving the different pressure zones is recommended to be removed from the service charge and added to the commodity rate. This will divide the cost more equitably based on customer usage in each pressure zone. Service charge revenue is independent of water usage. These charges represent approximately 25% of the system's revenues.



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

Current Bi-Monthly Rate					Proposed Bi-Monthly Rate				
Meter Size	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	1006.84

Table-2 shows the current tiered commodity rate, the proposed Commercial and Multi-Family commodity rate and the proposed change to the tiered rate structure for Residential users. The tiers were designed to promote efficient water use by charging a higher rate for water used that is greater than the monthly allocation for Residential users. The higher rate represents water in excess of the LPVCWD annual production right in the Main San Gabriel Groundwater Basin. The two-tier rate design is further discussed in Section 5.

(Note: One unit of water shown as HCF (100 cubic feet) is equal to 748 gallons)

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

**Zone 1**

User Class	Current		Proposed 2011		Proposed 2012		Proposed 2013		Proposed 2014		Proposed 2015	
	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
Residential	\$1.25	\$1.52	\$1.32	\$1.65	\$1.39	\$1.77	\$1.46	\$1.93	\$1.53	\$2.18	\$1.61	\$2.32
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	\$2.52
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	\$2.69

**Zone 4**

User Class	Current		Proposed 2011		Proposed 2012		Proposed 2013		Proposed 2014		Proposed 2015	
Residential	0-30 HCF	>30H CF	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	\$2.57
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	>30H CF	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	\$2.83

The proposed rate recommendations are similar to rate structures found throughout southern California and are based on industry practices as set forth in *Principles of Water Rates, Fees and Charges* (also known as the M1 Manual) published by the American Water Works Association (AWWA). The methodology used is a combination of the Base-Extra Capacity and Commodity-Demand methods.

Table-3 on page 4 shows the impact to Residential users in Zone 1 with a 5/8" meter based on varying water use. The water system's average Residential customer uses 30 HCF in each bi-monthly billing period.

Under the proposed rate structure, the average bill for Commercial and Multi-Family users will increase in 2011 by approximately 8% for those with a 1" meter and 2% for those with a 2" meter. We understand that both user classes have a wide range of consumption needs and the averages are only one measure of assessing bill impacts. Section 6 provides further information on bill impacts for these user classes.

**Table-3**

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

Usage (HCF)	Current Bi-Monthly Bill	Proposed 2011 Bi-Monthly Bill	Bi-Monthly \$ Change	% Increase
5	34.22	35.18	0.96	2.8%
10	40.47	41.78	1.31	3.2%
15	46.72	48.38	1.66	3.6%
20	52.97	54.98	2.01	3.8%
25	59.22	61.58	2.36	4.0%
30	65.47	69.83	4.36	6.7%
35	73.00	78.08	5.08	7.0%
40	80.58	86.33	5.75	7.1%
45	88.16	94.58	6.42	7.3%
50	95.74	102.83	7.09	7.4%
55	103.32	111.08	7.76	7.5%
60	110.90	119.33	8.43	7.6%

## Section 1

### Methodology

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#### 1.1 Methodology

The methodology used for this rate study is based on the industry practice as set forth in *Principles of Water Rates, Fees and Charges* by the AWWA (also known as the M1 Manual). The methodology used is a combination of the Base-Extra Capacity and Commodity-Demand methods. This approach recognizes that the cost to serve each user class not only depends on the amount of water demanded, but also on the manner in which it is demanded, also known as peaking or capacity needs. Customer classes with higher peaking characteristics are more costly to serve on a per unit basis than those with low peaking needs, because of the costs related to the facilities required to meet these demands (i.e. - reservoirs, waterlines, pumping facilities).

The Basic process or steps of the water rate study are provided below with brief descriptions of each step:

1. Quantifying the number of customers in each customer class.
  - a. Sort through all current customers and correct classification as needed.
  - b. Verify existing customer accounts and meter sizes.
  - c. Provide a summary of all customers by meter size and class.
2. Determine revenue needs.
  - a. Review the past three years of operation and maintenance expenses.
  - b. Review the water system master plan project schedule.
  - c. Project the operation and maintenance expenses for the next five years.
  - d. Project the infrastructure improvement expenses for the next ten years.
3. Determine cost of service.
  - a. Calculate a fair allocation of revenue requirements for each customer class.
4. Design rates.
  - a. Determine a design to collect target revenues from each class.
  - b. Identify the change in rate and the % impact to customer classes.
  - c. Determine the new rates to collect the target revenues and lessen exceptionally large impacts to customers.
5. Determine final customer impacts
  - a. Calculate bills to assess impacts.
  - b. Compare rates to neighboring water purveyors.

## **Section 2**

### **Customers and Consumption**

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#### **2.1 Water System**

The La Puente Valley County Water District was founded in 1924. The District's system includes approximately 2,500 service connections, 31.9 miles of distribution and transmission mains, 4 wells, 4 booster pump stations, 4 pressure regulating stations and 3 reservoirs. Most of the District's infrastructure was constructed in the 1950's and 60's.

The District's primary source of water supply is from its well field which draws groundwater from the Main San Gabriel Groundwater Basin. The aquifer in the area where the wells draw water is contaminated with various contaminants, such as volatile organic compounds (VOC's) and perchlorate. In 2001, the District entered into an agreement with the parties who were potentially responsible for the groundwater contamination. This agreement is known as the Baldwin Park Operable Unit Project Agreement. Under this Agreement, the water from the District's well field is treated at the District's groundwater treatment facility to meet all State and Federal drinking water regulations and then is pumped into the District's service area. The cost to construct, maintain and operate the treatment facility was and continues to be reimbursed by the potentially responsible parties. None of these treatment costs are recovered in the District's water rates.

The District's service area is comprised of 5 pressure zones. The vast majority of water delivered from the District's well field enters the District's system in Zone 1 where it is either used by Zone 1 customers or is stored in the District's Main Street Reservoir facility. The water stored at this site also supplies Zones 2, 3 and 4 through booster station facilities. 96% of the District's customers are located within Zone 1 and Zone 2. Zone 5 is served through an interconnection with the City of Industry Waterworks System. Water supplied through this interconnection is repaid in a like quantity of water. In 2011, the District plans to construct a connection to the City of Industry Waterworks System's Industry Hills Reservoir facility. This connection will enable the District to pump from its Zone 3 booster station into the Industry Hills Reservoir to supply not only Zone 3, but also Zone 5. This connection will also improve fire flow capacity in the Zone 3 area and will act as an emergency supply connection for Zone 2.

#### **2.2 User Classes**

The District has a total of 8 different customer classifications. The number of customers in each of these classifications varies widely, and in some classes there are just a few customers. For this study the District has chosen to divide these customers up into three main customer (user) classes that have similar usage characteristics.

Table-4 shows the three customer classes of the District.

Table-4

## User Classes and Rate Classes

<b>Customer Class</b>
Residential (Single Family Residence)
Commercial (Commercial/Industrial/Irrigation/Public Authority)
Multi-Family (Apartments/Townhomes/Mobile Home Parks)

## 2.3 Customer Count

The breakdown of meters by meter size and customer class, as of September 2010, is shown in Table-5. As shown in the table, Residential customers comprise approximately 79.5% of the systems customers.

Table-5

## Customer Meters by Size and Rate Class

<b>Customer Class</b>	<b>5/8"</b>	<b>3/4"</b>	<b>1"</b>	<b>1.5"</b>	<b>2"</b>	<b>3"</b>	<b>4"</b>	<b>6"</b>	<b>8"</b>	<b>Total</b>	<b>% of Total</b>
Residential	1398	539	60	1	0	0	0	0	0	1998	<b>79.5%</b>
Commercial	139	87	100	18	98	7	10	2	0	461	<b>18.3%</b>
Multi-Family	15	18	8	6	5	0	0	2	0	54	<b>2.2%</b>
<b>Total</b>	<b>1552</b>	<b>644</b>	<b>168</b>	<b>25</b>	<b>103</b>	<b>7</b>	<b>10</b>	<b>4</b>	<b>0</b>	<b>2513</b>	<b>100%</b>

## 2.4 Consumption

Table-6 shows annual water consumption by customer class over the last five years (average of 2005-2010). As shown, approximately 46% of the District's water is consumed by the Residential user, 13% by Multi-Family and 41% by Commercial users. HCF stands for hundred cubic feet and one (1) HCF is equal to 748 gallons of water.

Table-6

## Consumption by Rate Class

<b>Customer Class</b>	<b>Average Annual Consumption (HCF)</b>	<b>% of Total Consumption</b>
Residential	359,606	45.7%
Commercial	324,567	41.3%
Multi-Family	101,937	13.0%
<b>Total</b>	<b>786,110</b>	<b>100%</b>

## Section 3

### Revenue Requirement

The District's revenue requirement is defined as the yearly expenses required to operate the water system, less recurring non-rate revenue such as income from fees paid to the District for the management of the City of Industry Waterworks System, miscellaneous income and interest earnings. Yearly expenses may include operating and maintenance expenses, debt service (if applicable), reserve funding and cash financed capital projects. As noted in Section 2.1, the costs to construct, maintain and operate the District's groundwater treatment facility is not recovered through the District's water rates, but by reimbursement from the parties potentially responsible for the groundwater contamination. The related expenses are not included in the revenue requirements shown below. The District's estimated revenue requirement for the next five years is shown in Table-7.

**Table-7**  
**Revenue Requirement**

EXPENSES	2011	2012	2013	2014	2015
GENERAL AND ADMINISTRATIVE	\$765,200	\$816,405	\$845,571	\$868,677	\$932,538
TRANSMISSION, DISTRIBUTION AND SUPPLY	\$1,025,976	\$963,215	\$1,015,281	\$1,088,149	\$1,359,627
CAPITAL IMPROVEMENT	\$607,000	\$332,000	\$416,500	\$223,420	\$232,646
<b>SUBTOTAL ALL EXPENSES</b>	<b>\$2,398,176</b>	<b>\$2,111,620</b>	<b>\$2,277,352</b>	<b>\$2,180,246</b>	<b>\$2,524,811</b>
<b>LESS NON-OPERATING REVENUE</b>	<b>-\$501,671</b>	<b>-\$502,526</b>	<b>-\$504,122</b>	<b>-\$505,758</b>	<b>-\$507,437</b>
<b>TOTAL REQUIRED FROM RATES</b>	<b>\$1,896,506</b>	<b>\$1,609,093</b>	<b>\$1,773,230</b>	<b>\$1,674,488</b>	<b>\$2,017,374</b>

#### 3.1 Yearly Revenue Requirement Discussion

The yearly revenue requirements shown in Table-7 include all the estimated expenses required to operate the District for the indicated year. The rates are designed so that over the next five years the average annual revenue requirement is recovered. This revenue requirement is allocated to users in proportion to the cost of providing service to each customer class, as shown in the next section. The cost of service is recovered from service charges and commodity rates (\$/HCF).

#### 3.2 Revenue Requirement and Long Term Plan Assumptions

The following assumptions were incorporated in this study:

1. 2011-2015 assumes the District will follow the infrastructure improvement project expenditure schedule as detailed in the 2009 District Water Master Plan, with slight modification in timing of projects.
2. 2015 assumes the Operations and Management Agreement between the City of Industry and the La Puente Valley County Water District extends past 2015.
3. General Inflationary rate of 2% to 3%.

Table-8 shows the assumptions used to estimate the replacement water assessment costs. The next to last column on the right shows the projected replacement water expenses, per year over the next several years. The last column shows the estimated annual cost of water produced over annual production rights. This expense is considered a commodity related cost and is fully recovered in the commodity (water usage) rate.

**Table-8**  
**Replacement Water Assessment Assumptions**

Production Year	Pumping Rights	Leased Rights	Lease \$/AF	Cost of Lease	Total Rights	Est. Production	Production Over Rights	Amount of Reserve Rights	Reserve Rights Used	Reserve Water Expense	Replacement Water Obligation	Rep. Water Assessment/AF	Rep. Water Expense	Total Cost for Water Produced Over Rights
2007-08	1201	1270	203	\$257,104	2471	2238	1037	0	0	\$ -	0	\$ 252	\$ -	\$257,104
2008-09	1263	402	340	\$136,837	1665	1986	723	2000	321	\$ 80,840	0	\$ 450	\$ -	\$217,677
2009-10	972	680	400	\$271,978	1653	1841	188	1679	0	\$ -	188	\$ 587	\$ 110,450	\$382,428
2010-11	972	380	576	\$218,938	1352	1920	568	1679	568	\$ 142,966	0	\$ 640	\$ -	\$361,904
2011-12	1201	470	630	\$295,817	1671	1939	269	1112	269	\$ 67,641	0	\$ 685	\$ -	\$363,458
2012-13	1087	425	674	\$286,379	1512	1959	447	843	447	\$ 112,606	0	\$ 733	\$ -	\$398,985
2013-14	1087	425	708	\$300,698	1512	1978	467	396	396	\$ 99,747	71	\$ 769	\$ 54,346	\$454,791
2014-15	1087	425	743	\$315,733	1512	1998	486	0	0	\$ -	486	\$ 808	\$ 392,931	\$708,664
2015-16	1087	425	780	\$331,520	1512	2018	506	0	0	\$ -	506	\$ 848	\$ 429,524	\$761,044



## Section 4

### Cost of Service

Cost of service (COS) is defined as a method to equitably allocate the revenue requirement, discussed in Section 3, to each customer class. A COS analysis is a component of a rate study and yields the proper revenue to be collected from each customer class from both the service charge and commodity charges (\$/HCF). The District's COS for 2011 is derived below. The COS analysis for future years is derived in a similar fashion.

The AWWA recognizes four main cost categories and, as part of a COS analysis, we classify the District's revenue requirement for these four cost categories.

- 1) **Commodity Costs:** costs that pertain to meeting average day water demands.
- 2) **Capacity Costs:** costs associated with meeting demands above average day demands also known as peaking costs.
- 3) **Customer Costs:** costs that are incurred by the District in serving customers regardless of the amount of water demanded by customers.
- 4) **Fire Protection Costs (Private):** costs associated with providing and maintaining fire protection connections (hydrants and meters) as well as having the capacity readily available to fight fires.

Table-9 shows the resulting classification of the District's revenue requirement to the various cost categories. Classifying the revenue requirements is done by taking each expense account of the District, as listed in the District's Annual Budget, and determining if the expense is a commodity, capacity, customer or fire protection cost. In some cases the expense account was determined to be a cost related to more than one cost category and was appropriately divided into these categories. The AWWA M-1 Manual was referred to in determining the appropriate classification.

**Table-9**  
**Revenue Requirement by Cost Category**

Revenue Component	2011	2012	2013	2014	2015	Target	% of Total
Commodity	\$627,926	\$594,935	\$640,207	\$693,203	\$947,219	\$962,219	45.8%
Capacity	\$1,045,637	\$770,365	\$846,882	\$701,223	\$757,524	\$824,326	39.3%
Customer	\$203,624	\$220,091	\$243,267	\$243,663	\$281,413	\$281,413	13.4%
Direct Fire Protection	\$19,319	\$23,703	\$42,873	\$36,399	\$31,217	\$30,702	1.5%
<b>Total Costs</b>	<b>\$1,896,506</b>	<b>\$1,609,093</b>	<b>\$1,773,230</b>	<b>\$1,674,488</b>	<b>\$2,017,374</b>	<b>\$2,098,661</b>	<b>100.0%</b>

A typical concern in conducting a rate study is the revenue stability that will be created by the rate design and cost allocation to the four cost categories. The more costs are allocated to the commodity and capacity categories (which are collected through the commodity rate), the more the potential for revenue fluctuations. To attain more revenue stability, a portion of capacity costs should be collected through the service charge. The rates are designed to collect approximately 40% of capacity costs through the service charge. This helps reduce revenue volatility from year to year due to weather and/or other reasons for fluctuations in customer consumption.

#### 4.1 Commodity Costs

To allocate the commodity costs to each customer class, which are costs recovered through the system's commodity rate, we calculate the commodity allocation factor as shown in Table-10. This factor is the proportion of total historical consumption for each customer class. Approximately 46% of the water delivered by the District is consumed by Residential customers. Therefore, 46% of the commodity cost, in Table-9, is allocated to the Residential rate class. We use a similar cost allocation methodology for each of the remaining rate classes as well as the remaining cost categories. Table-10 shows the commodity allocation factor calculation.

**Table-10**  
**Commodity Allocation Factor**

<b>Customer Class</b>	<b>Average Annual Consumption (HCF)</b>	<b>% of Total Consumption</b>
Residential	359,606	45.7%
Commercial	324,567	41.3%
Multi-Family	101,937	13.0%
<b>Total</b>	<b>786,110</b>	<b>100%</b>

#### 4.2 Capacity Costs

We allocate a portion of the capacity costs, collected through the service charge, to the customer classes by using the capacity allocation. The capacity allocation factor is the proportion of hydraulically equivalent meters in each user class. Hydraulically equivalent meters are calculated using the AWWA equivalent meter ratios, which are ratios of the safe flows or capacities that can be delivered through each meter size. This best reflects each class' peaking requirements as measured by their water demands during the highest month of water consumption. Thus, a customer class with higher peaking (capacity) needs is allocated a larger share of the capacity costs. Table-11 shows the capacity allocation factor used to allocate a portion of the capacity costs based on AWWA standards.

**Table-11**  
**Capacity Allocation Factor**

Meter Size	No. of Residential Meters	No. of Commercial Meters	No. of Multi-Family	Total	AWWA Equivalent Meter Ratios	Residential Hydraulically Equivalent Meters	Commercial Hydraulically Equivalent Meters	Multi-Family Hydraulically Equivalent Meters	Total
5/8"	1398	139	15	1552	1	1398	139	15	1552
3/4"	539	87	18	644	1.5	808.5	130.5	27	966
1"	60	100	8	168	2.5	150	250	20	420
1.5"	1	18	6	25	5	5	90	30	125
2"	0	98	5	103	8	0	784	40	824
3"	0	7	0	7	16	0	112	0	112
4"	0	10	0	10	25	0	250	0	250
6"	0	2	2	4	50	0	100	100	200
8"	0	0	0	0	80	0	0	0	0
<b>Total</b>	1998	461	54	2513	<b>Total</b>	2361.5	1855.5	232	4449
<b>% of Total</b>	<b>79.51%</b>	<b>18.34%</b>	<b>2.15%</b>		<b>Capacity Allocation Factor</b>	<b>53%</b>	<b>42%</b>	<b>5%</b>	

### 4.3 Customer Costs

The last allocation step involves allocating customer related costs to each customer class. Customer related costs include billing and collecting costs, answering customer calls and other customer related services. The customer cost allocation factor is derived as the proportion of meters found in each user class. The meter service allocation factor is similar to the customer allocation factor. Table-12 shows the calculation of each of these customer allocation factors. Since the vast majority of the District's customers are Residential, Table-12 shows that 80% of customer related costs are allocated to the Residential rate class.

**Table-12**  
**Customer Allocation Factor**

Customer Class	# of Customers	Customer Allocation Factor
Residential	1998	80%
Commercial	461	18%
Multi-Family	54	2%
<b>Total</b>	<b>2513</b>	<b>100%</b>

To finally determine the cost of service for each customer class, the estimated revenue requirements in Table-9 for each category (commodity, capacity and customer) is multiplied by each allocation factor. The results are shown in Table-13.

**Table-13**  
**Cost of Service by Customer Class**

Customer Class	Allocated Commodity Costs	Allocated Capacity Costs	Allocated Customer Costs	Total Cost of Service
Residential	\$440,167	\$437,547	\$223,742	\$1,101,456
Commercial	\$397,278	\$343,794	\$51,624	\$792,696
Multi-Family	\$124,774	\$42,986	\$6,047	\$173,806
<b>Total</b>	<b>\$962,219</b>	<b>\$824,326</b>	<b>\$281,413</b>	<b>\$2,067,958</b>

To complete the COS, private fire service costs are distributed to each service by customer related cost divided by the number of services and the capacity related costs by the hydraulic capacity units each service size represents. Table-14 depicts this methodology.

**Table-14**  
**Cost of Private Fire Service**

Customer Class	Allocated Customer Costs	Total # of Services	Annual Cost per Service
Private Fire Service	\$ 3,085	36	\$ 85.69
Customer Class	Allocated Capacity Costs	Hydraulic Capacity Units	Annual Cost per Hydraulic Capacity Unit
Private Fire Service	\$ 27,617	2345	\$ 11.78

## Section 5

### Water Rates

#### 5.1 Service Charge

The service charge is a fixed charge based on two cost categories: (i) customer related costs, and (ii) capacity related costs. The monthly customer related costs category is derived by dividing the estimated annual customer costs in Table-9 by the number of meters, then dividing this result by the number of billing periods in a year.

*Example: (customer costs/ total number of meters)/ 6 billings or: \$281,413 / 2513 / 6= \$18.66*

To allocate capacity related costs by meter size, AWWA hydraulic capacity factors were used. These factors relate to the potential flow that may be conveyed through each meter size. For example a 1.5-inch meter has five times the capacity of a 5/8-inch meter. The second component of the service charge is derived by taking a percentage of the estimated annual "target" capacity costs and dividing that figure by the number of hydraulically equivalent meters; this result is then multiplied by the hydraulic capacity factor and then divided by the number of billing periods in a year.

*Example: ((capacity costs x %)/number of hydraulically equivalent meters) x hydraulic capacity factor)/ 6 billings or: \$824,326 \* 40% / 4449 \* 1 / 6 = \$12.35 as shown in Table-15 below target capacity charge for a 5/8" meter.*

Hydraulic meter equivalencies are calculated using AWWA hydraulic capacity factors which relate the potential flow or potential capacity of larger meters relative to a 5/8-inch meter. Table-15 shows the calculation of the service charge.

**Table-15**  
**Service Charge Calculation**

Meter Size	# of Meters	Target Customer Charge	Hydraulic Capacity Factor	Hydraulically Equivalent Meters	Target Capacity Charge	Target Proposed Bi-Monthly Service Charge (Cust. Chg. + Cap. Chg.)
5/8"	1552	\$18.66	1	1552	\$12.35	\$31.02
3/4"	644	\$18.66	1.5	966	\$18.53	\$37.19
1"	168	\$18.66	2.5	420	\$30.88	\$49.54
1.5"	25	\$18.66	5	125	\$81.83	\$100.50
2"	103	\$18.66	8	824	\$108.70	\$127.36
3"	7	\$18.66	16	112	\$227.28	\$245.94
4"	10	\$18.66	25	250	\$339.69	\$358.35
6"	4	\$18.66	50	200	\$663.93	\$682.60
8"	0	\$18.66	80	0	\$988.18	\$1,006.84
<b>Total</b>	<b>2513</b>			<b>4449</b>		

The current service charge rates were found to be lower for some meter sizes when compared to the COS. These rates have been adjusted accordingly. The overall goal is to achieve full recovery of customer costs revenue requirements and approximately 40% of the capacity costs revenue requirements through the service charge rate. Table-16 depicts the proposed service charge rate increases for years 2011-2015.

**Table-16**  
**Proposed Service Charge Rates**

Meter Size	Current Bi-Monthly Rate	2011	% Increase	2012	% Increase	2013	% Increase	2014	% Increase	2015	% Increase
5/8"	27.97	28.58	2.2%	29.19	2.1%	29.80	2.1%	30.41	2.0%	31.02	2.0%
3/4"	27.97	29.81	6.6%	31.65	6.2%	33.49	5.8%	35.33	5.5%	37.19	5.3%
1"	44.03	45.13	2.5%	46.23	2.4%	47.33	2.4%	48.43	2.3%	49.54	2.3%
1.5"	96.83	97.56	0.8%	98.29	0.7%	99.02	0.7%	99.75	0.7%	100.50	0.7%
2"	112.14	115.18	2.7%	118.22	2.6%	121.26	2.6%	124.30	2.5%	127.36	2.5%
3"	234.59	236.86	1.0%	239.13	1.0%	241.40	0.9%	243.67	0.9%	245.94	0.9%
4"	326.43	332.81	2.0%	339.19	1.9%	345.57	1.9%	351.95	1.8%	358.35	1.8%
6"	617.25	630.32	2.1%	643.39	2.1%	656.46	2.0%	669.53	2.0%	682.60	2.0%
8"	785.82	830.02	5.6%	874.22	5.3%	918.42	5.1%	962.62	4.8%	1006.84	4.6%

## 5.2 Commodity Rates

### 5.2.1 Single Family Residential Customers – Tiered (Inclining Block) Rates

One of the main goals of this rate study was to recover the commodity costs from each customer class fairly and equitably; however, the rate study should also promote efficient water use through price signaling. Therefore, it is recommended to continue with a tiered rate structure (also known as an inclining block rate structure) for the Residential class to encourage water use efficiency and to decrease the amount of expensive replacement water assessments the District will be required to pay.

A tiered rate structure charges a higher volumetric rate in each block of consumption. Several water utilities with former uniform rates have recently implemented tiered water rates as a necessary adjustment to California's drought conditions.

Because the cost of water substantially increases when the District produces water in excess of its annual production right in the Main San Gabriel Groundwater Basin, it is recommended to maintain a

two tiered rate structure for the Residential user class. The rate structure takes into account usage and allocates the cost of replacement water to customers whose water use causes the system to produce water in excess of the District's production right. Table-17 shows how the system's annual groundwater production right is used to determine the appropriate quantity of water allocated at Tier 1 pricing to each Residential customer in a bi-monthly billing period.

**Table-17**  
**Residential Class Tier Calculation**

Customer Class	No. of Customers	Average Annual Usage (HCF)	% of Total Usage	Residential Class Allocation in HCF (Usage% X Rights)	Annual Allocation per Residential Customer (HCF)	Customer Bi-Monthly Allocation Tier 1 (HCF)	Annual Usage Exceeding Pumping Right (HCF)
Residential	1998	359,606	45.7%	301,011	150.66	25	58,595
Total System	2513	786,110	100%	658,019	N/A	N/A	128,091

**Note: The District's Annual Production Right with leases= 1510.50 acre-feet. 1510.50 acre-feet = 658,019 HCF**

Because Residential customers have similar use patterns, a fair and equitable allocation can be derived from historical usage data and can be set to reflect the actual costs of providing service to the parcels served. Table-18 shows the current and proposed 2011 commodity rates for all customer classes in Zone 1.

**Table-18**  
**Proposed and Current Commodity Rates – Zone 1**

Customer Class	Current		Proposed 2011	
Residential	0-30 HCF	>30HCF	0-25 HCF	>25 HCF
	\$1.25	\$1.52	\$1.32	\$1.65
Commercial	\$1.25	\$1.52	\$1.52	
Multi-Family	\$1.25	\$1.52	\$1.52	

### 5.2.2 Commercial & Multi-Family

After review of the greatly varying water needs and usage patterns of the Commercial and Multi-Family user classes, it is recommended to reinstitute a single tier for these user classes. The commodity rates paid by Multi-Family and Commercial users are recommended to be the same regardless of how much water is used. However, a higher rate than the cost of the initial block for Residential accounts should be used to ensure that these classes pay their proportional share of the costs for water. As shown in Table-18, the Commercial and Multi-Family classes should be charged a uniform rate. Continuing tiered rates for these customer classes can create an unfair rate structure. As an example, consider a high-demand industrial water user such as a juice maker, textile manufacturer or plant nursery. The majority

of these users' consumption would fall in the high-priced second tier regardless of their legitimate, high-value producing water needs, which do not constitute the inefficient water use that a water agency would want to curb through price signaling.

### 5.2.3 Zone Pumping Charges

Zone pumping surcharges are established to fairly and equitably allocate the costs of providing water to higher elevations of service. The electrical pumping costs and typical pump maintenance costs incurred to pump water to customers in higher pumping zones benefit mostly those customers. Therefore, those customers should be charged for these higher pumping costs.

The District has established five pump zones. Table 19 shows the pumping surcharge rates that are incorporated into the commodity rate for each pump zone. Table 19 also shows the derivation of the pumping surcharges. The pump zone surcharge is derived by dividing the power and pump maintenance costs by the amount of water that flows through each zone. The water used in Zone 2 is included in the flow through Zone 1 since water consumed in Zone 2 must pass through Zone 1. As such, customers in Zone 2 must pay both Zones 1 and 2 surcharges as shown in the cumulative surcharge column. Pumping surcharges should be applied to all customer classes and incorporated into the commodity rates for each Zone.

**Table-19**

#### Zone Pumping Charges

		ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5
Ground Water (GW)	GROUNDWATER PUMPING ANNUAL POWER COSTS	\$ 87,015	\$ 87,015	\$ 87,015	\$ 87,015	\$ 87,015
	ANNUAL AVG. PRODUCTION (HCF)	805,914.91	805,914.91	805,914.91	805,914.91	805,914.91
	GW POWER COST PER HCF	\$ 0.108	\$ 0.108	\$ 0.108	\$ 0.108	\$ 0.108
		+	+	+	+	+
Zone 1	ZONE 1 ANNUAL POWER COSTS	\$ 57,673	\$ 57,673	\$ 57,673	\$ 57,673	\$ 57,673
	ANNUAL AVG. WATER DELIVERED THROUGH ZONE 1 (HCF)	805,914.91	805,914.91	805,914.91	805,914.91	805,914.91
	ZONE 1 POWER COST PER HCF	\$ 0.072	\$ 0.072	\$ 0.072	\$ 0.072	\$ 0.072
			+	+		+
Zone 2	ANNUAL POWER & BOOSTER PUMP MAINTENANCE COSTS		\$ 47,575	\$ 47,575		\$ 47,575
	ANNUAL AVG. WATER DELIVERED (HCF)		239,740.06	239,740.06		239,740.06
	ZONE 2 POWER COST PER HCF		\$ 0.20	\$ 0.20		\$ 0.20
				+		
Zone 3	ANNUAL POWER & BOOSTER PUMP MAINTENANCE COSTS			\$ 2,832		
	ANNUAL AVG. WATER DELIVERED (HCF)			16,894.95		



	ZONE 3 POWER COST PER HCF			\$ 0.17		
					+	
Zone 4	ANNUAL POWER & BOOSTER PUMP MAINTENANCE COSTS				\$ 4,438	
	ANNUAL AVG. WATER DELIVERED (HCF)				17,496.15	
	ZONE 4 POWER COST PER HCF				\$ 0.25	
						+
Zone 5	ANNUAL POWER, BOOSTER PUMP MAINTENANCE & INTERCONNECTION FACILITY COSTS					\$ 1,050
	ANNUAL AVG. WATER DELIVERED (HCF)					3,320.00
	ZONE 5 POWER COST PER HCF					\$ 0.32
CUMULATIVE COST PER ZONE (\$/HCF)		\$ 0.18	\$ 0.38	\$ 0.55	\$ 0.43	\$ 0.69
		ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5

### 5.3 Private Fire Service Charge

The private fire service charge also is recommended to be updated to reflect the costs associated with maintaining and billing each connection and the costs associated with the potential demand for firefighting purposes. It is estimated that private fire services account for approximately 1.5% of yearly expenses, totaling approximately \$31,000 on average from 2011-15. Distributing this sum across the various sized connections yields private fire service charges as shown in Table-20, below. Note: the District collects *public* fire protection charges through its service charges.

**Table -20**  
**Private Fire Service Charge**

Size of Connection (inch)	Number of Services	Current Bi-Monthly Charge	Proposed 2011 Bi-Monthly Charge	Proposed 2012 Bi-Monthly Charge	Proposed 2013 Bi-Monthly Charge	Proposed 2014 Bi-Monthly Charge	Proposed 2015 Bi-Monthly Charge
.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

## Section 6

### Customer Bill Impacts

#### 6.1 Residential Bill Impacts

Table-21 and Table-22 show bill impacts for different levels of consumption over the next five years for the Residential customer class with a (5/8-inch) meter in the District's Zone 1 and Zone 2. The District's average Residential customer uses approximately 30 HCF per bi-monthly billing period.

**Table-21**  
**5/8" Meter Residential Bill Impacts (Zone 1)**

Usage (HCF)	Current Bi-Monthly Bill	2011	% Increase	2012	% Increase	2013	% Increase	2014	% Increase	2015	% Increase
5	34.22	<b>35.18</b>	3%	<b>36.14</b>	3%	<b>37.10</b>	3%	<b>38.06</b>	3%	<b>39.07</b>	3%
10	40.47	<b>41.78</b>	3%	<b>43.09</b>	3%	<b>44.40</b>	3%	<b>45.71</b>	3%	<b>47.12</b>	3%
15	46.72	<b>48.38</b>	4%	<b>50.04</b>	3%	<b>51.70</b>	3%	<b>53.36</b>	3%	<b>55.17</b>	3%
20	52.97	<b>54.98</b>	4%	<b>56.99</b>	4%	<b>59.00</b>	4%	<b>61.01</b>	3%	<b>63.22</b>	4%
25	59.22	<b>61.58</b>	4%	<b>63.94</b>	4%	<b>66.30</b>	4%	<b>68.66</b>	4%	<b>71.27</b>	4%
30	65.47	<b>69.83</b>	7%	<b>72.79</b>	4%	<b>75.95</b>	4%	<b>79.56</b>	5%	<b>82.87</b>	4%
35	73.00	<b>78.08</b>	7%	<b>81.64</b>	5%	<b>85.60</b>	5%	<b>90.46</b>	6%	<b>94.47</b>	4%
40	80.58	<b>86.33</b>	7%	<b>90.49</b>	5%	<b>95.25</b>	5%	<b>101.36</b>	6%	<b>106.07</b>	5%
45	88.16	<b>94.58</b>	7%	<b>99.34</b>	5%	<b>104.90</b>	6%	<b>112.26</b>	7%	<b>117.67</b>	5%
50	95.74	<b>102.83</b>	7%	<b>108.19</b>	5%	<b>114.55</b>	6%	<b>123.16</b>	8%	<b>129.27</b>	5%
55	103.32	<b>111.08</b>	8%	<b>117.04</b>	5%	<b>124.20</b>	6%	<b>134.06</b>	8%	<b>140.87</b>	5%
60	110.90	<b>119.33</b>	8%	<b>125.89</b>	5%	<b>133.85</b>	6%	<b>144.96</b>	8%	<b>152.47</b>	5%
70	126.06	<b>135.83</b>	8%	<b>143.59</b>	6%	<b>153.15</b>	7%	<b>166.76</b>	9%	<b>175.67</b>	5%
80	141.22	<b>152.33</b>	8%	<b>161.29</b>	6%	<b>172.45</b>	7%	<b>188.56</b>	9%	<b>198.87</b>	5%

Table -22

**5/8" Meter Residential Bill Impacts (Zone 2)**

Usage (HCF)	Current Bi-Monthly Bill	2011	% Increase	2012	% Increase	2013	% Increase	2014	% Increase	2015	% Increase
5	36.74	<b>36.17</b>	-2%	<b>37.13</b>	3%	<b>38.09</b>	3%	<b>39.05</b>	3%	<b>40.06</b>	3%
10	43.62	<b>43.76</b>	0%	<b>45.07</b>	3%	<b>46.38</b>	3%	<b>47.69</b>	3%	<b>49.10</b>	3%
15	50.51	<b>51.36</b>	2%	<b>53.02</b>	3%	<b>54.68</b>	3%	<b>56.34</b>	3%	<b>58.14</b>	3%
20	57.39	<b>58.95</b>	3%	<b>60.96</b>	3%	<b>62.97</b>	3%	<b>64.98</b>	3%	<b>67.18</b>	3%
25	64.28	<b>66.54</b>	4%	<b>68.90</b>	4%	<b>71.26</b>	3%	<b>73.62</b>	3%	<b>76.23</b>	4%
30	71.16	<b>75.78</b>	6%	<b>78.74</b>	4%	<b>81.90</b>	4%	<b>85.51</b>	4%	<b>88.82</b>	4%
35	79.38	<b>85.03</b>	7%	<b>88.59</b>	4%	<b>92.55</b>	4%	<b>97.41</b>	5%	<b>101.41</b>	4%
40	87.59	<b>94.27</b>	8%	<b>98.43</b>	4%	<b>103.19</b>	5%	<b>109.30</b>	6%	<b>114.00</b>	4%
45	95.81	<b>103.51</b>	8%	<b>108.27</b>	5%	<b>113.83</b>	5%	<b>121.19</b>	6%	<b>126.60</b>	4%
50	104.02	<b>112.75</b>	8%	<b>118.11</b>	5%	<b>124.47</b>	5%	<b>133.08</b>	7%	<b>139.19</b>	5%
55	112.24	<b>121.99</b>	9%	<b>127.95</b>	5%	<b>135.11</b>	6%	<b>144.97</b>	7%	<b>151.78</b>	5%
60	120.45	<b>131.24</b>	9%	<b>137.80</b>	5%	<b>145.76</b>	6%	<b>156.87</b>	8%	<b>164.37</b>	5%
70	136.88	<b>149.72</b>	9%	<b>157.48</b>	5%	<b>167.04</b>	6%	<b>180.65</b>	8%	<b>189.56</b>	5%
80	153.31	<b>168.21</b>	10%	<b>177.17</b>	5%	<b>188.33</b>	6%	<b>204.44</b>	9%	<b>214.74</b>	5%

**6.2 Commercial & Multi-Family Bill Impacts**

Table-23 and Table-24 show the bill impacts over the next five years for the Commercial and Multi-Family customer classes for different levels of consumption based on a 1-inch and 2-inch meter size in the District's Zone 1. The average use for this rate class is approximately 54 HCF (1-inch) and 320 HCF (2-inch).

Table -23

## 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%
140	248.73	257.93	4%	274.43	6%	290.93	6%	307.43	6%	322.54	5%

(This section continues on the following page.)

Table -24

**2" Meter Commercial Bill Impacts (Zone 1)**

Usage (HCF)	Current Bi-Monthly Bill	2011	% Increase	2012	% Increase	2013	% Increase	2014	% Increase	2015	% Increase
25	143.39	153.18	7%	158.97	4%	164.76	4%	170.55	4%	176.11	3%
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%

## Section 7

### Rate Comparison

Table-25 shows the Residential rates from 12 local water purveyors in comparison to the proposed 2011 District Residential rates. Although the District bills bi-monthly, the table compares rates by calculating monthly bills for each purveyor based on a 5/8-inch meter with varying consumption (District average consumption is 15 HCF monthly). The District's 2011 calculated bills are approximately 20% below the current average of these purveyors. Note: several of these purveyors are either in the process of raising rates, have approved rate increases for next year or are planning to raise rates within the next twelve months.

Table-25

Comparison of Residential monthly water bills for 5/8" meter service (as of March 1, 2011)

Purveyor	10 HCF	20 HCF	30 HCF	40 HCF	50 HCF	60 HCF
Valley County Water	\$16.63	\$24.69	\$36.53	\$48.38	\$60.22	\$72.07
City of Monrovia	\$22.38	\$36.88	\$51.38	\$65.88	\$80.38	\$94.88
City of Industry	\$28.74	\$44.74	\$61.74	\$78.74	\$95.74	\$112.74
LPVCWD (Zone 1)	\$27.39	\$43.21	\$59.71	\$76.21	\$92.71	\$109.21
LPVCWD (Zone 2)	\$29.49	\$47.33	\$65.83	\$84.33	\$102.83	\$121.33
LPVCWD (Zone 3)	\$31.19	\$49.77	\$68.77	\$87.77	\$106.77	\$125.77
LPVCWD (Zone 4)	\$29.99	\$48.33	\$67.33	\$86.33	\$105.33	\$124.33
LPVCWD (Zone 5)	\$32.59	\$53.53	\$75.13	\$96.73	\$118.33	\$139.93
City of Azusa City Limits	\$28.72	\$47.60	\$68.45	\$89.30	\$110.15	\$131.00
Suburban (Zone 1)	\$28.72	\$47.88	\$69.04	\$90.19	\$111.35	\$132.51
Suburban (Zone 2)	\$29.38	\$49.20	\$70.75	\$92.31	\$113.86	\$135.41
Suburban (Zone 3)	\$30.10	\$50.64	\$73.72	\$96.79	\$119.87	\$142.94
City of Azusa Non City Limits	\$46.43	\$65.32	\$86.17	\$107.02	\$127.87	\$148.72
VHWC (Zone 1)	\$38.80	\$51.80	\$71.30	\$92.10	\$118.10	\$144.10
VHWC (Zone 2)	\$40.20	\$54.60	\$74.10	\$97.70	\$125.10	\$152.50
VHWC (Zone 3)	\$41.85	\$57.90	\$80.45	\$104.30	\$133.35	\$162.40
VHWC (Zone 4)	\$41.65	\$57.50	\$79.85	\$103.50	\$132.35	\$161.20
San Gabriel Valley Water	\$41.94	\$63.55	\$85.15	\$106.76	\$128.36	\$149.97
City of Glendora (Zone 1)	\$43.37	\$58.37	\$76.75	\$96.25	\$115.75	\$135.25
City of Glendora (Zone 2)	\$44.47	\$60.57	\$80.05	\$100.65	\$121.25	\$141.85
City of Glendora (Zone 3)	\$45.67	\$62.97	\$83.65	\$105.45	\$127.25	\$149.05
City of Glendora (Zone 4)	\$52.27	\$76.17	\$103.45	\$131.85	\$160.25	\$188.65
Walnut Valley Water (Zone 1)	\$33.94	\$54.96	\$76.86	\$98.76	\$120.66	\$142.56
Walnut Valley Water (Zone 2)	\$35.74	\$58.56	\$82.26	\$105.96	\$129.66	\$153.36
Walnut Valley Water (Zone 3)	\$37.24	\$61.56	\$86.76	\$111.96	\$137.16	\$162.36
City of Covina	\$56.73	\$81.68	\$108.29	\$134.90	\$161.50	\$188.11
Rowland Water (Zone 1)	\$38.16	\$60.10	\$88.24	\$118.24	\$148.24	\$178.24
Rowland Water (Zone 2)	\$39.46	\$62.70	\$92.14	\$123.44	\$154.74	\$186.04
Rowland Water (Zone 3)	\$40.56	\$64.90	\$95.51	\$128.01	\$160.51	\$193.01
Rowland Water (Zone 4)	\$44.96	\$73.70	\$108.64	\$145.44	\$182.24	\$219.04
Rowland Water (Zone 5)	\$47.46	\$78.74	\$116.28	\$155.68	\$195.08	\$234.48
Rowland Water (Zone 6)	\$49.26	\$82.30	\$121.54	\$162.64	\$203.74	\$244.84
Golden State Water	\$46.28	\$80.66	\$120.64	\$161.09	\$201.54	\$241.99
<b>Average</b>	<b>\$37.63</b>	<b>\$57.95</b>	<b>\$81.41</b>	<b>\$105.60</b>	<b>\$130.37</b>	<b>\$155.15</b>





**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**

Current Bi-Monthly Rate					Proposed Bi-Monthly Rate				
Meter Size	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	\$2.32
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	\$2.52
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	\$2.69

### 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	\$2.57
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	\$2.83

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
<b>.75</b>	0	N/A	13.26	14.25	15.24	16.23	17.23
<b>1</b>	0	N/A	14.78	15.87	16.97	18.07	19.19
<b>1.5</b>	0	N/A	19.42	20.59	21.76	22.93	24.10
<b>2</b>	0	N/A	24.17	25.63	27.08	28.53	29.99
<b>3</b>	0	N/A	36.83	39.04	41.26	43.47	45.69
<b>4</b>	7	48.00	51.07	54.14	57.21	60.28	63.35
<b>6</b>	5	90.00	94.48	98.97	103.45	107.94	112.42
<b>8</b>	18	167.00	167.86	168.72	169.59	170.45	171.31
<b>10</b>	4	208.00	214.40	220.80	227.21	233.61	240.01
<b>12</b>	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**



La Puente Valley County Water District  
112 North First Street  
La Puente, California 91744

THIS IS IMPORTANT INFORMATION ABOUT YOUR WATER RATES.  
PLEASE HAVE SOMEONE TRANSLATE IT FOR YOU.

ESTE INFORME TIENE INFORMACION MUY IMPORTANTE SOBRE SUS TARIFAS AGUA.  
POR FAVOR, PIDA ALGUIEN QUE LE TRADUZCA PARA USTED.



# LA PUENTE VALLEY COUNTY WATER DISTRICT

# Attachment B & C

## Unit Charges Per Billing Cycle

RESIDENTIAL	Current Water Rates	
	Tier 1	Tier 2
	0-25 HCF	>25 HCF
Zone 1	\$1.61	\$2.32
Zone 2	\$1.81	\$2.52
Zone 3	\$1.98	\$2.69
Zone 4	\$1.86	\$2.57
Zone 5	\$2.12	\$2.83
<b>COMMERCIAL, MULTI-FAMILY &amp; IRRIGATION</b>		
Zone 1	\$1.95	
Zone 2	\$2.15	
Zone 4	\$2.20	

Unit Definition
7.48 gallons = 1 CF 748 gallons = 100 CF  <b>100 CF = 1 HCF</b>  1 acre foot = 43,560 HCF 1 acre foot = 325,851 gallons
Hardness of Water
Medium Hard 12 gpg (grains per gallon) 210 ppm (parts per million) avg.
Pressure Regulator
Recommended for 70 psi or over

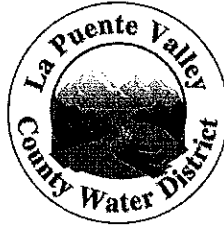
## Bi-monthly Service Charges

Meter Service Charge by Size	Current	
5/8"	\$31.02	\$0.00
3/4"	\$37.19	\$0.00
1"	\$49.54	\$0.00
1.5"	\$100.50	\$0.00
2"	\$127.36	\$0.00
3"	\$245.94	\$0.00
4"	\$358.35	\$0.00
6"	\$682.60	\$0.00
8"	\$1,006.84	\$0.00

Private Fire Service Charge	Current	
1"	\$19.19	\$0.00
1.5"	\$24.10	\$0.00
2"	\$29.99	\$0.00
3"	\$45.69	\$0.00
4"	\$63.35	\$0.00
6"	\$112.42	\$0.00
8"	\$171.31	\$0.00
10"	\$240.01	\$0.00
12"	\$338.15	\$0.00

## Other Fees

Description of Fee	Charge
Delinquent Bill Fee	\$6.00
Door Hanger - Notice of Disconnection Fee	\$7.00
Disconnection Processing Fee	\$25.00
Reconnection -After Hours (after shut-off for non-payment)	\$25.00
Returned Check / Dishonored Payment Fee	\$20.00
Application Fee / Connection or Transfer of Service	\$20.00
Meter Tampering Charge	\$70.00 plus the cost of repairing damages
Fire Flow Availability Testing Fee	\$115.00
Improper Use of Fire Connection Service	\$50.00
Temporary Service / Construction Meter Application Fee	\$15.00
Temporary Service / Construction Meter Deposit	The cost of replacing the temporary service meter
Temporary Service / Construction Meter Use Charge	\$ 4.00 per day plus water use
Meter Testing Fee (if meter is found accurate)	\$60.00
Termination Notice Fee (Failure to Test Backflow Device)	\$15.00
Service Disconnection Processing Fee (for failure to test backflow device)	\$30.00



# **RESOLUTION NO. 202**

## **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LA PUENTE VALLEY COUNTY WATER DISTRICT ESTABLISHING ITS WATER SYSTEM CONNECTION FEE**

WHEREAS, the Board of Directors desires to adopt guidelines for new connections to the District's Water System; and

WHEREAS, the Board of Directors wishes to ensure that any new connection to the District's Water System do not unfairly benefit by connecting to Water System facilities previously paid for by the current District customers; and

WHEREAS, the Board of Directors believes new customers should pay their fair share of the cost of the Water System they will be receiving service from; and

WHEREAS, the Board of Directors also wishes for the revenue generated from these fees be deposited in a separate capital facilities fund and be used solely for the purpose of operating, maintaining, repairing, replacing and upgrading the District's Water; and

WHEREAS, the Board of Directors is adopting this resolution and establishing the Water System Connection Fee Policy set forth herein to help the District meet the foregoing objectives.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the La Puente Valley County Water District does hereby adopt and enact the Water System Connection Fee Policy set forth in Exhibit A attached hereto, and authorizes and directs District staff to take all necessary actions to implement it forthwith.


PASSED, APPROVED AND ADOPTED at a Regular Meeting of the Board of Directors of La Puente Valley County Water District held on the 28<sup>th</sup> day of November, 2011 was adopted by the following vote:

AYES: Director's Aguirre, Escalera, Hastings, Hernandez and Rojas

NOES: None.

ABSTAIN: None.

ABSENT: None.

  
\_\_\_\_\_  
William R. Rojas  
President, Board of Directors

ATTEST:

  
\_\_\_\_\_  
Rosa B. Ruehlman  
Secretary of the Board of Directors

## EXHIBIT "A"

### LA PUENTE VALLEY COUNTY WATER DISTRICT WATER SYSTEM CONNECTION FEE

#### PURPOSE

The La Puente Valley County Water District's (LPVCWD) Water System Connection Fee is established to ensure that all new connections (excluding fire service connections) to the District's existing Water System infrastructure that has been developed, operated and maintained at the expense of the District's existing Customers, will not be unfairly benefitted by those previous investments and infrastructure utilized to provide them service. In effect, by this policy new connections are required to "buy-in" to the existing Water System.

The Water System Connection Fee is assessed for property (or premises) newly served by the District to bear that property's proportionate share of the cost of the Water System facilities in relation to the benefit that the property receives. The Water System Connection Fee is structured so that the fee from a new connection will make an investment in the Water System that is equivalent to the benefit that it will receive from the existing Water System facilities. The revenues generated from these fees shall be deposited into a separate capital facilities fee fund and used solely by the District to fund the cost of operating, maintaining, repairing, replacing and upgrading the District's Water System.

The calculation of this fee is based on the net book value of the District's capital assets and the proportionality of the size of service being requested. Below is the net book value of the District's Capital Assets for the last three years as reported in its annual financial statements prepared by an independent certified public accountant.

Year Ending December 31, 2008 = \$12,096,003.00

Year Ending December 31, 2009 = \$12,547,097.00

Year Ending December 31, 2010 = \$11,954,401.00

To calculate the Water System Connection Fee, staff will take the current net book value of the District's capital assets and divide that amount by the total number of existing equivalent meters within the District's Water System. Below is a table that details the hydraulic capacity factor for each meter size and the current number of equivalent meters in the District's System:

Meter Size	# of Meters	Hydraulic Capacity Factor	Hydraulically Equivalent Meters
5/8"	1552	1	1552
3/4"	644	1.5	966
1"	168	2.5	420
1.5"	25	5	125
2"	103	8	824
3"	7	16	112
4"	10	25	250
6"	4	50	200
8"	0	80	0
<b>Total</b>	<b>2513</b>		<b>4449</b>

The fee calculation shall be performed during processing of each new application for new water service under the District's Rules and Regulations for Water Service. An example of the current calculation for a 5/8" meter is shown below along with a table detailing the current connection fee for meter sizes 5/8" to 8":

Example:

(Net book value / total equivalent meters) x hydraulic equivalent meter of service requested.

$(\$11,954,401/4,449) \times 1 = \$2,686.99$

Meter Size	Hydraulic Equivalent Meter	Water System Connection Fee
5/8"	1	\$ 2,686.99
3/4"	1.5	\$ 4,030.48
1"	2.5	\$ 6,717.47
1.5"	5	\$ 13,434.93
2"	8	\$ 21,495.89
3"	16	\$ 42,991.78
4"	25	\$ 67,174.65
6"	50	\$ 134,349.30
8"	80	\$ 214,958.89

In the event the meter size for an existing service is increased, or the use of the property changes, increasing the demand for water, a Water System Connection Fee will be assessed at the then current rate, less the amount of any connection fee previously paid or given credit to the Customer for the fee amount already set for the size of meter in place on the existing service. The Water System Connection Fee is only one requirement to establish a new service connection to the District's Water System and does not substitute for or forgo any of the other requirements to establish water service with the District as stated in the District's Rules and Regulations for Water Service.



# Memo



To: Honorable Board of Directors

From: Roy Frausto, Compliance Officer/Project Engineer

Date: August 28, 2017

Re: Project Engineer's Report – July 2017

## CAPITAL PROJECTS

1. LPVCWD Recycled Water Project – Staff has a scheduled meeting with Upper District for September 5, 2017, to discuss project status and grant funding.
2. LPVCWD PVOU Project – Staff continues to participate in drafting definitive agreements between SWS, Northrop and LPVCWD for operation of the IZ Interim Remedy. The PVOU Ad hoc committee convened on August 10, 2017, to review the term sheet and agreement regarding the operation of the treatment facility. In addition, staff met with the DDW on August 23, 2017, to discuss changes in the delivery of the treated water along with the status of the 97-005 submittals.

In regards to the IZ-West extraction well (toe well) and conveyance pipeline, permits and schedules are being drafted to plan and initiate construction of the IZ-West well. Conveyance pipeline construction activities concluded on Nelson Ave. Final inspection for this section of pipeline was performed on July 6, 2017 by City of Industry, City of La Puente and USEPA.

## DEVELOPMENTS

1. LPVCWD 747 Del Valle Development – Staff finalized the bid package and specifications for the Del Valle waterline extension project. Request for bid proposals were sent on August 16, 2017. Sealed bids will be due by 3:00 PM on September 6, 2017.
2. Star Theatre Property – Based on preliminary design submittals, the property may be used to develop 22 units of condos. Currently, a fence is still in place to serve as a future construction barrier and no activity or request for information has been received by staff.
3. 15921 Sierra Vista Court – Staff received a notice from the City of La Puente in regards to a five condominium unit development on 15921 Sierra Vista Court. The project is tentatively scheduled to be presented to the City of La Puente's Planning Commission during their September 2017 meeting.

## SPECIAL/OTHER PROJECTS

1. LPVCWD Air Stripper Efficiency Evaluation – The final revised Tech Memo and Test Protocol were submitted and approved by DDW on May 31, 2017. LPVCWD staff implemented the testing procedures called out for in the test plan during the month of July and August. All sampling events resulted in Non-Detect (summarized in the summary sheet enclosed herein).

2. Banbridge Pump Station –Staff spoke with Mr. Javier Leivanos Jr. to discuss and coordinate geotechnical sample testing of existing soil at 122 Banbridge Ave. On August 23, 2017, the geotechnical firm mobilized onsite to take samples of the existing hillside soil for lab testing. During this scheduled event, staff met with Mrs. Socorro Leivanos and Mr. Javier Leivanos Jr. onsite to inform them and discuss the proposed project scope.
3. Pacific Palms Hotel Meter Design – Staff drafted and finalized the design (enclosed herein) of the meter connection for the Pacific Palms Hotel.
4. LPVCWD Bacteriological Sample Site Plan (BSSP) – Staff drafted and submitted a revised BSSP to the DDW on July 28, 2017. After a few comments from the DDW, staff will revise the BSSP and construct a new sample station that represents Zone 5 water quality.
5. SPIX Resin Pilot Testing – Staff will coordinate a pilot test of new PSRII plus resin from Evoqua Water Technologies to test the throughput and water quality output. If the pilot proves successful, staff will pursue a permit amendment or letter of approval for the use of the PSR 2 plus resin.
6. Nitrate Blending Plan – A nitrate blending plan to blend Well 3 water with Well 2 or 5 water will be drafted for precautionary purposes and submitted to the DDW for review and comment.
7. BPOU OM & M Plan Update – Provided the proposed changes to treatment plant operations, the current OM & M plan will need to be updated to reflect all proposed changes in operation.
8. LPVCWD Permit Amendment - Staff met with the DDW on August 24, 2017 and concluded that a permit amendment was the next step to formally permit the lower air: water ratio for Air Stripper #2 along with the proposed blending plan. Staff will assist the DDW in drafting the engineering and technical report sections of the permit amendment to expedite the issuance of the permit.

## FUTURE PROJECTS

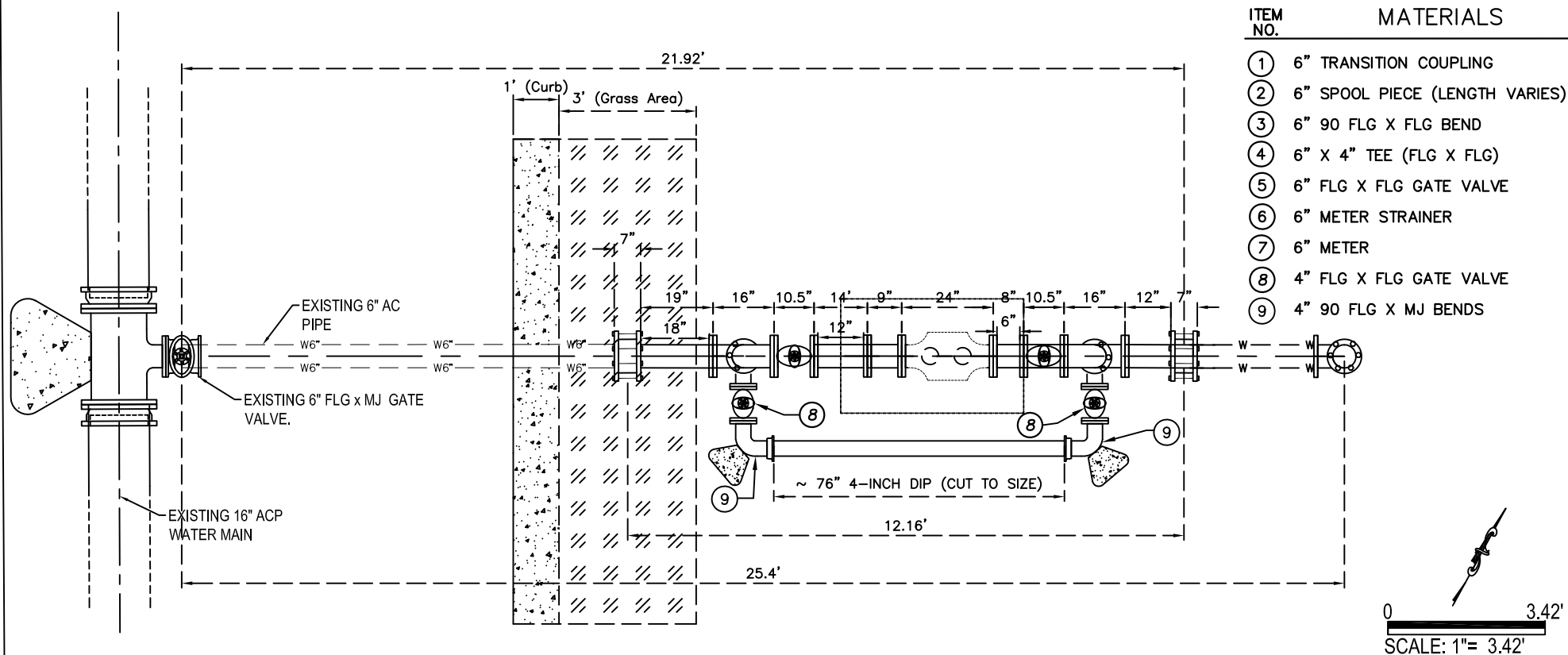
1. Water System Connection Fees – Update the current policy on water system connection fees.
2. Water Loss Accountability – Analyze and draft an annual report to optimize water accountability and minimize water loss.
3. GIS System – Staff coordinated with DCSE to manage the GIS system in-house by reflecting all updates and changes on a real-time basis. Staff will schedule accordingly to start reflecting redline field data.

### ***Enclosure(s)***

- *Air Stripper Test Plan Summary Sheet*
- *Pacific Palms Resort Meter Connection Design*

**Air Stripper # 2 Test plan Summary Sheet**

Date	Day of week	Source	Air : Water Ratio Being Tested	VOC Sample Results			
				SP-2A : AS #1 Effluent	SP-2B : AS #2 Effluent	SP-3 : AS Combined Effluent	SP-6 : Treatment Plant Effluent
3-Jul-17	Monday	Well 5	55:1	ND	ND	ND	ND
7-Jul-17	Friday	Well 5	50:1	ND	ND	ND	ND
11-Jul-17	Tuesday	Well 5	45:1	ND	ND	ND	ND
14-Jul-17	Friday	Well 5	40:1	ND	ND	ND	ND
19-Jul-17	Wednesday	Well 5	40:1	ND	ND	ND	ND
24-Jul-17	Monday	Well 5	40:1	ND	ND	ND	ND
27-Jul-17	Thursday	Well 2 & 3	55:1	ND	ND	ND	ND
1-Aug-17	Tuesday	Well 2 & 3	50:1	ND	ND	ND	ND
4-Aug-17	Friday	Well 2 & 3	45:1	ND	ND	ND	ND
8-Aug-17	Tuesday	Well 2 & 3	40:1	ND	ND	ND	ND
11-Aug-17	Friday	Well 2 & 3	40:1	ND	ND	ND	ND
15-Aug-17	Tuesday	Well 2 & 3	40:1	ND	ND	ND	ND



# Upcoming Events

To: Honorable Board of Directors

From: Rosa Ruehlman, Office Administrator RRR

Date: 08/28/17

Re: Upcoming Board Approved Events for 2017



Day/Date	Event	<u>Aquirre</u>	<u>Escalera</u>	<u>Hastings</u>	<u>Hernandez</u>	<u>Rojas</u>
Thursday, August 31, 2017	U.S. Congresswoman Napolitano – 2017 Water Forum at the Performing Arts Center in Baldwin Park, CA. at 9 – 1:30 pm.					X
Thursday, September 14, 2017	Vendor's Fair in Irwindale at 11:30 to 2 pm	X	X	X		X
Monday-Thursday, September 25-28, 2017	CSDA 2017 Annual Conference in Monterey Marriott/Portola Hotels in Monterey, CA <b>Deadline August 25, 2017 for Earlybird</b>				X	
Thursday, September 28, 2017	SCWUA Luncheon at the Pomona Fairplex	X	X	X		X
Wednesday-Friday, October 4-6, 2017	SmartWater Innovations Conference at South Point Hotel in Las Vegas, NV <b>Registration is now Open</b>		X	X	X	X
Monday–Thursday, October 23-26, 2017	AWWA CANV 2017 Fall Conference at Atlantis Casino Resort in Reno, NV <b>Deadline September 22, 2017</b>					
Thursday, October 26, 2017	SCWUA Luncheon at the Pomona Fairplex					
Wednesday, November 8, 2017*	San Gabriel Valley Water Association Luncheon at 11:30 am at South Hills Country Club					
Thursday, November 16, 2017*	SCWUA Luncheon at the Pomona Fairplex <b>(3<sup>rd</sup> Thursday due to Thanksgiving)</b>					
Tuesday – Thursday, November 28-December 1, 2017	ACWA 2017 Fall Conference in Anaheim Marriott Hotel in Anaheim, CA <b>Registration is now Open</b>		X			

Thursday, December 7, 2017*	SCWUA Luncheon at the Pomona Fairplex (Will be held on 1 <sup>st</sup> Thursday)					
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\* SGVWA and SCWUA scheduled program and location TBA at a later date.

**SGVWA** – San Gabriel Valley Water Association Quarterly Luncheons, are held on the Second Wednesday of February, May, August and November at 11:30 am at the Swiss Park in Whittier CA, (Dates are subject to change)

**SCWUA** – Southern California Water Utilities Association Luncheons are typically held on the fourth Thursday of each month with the exception of December due to the Christmas holiday and are held at the Pomona Fairplex in Pomona, CA. (Dates are subject to change)

**Upcoming Meeting:**

- No other meetings at this time.

**Board Member Training and Reporting Requirements:**

### NEXT DUE DATE

Schedule of Future Training and Reporting for 2016	<u>Aguirre</u>	<u>Escalera</u>	<u>Hastings</u>	<u>Hernandez</u>	<u>Rojas</u>
Ethics 1234 <b>2 year Requirement</b>	11/22/18	12/01/18	12/01/18	10/11/18	12/04/16
Sexual Harassment <b>2 Year Requirement</b>	12/01/17	12/01/17	05/09/19	10/10/18	05/09/19
Form 700 <b>Annual Requirement</b>	04/01/18	04/01/18	04/01/18	04/01/18	04/01/18
Form 470 Short Form <b>Semi Annual Requirement</b>	07/31/18	07/31/18	07/31/18	07/31/18	07/31/18

If you have any questions on the information provided or would like additional information, please contact me at your earliest convenience.

### City of La Puente 2017 Events

	<b>Date</b>	<b>Event</b>	<b>Sponsored by</b>
1	1st Tuesday each month	Planning Commission Meeting	LP
2	2nd & 4th Tuesday each month	City Council Meetings	LP
11	October 29, 2017 (Sunday)	Main St. Run	LP
12	November 11, 2017 (Saturday)	Veteran's Day	LP
13	December 1, 2017 (Friday)	Holiday Parade and Tree Lighting Ceremony	LP & Old Towne Puente

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