



## AGENDA

### REGULAR MEETING OF THE BOARD OF DIRECTORS LA PUENTE VALLEY COUNTY WATER DISTRICT 112 N. FIRST STREET, LA PUENTE, CALIFORNIA MONDAY, OCTOBER 9, 2023, AT 4:30 PM

#### 1. CALL TO ORDER

#### 2. PLEDGE OF ALLEGIANCE

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

President Hernandez\_\_\_\_ Vice President Rojas\_\_\_\_ Director Argudo\_\_\_\_  
Director Barajas\_\_\_\_ Director Escalera\_\_\_\_

#### 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 September 25, 2023.
- B. Approval of District's Expenses for the Month of September 2023.
- C. Approval of City of Industry Waterworks System Expenses for the Month of September 2023.

- D. Receive and File the District's Water Sales Report for September 2023.
- E. Receive and File the City of Industry Waterworks System's Water Sales Report for September 2023.

**7. PUBLIC HEARING ON PROPOSED INCREASE TO WATER USE RATES AND SERVICE CHARGES**

**8. ACTION / DISCUSSION ITEMS**

- A. Consideration of Resolution No. 298 Adopting New Water Use Rates and Service Charges.

**Recommendation:** Adopt Resolution No. 298 Approving New Water Use Rates and Service Charges.

- B. Consideration to Authorize the General Manager to Purchase a 2023 Ford F-550 Diesel Regular Cab Service Truck.

**Recommendation:** Authorize the General Manager to purchase a 2023 Ford F-550 Diesel Regular Cab Service Truck with Scelzi Custom Service Bed for a not to exceed amount of \$170,715.74.

- C. Consideration of Quote from Tri County Pump Company to Remove and Inspect the District's Well No. 2 Pump and Motor located at the District's Well Field.

**Recommendation:** Authorize the General Manager to Proceed with the Work as Quoted by Tri County Pump Company for an Amount Not to Exceed \$15,440.00.

- D. Consideration of Donation of Water to the Industry Hills Charity Pro Rodeo.

**Recommendation:** Board Discretion.

- E. Discussion Regarding a 9/80 Schedule.

**Recommendation:** Board Discretion.

**9. OPERATIONS AND MAINTENANCE SUPERINTENDENT'S REPORT**

**Recommendation:** Receive and File

**10. TREATMENT AND SUPPLY SUPERINTENDENT'S REPORT**

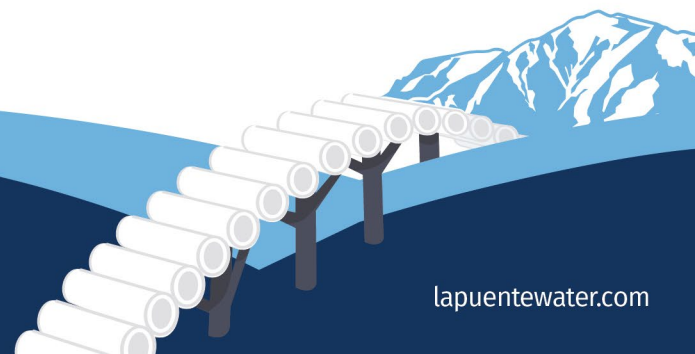
**Recommendation:** Receive and File

**11. ADMINISTRATIVE REPORT**

**12. GENERAL MANAGER'S REPORT**

**13. OTHER ITEMS**

- A. Upcoming Events.
- B. Information Items.



## 14. ATTORNEY'S COMMENTS

## 15. BOARD MEMBER COMMENTS

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

## 16. FUTURE AGENDA ITEMS

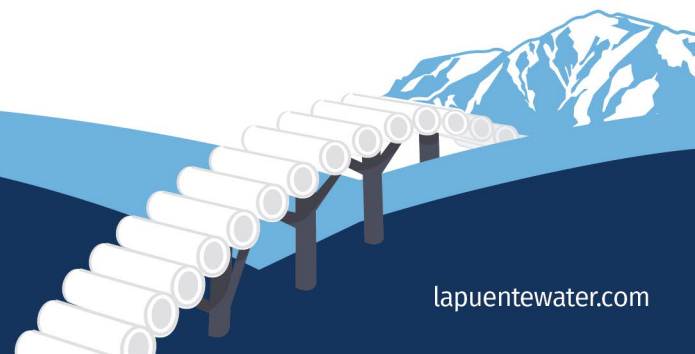
## 17. ADJOURNMENT

**POSTED:** Friday, October 6, 2023

President Henry P. Hernandez, 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 Mr. Roy Frausto, 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).





**Item 6**  
**Consent Calendar**





**MINUTES**

**REGULAR MEETING OF THE BOARD OF DIRECTORS  
LA PUENTE VALLEY COUNTY WATER DISTRICT  
112 N. FIRST STREET, LA PUENTE, CALIFORNIA  
MONDAY, SEPTEMBER 25, 2023, AT 4:30 PM**

**1. CALL TO ORDER**

President Hernandez called the meeting to order at 4:30 pm.

**2. PLEDGE OF ALLEGIANCE**

President Hernandez led the Pledge of Allegiance

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

<b>President Hernandez</b>	<b>Vice President Rojas</b>	<b>Director Argudo</b>	<b>Director Barajas</b>	<b>Director Escalera</b>
Present	Present	Absent	Present	Present

**4. PUBLIC COMMENT**

None.

**5. ADOPTION OF AGENDA**

Motion: Adopt Agenda as Presented.

1st: Vice President Rojas

2nd: Director Barajas

	<b>President Hernandez</b>	<b>Vice President Rojas</b>	<b>Director Argudo</b>	<b>Director Barajas</b>	<b>Director Escalera</b>
<b>Vote</b>	Yes	Yes	Absent	Yes	Yes

Motion carried by a vote of: 4 Yes, 0 No, 0 Abstain, 1 Absent

**6. APPROVAL OF CONSENT CALENDAR**

Motion: Adopt Consent Calendar as Presented.

1st: President Hernandez  
2nd: Director Escalera

	<b>President Hernandez</b>	<b>Vice President Rojas</b>	<b>Director Argudo</b>	<b>Director Barajas</b>	<b>Director Escalera</b>
<b>Vote</b>	Yes	Yes	Absent	Yes	Yes

Motion carried by a vote of: 4 Yes, 0 No, 0 Abstain, 1 Absent

## 7. FINANCIAL REPORTS

### A. Summary of the District's Cash and Investments as of August 31, 2023.

Mr. Frausto provided a summary of the balances in each account and was available for any questions.

Motion: Receive and File.

1st: Vice President Rojas

2nd: Director Barajas

	<b>President Hernandez</b>	<b>Vice President Rojas</b>	<b>Director Argudo</b>	<b>Director Barajas</b>	<b>Director Escalera</b>
<b>Vote</b>	Yes	Yes	Absent	Yes	Yes

Motion carried by a vote of: 4 Yes, 0 No, 0 Abstain, 1 Absent

### B. Statement of District's Revenue and Expenses as of August 31, 2023.

Ms. Maldonado provided a summary of the Districts Revenue and Expenses and was available for any questions.

Motion: Receive and File

1st: Director Escalera

2nd: Vice President Rojas

	<b>President Hernandez</b>	<b>Vice President Rojas</b>	<b>Director Argudo</b>	<b>Director Barajas</b>	<b>Director Escalera</b>
<b>Vote</b>	Yes	Yes	Absent	Yes	Yes

Motion carried by a vote of: 4 Yes, 0 No, 0 Abstain, 1 Absent

### C. Statement of the Industry Public Utilities Water Operations Revenue and Expenses as of August 31, 2023.

Ms. Maldonado provided a summary of Industry's Revenue and Expenses and was available for any questions.

Motion: Receive and File

1st: Director Barajas

2nd: Director Escalera

	<b>President Hernandez</b>	<b>Vice President Rojas</b>	<b>Director Argudo</b>	<b>Director Barajas</b>	<b>Director Escalera</b>
<b>Vote</b>	Yes	Yes	Absent	Yes	Yes

Motion carried by a vote of: 4 Yes, 0 No, 0 Abstain, 1 Absent

## 8. ACTION / DISCUSSION ITEMS

### A. Discussion Regarding the 2023 Salary Survey

Mr. Frausto presented a summary of different agencies' salaries in comparison to the District, which showed the District salaries were significantly lower than the other agencies. The Board agreed and suggested the new salary schedule should reflect the average wage plus 5%.

No motion was taken, this item was for discussion only. Staff will propose the new salary schedule at a future meeting.

### B. Consideration of ACWA-JPIA's Commitment to Excellence Program (C2E)

Mr. Frausto and Mr. Zampiello presented to the Board the opportunity to join ACWA-JPIA's commitment to excellence program and discussed the benefits of joining; such as, the opportunity to explore grants for new equipment and training.

Motion: Authorize General Manager to execute JPIA's C2E Agreement

1st: Vice President Rojas

2nd: Director Barajas

	<b>President Hernandez</b>	<b>Vice President Rojas</b>	<b>Director Argudo</b>	<b>Director Barajas</b>	<b>Director Escalera</b>
<b>Vote</b>	Yes	Yes	Absent	Yes	Yes

Motion carried by a vote of: 4 Yes, 0 No, 0 Abstain, 1 Absent

### C. Consideration to Cancel the October 23, 2023, Regular Board of Directors Meeting

Mr. Frausto suggested that the October 23, 2023 Regular Board of Directors meeting be cancelled since President Hernandez, Vice President Rojas, and Director Escalera will be attending the Fall AWWA Conference and quorum would not be met.

Motion: Cancel the October 23, 2023 Regular Board of Director Meeting

1st: Director Barajas

2nd: President Hernandez

	<b>President Hernandez</b>	<b>Vice President Rojas</b>	<b>Director Argudo</b>	<b>Director Barajas</b>	<b>Director Escalera</b>
<b>Vote</b>	Yes	Yes	Absent	Yes	Yes

Motion carried by a vote of: 4 Yes, 0 No, 0 Abstain, 1 Absent

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

Mr. Frausto invited the Board to the Mural Unveiling held by the City of La Puente.

## **10. OTHER ITEMS**

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

Ms. Padilla went over the Board's upcoming events and verified the attendance of the Board to these events.

### **B. Information Items.**

Included in the Board packet.

## **11. ATTORNEY'S COMMENTS**

Mr. Ciampa went over the trailer bill and the enterprise revenue shortfalls. He reported that the State Waterboard noted that because the federal legislative is only permissible for water bills that there is no money for revenue shortfalls.

## **12. BOARD MEMBER COMMENTS**

### **A. Report on Events Attended.**

None.

### **B. Other Comments.**

None.

## **13. FUTURE AGENDA ITEMS**

None

## **14. ADJOURNMENT**

President Henry P. Hernandez adjourned the meeting at 5:18 pm.

Attest:

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Henry P. Hernandez, Board President

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Roy Frausto, Board Secretary

## La Puente Water District September 2023 Disbursements

Check #	Payee	Amount	Description
11153	Alexandra Guevara	\$ 460.00	Cleaning Service
11154	Concentra	\$ 250.00	Administrative Expense
11155	Highroad IT	\$ 1,946.70	Technical Support
11156	Hunter Electric	\$ 34,666.65	Nitrate Treatment System
11157	InfoSend	\$ 1,142.32	Billing Expense
11158	Merritt's Hardware	\$ 92.18	Field Supplies
11159	O'Reilly Auto Parts	\$ 62.94	Vehicle Maintenance
11160	Peck Road Gravel	\$ 360.00	Concrete & Asphalt
11161	Public Water Agencies Group	\$ 578.25	Emergency Preparedness Program
11162	S & J Supply Co Inc	\$ 171.19	Inventory
11163	SC Edison	\$ 332.92	Power Expense
11164	SG Creative , LLC	\$ 3,080.00	Public Outreach
11165	Underground Service Alert	\$ 151.92	Line Notifications
11166	Weck Laboratories Inc	\$ 58.20	Water Sampling
11167	United Site Services	\$ 664.78	Restroom @ BP Plant
11168	Waste Management of SG Valley	\$ 206.39	Trash Service
11169	Applied Technology Group Inc	\$ 30.00	Radio System
11170	Chevron	\$ 4,156.48	Truck Fuel
11171	Cintas	\$ 188.82	Uniform Service
11172	Continental Utility Solutions Inc	\$ 50.00	Billing Expense
11173	Corporate Billing LLC Dept	\$ 2,269.44	Truck Maintenance
11174	Federal Express Corporation	\$ 21.39	Nitrate Treatment Project
11175	InfoSend	\$ 1,162.43	Billing Expense
11176	San Gabriel Valley Water Company	\$ 239.33	Water Service
11177	Spectrum Business	\$ 297.97	Telephone Service
11178	Stubbies Promotions, Inc	\$ 872.46	Public Outreach
11179	Weck Laboratories Inc	\$ 231.60	Water Sampling
11180	Ferguson Waterworks	\$ 1,516.90	Inventory
11181	Hach Company	\$ 875.44	Compliance Supplies
11182	Harrington Industrial Plastics	\$ 9,967.45	Filter Bags
11183	Northstar Chemical	\$ 20,957.29	Chemicals Expense
11184	Weck Laboratories Inc	\$ 6,431.53	Water Samo
11185	Weck Laboratories Inc	\$ 4,941.77	Water Sampling
11186	Weck Laboratories Inc	\$ 1,395.16	Water Sampling
11187	Spectrum Business	\$ 717.17	Telephone Service
11188	Concentra	\$ 174.00	Administrative Expense
11189	Continental Utility Solutions Inc	\$ 22.10	Billing Expense
11190	Equipment Pro LLC	\$ 108.14	Equipment Maintenance
11191	Ferguson Waterworks	\$ 216.70	Inventory
11192	Haddick's Auto Body & Towing	\$ 100.00	Towing Service - Truck 17
11193	Jack Henry & Associates	\$ 26.75	Web E-Check Fee's
11194	NBS	\$ 14,437.50	Water Rate Consulting
11195	Olson Resources	\$ 75.00	Administrative Support

## La Puente Water District September 2023 Disbursements - continued

Check #	Payee	Amount	Description
11196	Right of Way Inc	\$ 216.21	Administrative Support
11197	S & J Supply Co Inc	\$ 427.84	Distribution Material
11198	San Gabriel Basin WQA	\$ 6,782.40	2023/2024 Assessments
11199	Spectrum Business	\$ 342.68	Telephone Service
11200	Valley Vista Services	\$ 394.54	Trash Service
11201	Vulcan Materials Company	\$ 990.16	Concrete & Asphalt
11202	Weck Laboratories Inc	\$ 133.50	Water Sampling
11203	Western Water Works	\$ 3,621.88	Inventory
11204	Citi Cards	\$ 9,007.44	Admin/Board Expenses
11205	CAT Specialties Inc	\$ 2,763.60	Administrative Expense
11206	Arturo B Briseno Jr	\$ 158.39	Boot Allowance
11207	Ferguson Waterworks	\$ 1,925.00	Inventory
11208	Right of Way Inc	\$ 284.70	Field Supplies
11209	SC Edison	\$ 4,061.23	Power Expense
11210	SoCal SCADA Solutions LLC	\$ 10,587.50	Nitrate Treatment Project
11211	Verizon Wireless	\$ 593.15	Cellular Service
11212	Verizon Wireless	\$ 76.02	Cellular Service
11213	Verizon Wireless	\$ 95.00	Cellular Service
11214	Vulcan Materials Company	\$ 1,107.39	Asphalt Expense
11215	Weck Laboratories Inc	\$ 301.08	Water Sampling
11216	Western Water Works	\$ 1,207.81	Inventory
11217	SC Edison	\$ 61,182.05	Life & Disability Insurance
11218	United Site Services	\$ 664.78	Restroom @ BP Plant
11219	Verizon Wireless	\$ 114.03	Cellular Service
11220	ACWA/JPIA	\$ 36,278.59	Health Benefits
11221	Premier Access Insurance Co	\$ 3,263.93	Dental Insurance

## La Puente Water District September 2023 Disbursements - continued

Check #	Payee	Amount	Description
Online	Home Depot	\$ 626.29	Field Supplies
Autodeduct	Bluefin Payment Systems	\$ 28.35	Tokenization Fee
Auto Deduct	Bluefin Payment Systems	\$ 873.89	Web Merchant Fee's
Autodeduct	Wells Fargo	\$ 129.22	Merchant Fee's
Autodeduct	First Data Global Leasing	\$ 44.00	Credit Card Machine Lease
Online	CalPERS	\$ 17,776.08	Retirement Program
Online	Lincoln Financial Group	\$ 7,855.00	Deferred Comp
Online	Employment Development Dept	\$ 6,166.26	California State & Unemployment Taxes
Online	United States Treasury	\$ 32,968.86	Federal, Social Security & Medicare Taxes
<b>Total Payables</b>		<b>\$ 328,756.11</b>	

## La Puente Water District September 2023 Disbursements

Total Vendor Payables	<u>\$ 328,756.11</u>
Total Payroll	<u>\$ 91,473.93</u>
Total September 2023 Disbursements	<u>\$ 420,230.04</u>

**La Puente Valley County Water District**  
**Payroll Summary**  
**September 2023**

	<u>Sep 23</u>
Employee Wages, Taxes and Adjustments	
Gross Pay	
Total Gross Pay	131,934.61
Deductions from Gross Pay	
457b Plan Employee	-6,917.50
CalPers EEC	-3,650.58
Total Deductions from Gross Pay	<u>-10,568.08</u>
Adjusted Gross Pay	121,366.53
Taxes Withheld	
Federal Withholding	-14,741.00
Medicare Employee	-1,914.15
Social Security Employee	-7,199.78
CA - Withholding	-6,037.67
Medicare Employee Addl Tax	0.00
Total Taxes Withheld	<u>-29,892.60</u>
Net Pay	<u>91,473.93</u>
Employer Taxes and Contributions	
Federal Unemployment	13.05
Medicare Company	1,914.15
Social Security Company	7,199.78
CA - Unemployment	120.56
CA - Employment Training Tax	8.03
Total Employer Taxes and Contributions	<u>9,429.57</u>

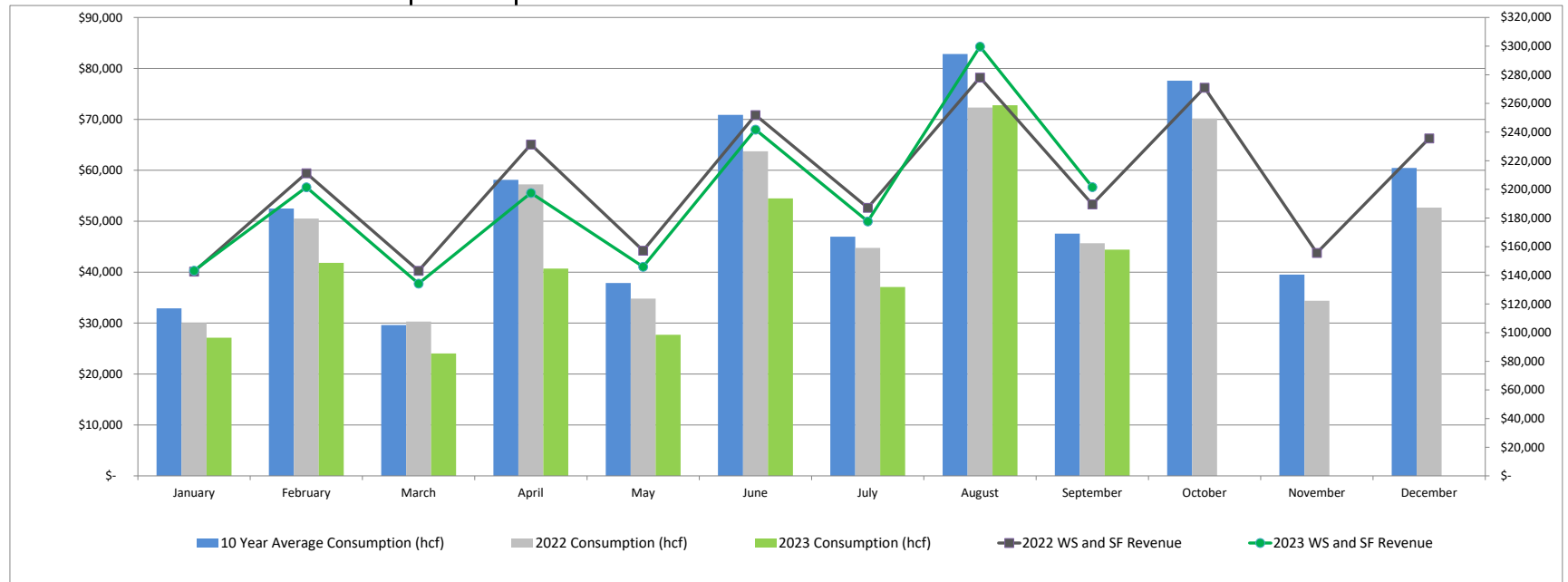


## Industry Public Utilities September 2023 Disbursements

Check #	Payee	Amount	Description
5797	Highroad IT	\$ 1,297.80	Technical Support
5798	InfoSend	\$ 869.42	Billing Expense
5799	La Puente Valley County Water District	\$ 29,737.25	Inventory used for IPU Services
5800	La Puente Valley County Water District	\$ 21,818.68	Truck, Equipment & Fuel Expense
5801	McCalls Meter Sales & Service	\$ 466.69	Meter Replacement
5803	Peck Road Gravel	\$ 360.00	Asphalt & Concrete Disposal
5804	SC Edison	\$ 3,703.04	Power Expense
5805	SG Creative, LLC	\$ 660.00	Graphic Design Consulting
5806	SoCal Gas	\$ 17.90	Gas Expense
5807	Spectrum Business	\$ 80.66	Telephone Service
5808	Stetson Engineers Inc	\$ 12,697.00	Professional Services
5809	Underground Service Alert	\$ 151.91	Line Notifications
5810	Merritt's Hardware	\$ 120.40	Field Supplies
5811	U.S. Postal Service	\$ 500.39	Newsletter Expense
5812	Cintas	\$ 188.81	Uniform Service
5813	Continental Utility Solutions Inc	\$ 50.00	Billing Expense
5814	InfoSend	\$ 884.15	Billing Expense
5815	Janus Pest Management Inc	\$ 65.00	Rodent Control
5816	SC Edison	\$ 17,593.21	Power Expense
5817	Spectrum Business	\$ 297.97	Telephone Service
5818	Weck Laboratories Inc	\$ 230.00	Water Sampling
5819	Continental Utility Solutions Inc	\$ 22.10	Billing Expense
5820	Industry Public Utility Commission	\$ 1,706.83	Industry Hills Power Expense
5821	La Puente Valley County Water District	\$ 67,715.61	Labor Costs
5822	Equipment Pro, LLC	\$ 108.13	Equipment Maintenance
5823	La Puente Valley County Water District	\$ 51,260.10	O&M Fee for 3rd Quarter
5824	San Gabriel Basin WQA	\$ 6,618.00	2023/2024 Assessment
5825	San Gabriel Valley Water Company	\$ 1,417.33	Water Service
5826	Vulcan Materials Company	\$ 990.15	Asphalt & Concrete Expense
5827	Weck Laboratories Inc	\$ 135.00	Water Sampling
5828	Citi Cards	\$ 485.78	Administrative Expenses
5829	ACP Publication & Marketing	\$ 1,373.34	Newsletter Expense
5830	Los Angeles County Fire Dept	\$ 1,078.00	Permit Fee's
5831	Right of Way Inc	\$ 284.70	Field Supplies
5832	SoCal Gas	\$ 15.78	Gas Expense
5833	Verizon Wireless	\$ 593.14	Cellular Service
5834	Verizon Wireless	\$ 76.02	Cellular Service
5835	Verizon Wireless	\$ 95.00	Cellular Service
5836	Vulcan Materials Company	\$ 1,107.38	Asphalt and Concrete Expense
5837	Weck Laboratories Inc	\$ 118.50	Water Sampling
Autodeduct	First Data Global Leasing	\$ 44.00	Credit Card Machine Lease
Autodeduct	Wells Fargo Merchant Fee's	\$ 41.77	Merchant Fee's
Online	Home Depot Credit Services	\$ 17.07	Field Supplies
Autodeduct	Bluefin Payment Systems	\$ 22.30	Web CC Fee's
Autodeduct	Jack Henry	\$ 18.20	Web E-Check Fee's
<b>Total September 2023 Disbursements</b>		<b>\$ 227,134.51</b>	

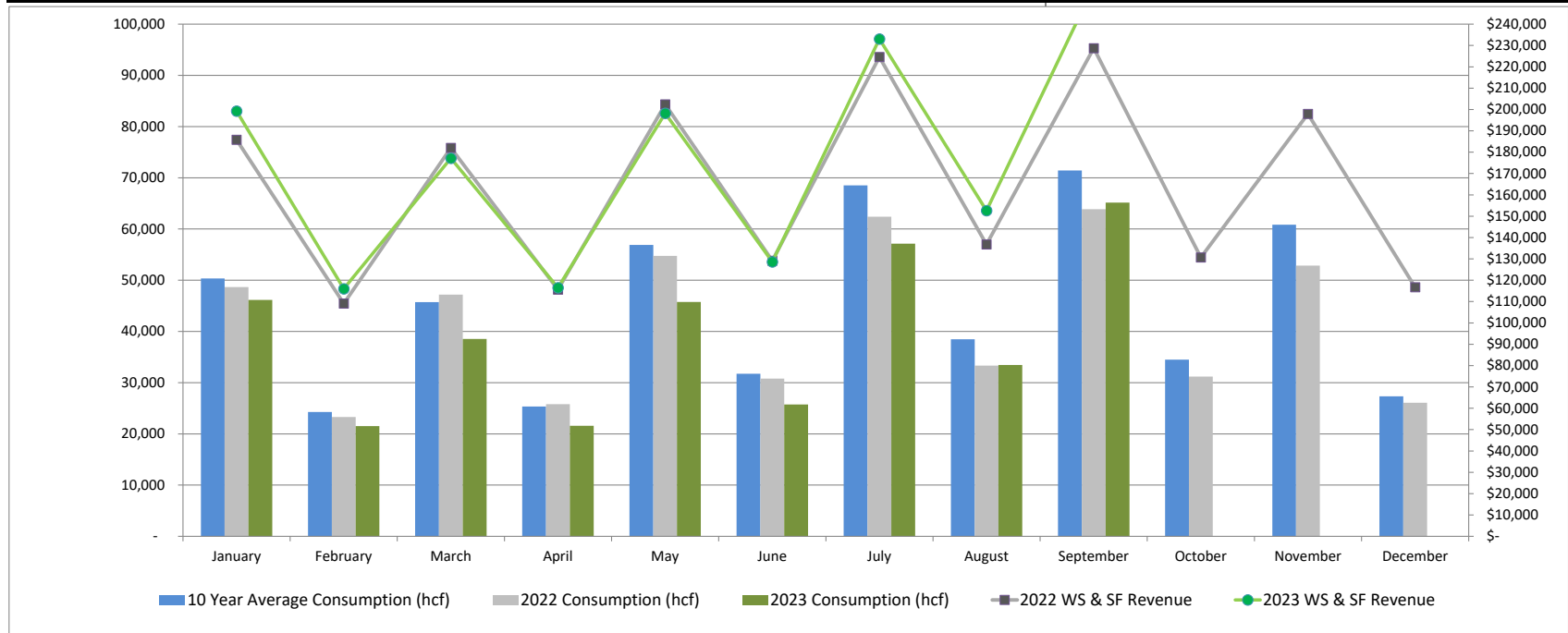
WATER SALES REPORT LPVCWD 2023

LPVCWD	January	February	March	April	May	June	July	August	September	October	November	December	YTD
No. of Customers	1,233	1,244	1,234	1,251	1,234	1,256	1,236	1,252	1,241	-	-	-	11,181
2023 Consumption (hcf)	27,134	41,823	24,043	40,698	27,693	54,484	37,090	72,759	44,431	-	-	-	370,155
2022 Consumption (hcf)	30,028	50,516	30,287	57,235	34,805	63,736	44,747	72,317	45,688	70,182	34,384	52,672	586,597
10 Year Average Consumption (hcf)	\$ 32,895	\$ 52,489	\$ 29,606	\$ 58,128	\$ 37,871	\$ 70,878	\$ 46,960	\$ 82,820	47,561	\$ 77,590	\$ 39,508	\$ 60,451	636,757
2023 Water Sales	\$ 75,152	\$ 119,224	\$ 65,978	\$ 115,709	\$ 77,681	\$ 159,271	\$ 109,107	\$ 216,962	\$ 132,884	\$ -	\$ -	\$ -	\$ 1,071,968
2022 Water Sales	\$ 78,737	\$ 136,210	\$ 79,575	\$ 156,218	\$ 93,717	\$ 175,590	\$ 123,715	\$ 201,938	125,971	\$ 194,818	\$ 92,325	\$ 153,404	\$ 1,612,219
2023 Service Fees	\$ 68,131	\$ 82,296	\$ 68,280	\$ 81,830	\$ 68,343	\$ 82,503	\$ 68,590	\$ 82,726	\$ 68,737	\$ -	\$ -	\$ -	\$ 671,434
2022 Service Fees	\$ 63,895	\$ 75,110	\$ 63,596	\$ 75,124	\$ 63,553	\$ 76,336	\$ 63,504	\$ 76,180	\$ 63,586	\$ 76,187	\$ 63,364	\$ 82,202	\$ 842,637
2023 WS and SF Revenue	\$ 143,283	\$ 201,520	\$ 134,258	\$ 197,538	\$ 146,024	\$ 241,774	\$ 177,697	\$ 299,688	\$ 201,620	\$ -	\$ -	\$ -	\$ 1,743,402
2022 WS and SF Revenue	\$ 142,632	\$ 211,320	\$ 143,171	\$ 231,342	\$ 157,270	\$ 251,926	\$ 187,219	\$ 278,118	\$ 189,557	\$ 271,006	\$ 155,689	\$ 235,606	\$ 2,454,856
2023 Hyd Fees	\$ 950	\$ 750	\$ 950	\$ 750	\$ 950	\$ 750	\$ 950	\$ 750	\$ 950	\$ -	\$ -	\$ -	\$ 7,750
2023 DC Fees	\$ 356	\$ 11,689	\$ 356	\$ 11,689	\$ 356	\$ 11,689	\$ 356	\$ 11,689	\$ 356	\$ -	\$ -	\$ -	\$ 48,539
2023 System Revenue	\$ 144,590	\$ 213,960	\$ 135,565	\$ 209,978	\$ 147,330	\$ 254,213	\$ 179,003	\$ 312,127	\$ 202,927	\$ -	\$ -	\$ -	\$ 1,799,692



WATER SALES REPORT CIWS 2023

CIWS	January	February	March	April	May	June	July	August	September	October	November	December	YTD
No. of Customers	967	892	967	891	965	893	967	894	969	-	-	-	8,405
2023 Consumption (hcf)	46,138	21,528	38,538	21,587	45,739	25,727	57,149	33,452	65,164	-	-	-	355,022
2022 Consumption (hcf)	48,649	23,297	47,199	25,789	54,759	30,786	62,388	33,319	63,877	31,199	52,840	26,093	500,195
10 Year Average Consumption (hcf)	50,340	24,264	45,724	25,354	56,891	31,739	68,515	38,483	71,435	34,483	60,845	27,324	535,396
2023 Water Sales	\$ 129,349	\$ 60,205	\$ 107,228	\$ 60,663	\$ 128,297	\$ 72,801	\$ 163,037	\$ 96,550	\$ 187,318	\$ -	\$ -	\$ -	\$ 1,005,448
2022 Water Sales	\$ 123,503	\$ 58,734	\$ 119,827	\$ 65,288	\$ 140,366	\$ 78,894	\$ 162,064	\$ 86,507	\$ 166,187	\$ 80,453	\$ 135,174	\$ 66,444	\$ 1,283,439
2023 Service Fees	\$ 69,937	\$ 55,806	\$ 69,959	\$ 55,844	\$ 69,951	\$ 55,826	\$ 70,001	\$ 56,074	\$ 70,292	\$ -	\$ -	\$ -	\$ 573,689
2022 Service Fees	\$ 62,348	\$ 50,336	\$ 62,203	\$ 50,334	\$ 62,049	\$ 50,236	\$ 62,538	\$ 50,249	\$ 62,538	\$ 50,220	\$ 62,782	\$ 50,251	\$ 676,083
2023 Hyd Fees	\$ 1,550	\$ 300	\$ 1,550	\$ 300	\$ 1,550	\$ 300	\$ 1,550	\$ 300	\$ 1,550	\$ -	\$ -	\$ -	\$ 8,950
2023 DC Fees	\$ 20,050	\$ 6,282	\$ 19,916	\$ 6,448	\$ 19,775	\$ 6,157	\$ 20,050	\$ 6,157	\$ 19,909	\$ -	\$ -	\$ -	\$ 124,744
2023 System Revenues	\$ 220,886	\$ 122,593	\$ 198,653	\$ 123,255	\$ 219,573	\$ 135,084	\$ 254,638	\$ 159,081	\$ 279,069	\$ -	\$ -	\$ -	\$ 1,712,832





**Item 7**  
**Public Hearing**



**Item 8  
Action / Discussion  
Items**

# STAFF Report



**Date:** October 9, 2023  
**To:** Honorable Board of Directors  
**Subject:** Consideration of Resolution No. 298 Adopting New Water Use Rates and Service Charges.

**Purpose:** *Finalize the comprehensive study of the water rates for the District, which recommends and substantiates the need for water rate adjustments and adopt new water use rates and service charges.*

**Recommendation:** *Adopt Resolution No. 298 Approving New Water Use Rates and Service Charges.*

**Fiscal Impact:** *Implementing the recommendations of the water rate study will increase water rate revenue in calendar years 2024 through 2028.*

## SUMMARY

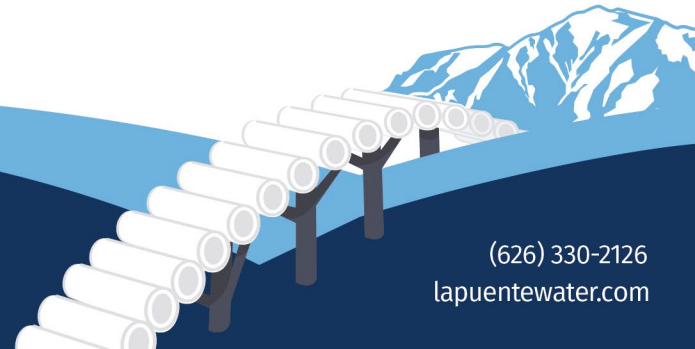
The current water rates of the La Puente Valley County Water District ("District"), were adopted by the Board of Directors on October 15, 2018, by Resolution No. 254. The approved water rate increase was substantiated by a Water Rate Study that was completed by Raftelis Financial Consultants, Inc. As a result of significant increased costs for the procurement of replacement water through the program established by the Main San Gabriel Groundwater Basin Watermaster ("Watermaster"); increased costs for power, chemicals and other water treatment costs, insurance, wages and necessary capital improvement projects identified by the District's Water Master Plan, in addition to regular rising operation and maintenance costs, an adjustment to water rates is recommended.

In January 2023, the Board of Directors authorized work proposed by NBS Government Finance Group, Inc. (NBS) to complete a comprehensive water rate and fee study for the District's water system. The scope of NBS' work included the following:

1. Water Rate Study
2. Performing a cost-of-service analysis
3. Calculating new rates and customer impacts

District Staff coordinated with NBS to assist with its efforts to complete the water rate study. NBS has completed the water rate study portion of its work and the final report is enclosed for your review and consideration.

In summary, the proposed rates and charges will increase the average residential customer's bi-monthly bill by \$13.04 (\$6.52 monthly) in 2024. Most commercial customers will see an increase to their bi-monthly bill by \$27.60 in 2024. The overall revenue adjustments will be implemented as follows:



	<b>CY 2023</b>	<b>CY 2024</b>	<b>CY 2025</b>	<b>CY 2026</b>	<b>CY 2027</b>
Effective Month	October	October	October	October	October
Revenue Adjustment	12%	12%	12%	10%	10%

To implement the recommendations outlined in the report, in accordance with the provisions of Proposition 218, the District must hold a public hearing on the proposed water rate increases before the District can adopt the proposed water rates. A written notice was sent to all customers and property owners of record within the District and all other District customers informing them of the proposed water rate increases and the public hearing date, at least 45 days before the hearing.

On August 21, 2023, at a special meeting of the Board of Directors, the Board of Directors directed District staff to provide notices as required by law. On August 23, 2023, District staff mailed over 2,700 copies of a "Notice of Proposed Increase in Water Rates and Charges and Public Hearing regarding such Increase" to customers, property owners and tenants within such properties, served by the District. The proposed rates that would potentially take effect on October 15, 2023, were included in the notice and are summarized as follows:

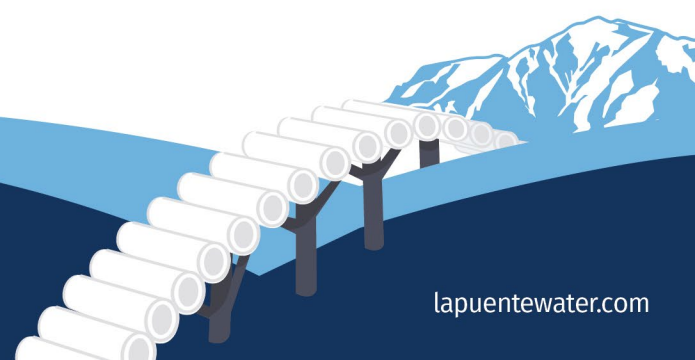
### *Proposed Residential Water Rate Charges (2023 – 2027)*

*Bi-Monthly Service Charge – Single & Multifamily Residential (Based On Meter Size)*

<b>FIXED SERVICE CHARGES</b>	<b>CURRENT RATE</b>	<b>EFFECTIVE OCT 2023</b>	<b>EFFECTIVE OCT 2024</b>	<b>EFFECTIVE OCT 2025</b>	<b>EFFECTIVE OCT 2026</b>	<b>EFFECTIVE OCT 2027</b>
<b>5/8 Inch</b>	\$ 40.97	\$ 45.84	\$ 51.34	\$ 57.50	\$ 63.25	\$ 69.57
<b>3/4 Inch</b>	\$ 52.94	\$ 59.52	\$ 66.66	\$ 74.66	\$ 82.13	\$ 90.34
<b>1 Inch</b>	\$ 76.88	\$ 86.88	\$ 97.31	\$ 108.98	\$ 119.88	\$ 131.87
<b>1.5 Inch</b>	\$ 136.73	\$ 155.29	\$ 173.92	\$ 194.79	\$ 214.27	\$ 235.70
<b>2 Inch</b>	\$ 208.56	\$ 237.38	\$ 265.86	\$ 297.77	\$ 327.54	\$ 360.30
<b>3 Inch</b>	\$ 400.08	\$ 456.28	\$ 511.03	\$ 572.36	\$ 629.59	\$ 692.55
<b>4 Inch</b>	\$ 615.54	\$ 702.55	\$ 786.85	\$ 881.28	\$ 969.40	\$ 1,066.34
<b>6 Inch</b>	\$ 1,214.04	\$ 1,386.62	\$ 1,553.02	\$ 1,739.38	\$ 1,913.32	\$ 2,104.65
<b>8 Inch</b>	\$ 1,932.25	\$ 2,207.51	\$ 2,472.41	\$ 2,769.10	\$ 3,046.01	\$ 3,350.61

*Variable Rate – Tier One Volumetric Charges (Residential) - 0-20 hcf*

<b>TIER ONE</b>	<b>CURRENT RATE</b>	<b>EFFECTIVE OCT 2023</b>	<b>EFFECTIVE OCT 2024</b>	<b>EFFECTIVE OCT 2025</b>	<b>EFFECTIVE OCT 2026</b>	<b>EFFECTIVE OCT 2027</b>
<b>Zone 1</b>	\$ 2.33	\$ 2.73	\$ 3.06	\$ 3.42	\$ 3.77	\$ 4.14
<b>Zone 2</b>	\$ 2.59	\$ 2.87	\$ 3.22	\$ 3.60	\$ 3.96	\$ 4.36
<b>Zone 3</b>	\$ 2.85	\$ 3.27	\$ 3.66	\$ 4.10	\$ 4.51	\$ 4.96
<b>Zone 4</b>	\$ 2.64	\$ 2.99	\$ 3.35	\$ 3.75	\$ 4.13	\$ 4.54
<b>Zone 5</b>	\$ 2.84	\$ 3.03	\$ 3.39	\$ 3.80	\$ 4.18	\$ 4.60





*Variable Rate – Tier Two Volumetric Charges (Residential) - 20+ hcf*

TIER TWO	CURRENT RATE	EFFECTIVE OCT 2023	EFFECTIVE OCT 2024	EFFECTIVE OCT 2025	EFFECTIVE OCT 2026	EFFECTIVE OCT 2027
<b>Zone 1</b>	\$ 3.96	\$ 4.15	\$ 4.65	\$ 5.21	\$ 5.73	\$ 6.30
<b>Zone 2</b>	\$ 4.22	\$ 4.29	\$ 4.81	\$ 5.38	\$ 5.92	\$ 6.51
<b>Zone 3</b>	\$ 4.48	\$ 4.69	\$ 5.25	\$ 5.88	\$ 6.47	\$ 7.11
<b>Zone 4</b>	\$ 4.27	\$ 4.41	\$ 4.94	\$ 5.53	\$ 6.09	\$ 6.69
<b>Zone 5</b>	\$ 4.48	\$ 4.45	\$ 4.99	\$ 5.58	\$ 6.14	\$ 6.76

**Proposed Commercial, Industrial & Multi-Family Water Rate Charges (2023 – 2027)**

*Uniform Volumetric Charges (Commercial, Industrial & Multi-Family)*

ZONE	CURRENT RATE	EFFECTIVE OCT 2023	EFFECTIVE OCT 2024	EFFECTIVE OCT 2025	EFFECTIVE OCT 2026	EFFECTIVE OCT 2027
<b>Zone 1</b>	\$ 2.77	\$ 3.22	\$ 3.61	\$ 4.04	\$ 4.44	\$ 4.89
<b>Zone 2</b>	\$ 3.03	\$ 3.36	\$ 3.77	\$ 4.22	\$ 4.64	\$ 5.10
<b>Zone 4</b>	\$ 3.08	N/A	N/A	N/A	N/A	N/A

**Proposed Public Authority & Irrigation Customers Water Rate Charges (2023 – 2027)**

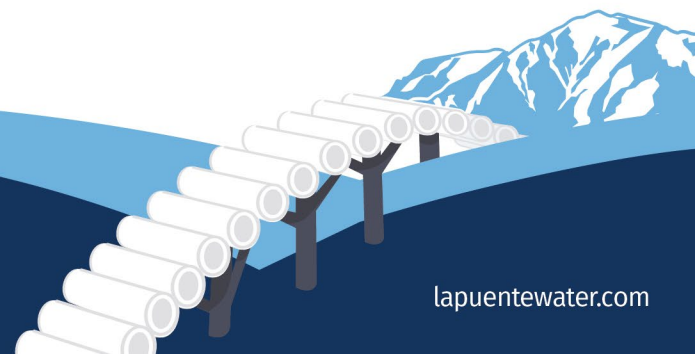
*Uniform Volumetric Charges (Public Authority & Irrigation Customers)*

ZONE	CURRENT RATE	EFFECTIVE OCT 2023	EFFECTIVE OCT 2024	EFFECTIVE OCT 2025	EFFECTIVE OCT 2026	EFFECTIVE OCT 2027
<b>Zone 1</b>	\$ 3.06	\$ 3.22	\$ 3.61	\$ 4.04	\$ 4.44	\$ 4.89
<b>Zone 2</b>	\$ 3.32	\$ 3.36	\$ 3.77	\$ 4.22	\$ 4.64	\$ 5.10
<b>Zone 4</b>	\$ 3.37	\$ 3.48	\$ 3.90	\$ 4.37	\$ 4.80	\$ 5.28

**Proposed Private Fire Service Rate Charges (2023 – 2027)**

*Fire Service Charge*

SIZE	CURRENT RATE	EFFECTIVE OCT 2023	EFFECTIVE OCT 2024	EFFECTIVE OCT 2025	EFFECTIVE OCT 2026	EFFECTIVE OCT 2027
<b>4 Inch</b>	\$ 50.91	\$ 147.63	\$ 165.35	\$ 185.19	\$ 203.71	\$ 224.08
<b>6 Inch</b>	\$ 131.00	\$ 313.70	\$ 351.34	\$ 393.50	\$ 432.85	\$ 476.13
<b>8 Inch</b>	\$ 269.15	\$ 535.11	\$ 599.33	\$ 671.24	\$ 738.37	\$ 812.21
<b>10 Inch</b>	\$ 348.86	\$ 830.33	\$ 929.97	\$ 1,041.57	\$ 1,145.73	\$ 1,260.30
<b>12 Inch</b>	\$ 558.06	\$ 1,236.26	\$ 1,384.61	\$ 1,550.77	\$ 1,705.85	\$ 1,876.43





## Proposed Drought Charges (2023 — 2027)

Drought Response Charge (\$/ccf) Added to Existing Volumetric Rate for Each Customer Class by Conservation Goal

WATER SHORTAGE LEVEL/CONSERVATION GOAL	CURRENT RATE	DROUGHT RESPONSE CHARGE (\$/CCF)	DROUGHT RESPONSE CHARGE (\$/CCF)	DROUGHT RESPONSE CHARGE (\$/CCF)	DROUGHT RESPONSE CHARGE (\$/CCF)	DROUGHT RESPONSE CHARGE (\$/CCF)
		EFFECTIVE OCT 2023	EFFECTIVE OCT 2024	EFFECTIVE OCT 2025	EFFECTIVE OCT 2026	EFFECTIVE OCT 2027
<10%	N/A	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Up to 20%	N/A	\$ 0.22	\$ 0.25	\$ 0.29	\$ 0.33	\$ 0.37
Up to 30%	N/A	\$ 0.49	\$ 0.57	\$ 0.66	\$ 0.74	\$ 0.83
Up to 40%	N/A	\$ 1.12	\$ 1.51	\$ 1.75	\$ 1.97	\$ 2.22
Up to 50%	N/A	\$ 1.73	\$ 2.27	\$ 2.63	\$ 2.96	\$ 3.33

The notice also provided the date and time of the public hearing on the proposed increases along with information on a customer's right to protest and where to send a written protest. To date, the District has received no written protests.

### FISCAL IMPACT

Implementing the recommendations of the water rate study will increase water rate revenue in calendar years 2024 through 2028.

### RECOMMENDATION

Adopt Resolution No. 298 Approving New Water Use Rates and Service Charges.

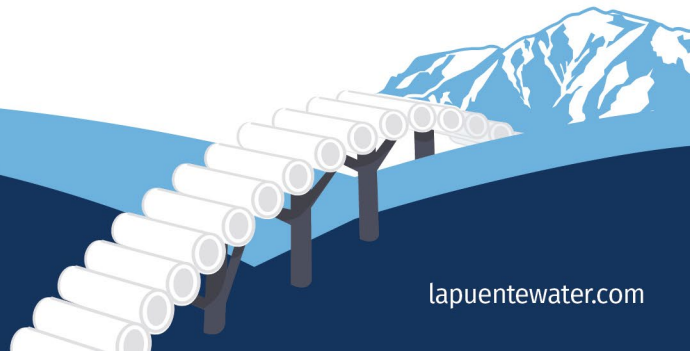
Respectfully Submitted,



Roy Frausto  
General Manager

### ENCLOSURES

- Enclosure 1: Resolution No. 298





## RESOLUTION NO. 298

### A RESOLUTION OF THE BOARD OF DIRECTORS OF LA PUENTE VALLEY COUNTY WATER DISTRICT ADOPTING NEW WATER USE RATES AND SERVICE CHARGES

**WHEREAS**, the La Puente Valley County Water District ("the District") provides water service to residents and businesses within its boundaries, most of which is within the boundaries of the City of La Puente; and

**WHEREAS**, the District approved Resolution 254 on October 15, 2018, which adopted new rates and charges for water service and instituted a multiyear (5 year) rate increase plan to cover projected District expenses; and

**WHEREAS**, the Board of Directors is concerned about the increased expenses for the continued operation of the District's water system, including significant increased costs for the procurement of replacement water through the program established by the Main San Gabriel Groundwater Basin Watermaster ("Watermaster"); increased costs for power, chemicals and other water treatment costs, insurance, wages and necessary capital improvement projects identified by the District's recently Water Master Plan, in addition to regular rising operation and maintenance costs; and

**WHEREAS**, the District's Board of Directors directed District Staff to have a water rate study prepared to review the District's costs of service and revenue requirements, including monies needed for prudent levels of reserves, and provide a recommendation for water rates and service charges (collectively referred to as "water rates") which will generate sufficient revenue to meet the District's cost of providing water service to its customers over the next five years; and

**WHEREAS**, District Staff engaged NBS Government Finance Group, Inc. ("NBS") to conduct a thorough review of the District's costs and financial needs of the District and prepare a water rate study (the "Water Rate Study") for the purposes of recommending a fair and equitable water rate structure that complies with current laws governing the setting of water rates, including but not limited to, Article 13D, Section 6 of the California Constitution ("Proposition 218"), and that will provide adequate revenues to meet the District's water system financial obligations; and

**WHEREAS**, a full, true and correct copy of the Water Rate Study is hereby incorporated herein by this reference and attached hereto as Exhibit "A"; and

**WHEREAS**, on August 21, 2023, the District's Board of Directors considered and approved a written "Notice of Proposed Adjustments to Water Use Rates and Charges" and directed District Staff to provide said notice as required by law to all property owners of record within the District and all other District customers for a public hearing to be conducted on October 9, 2023, to consider adoption of the water rates and charges proposed in the Water Rate Study; and

**WHEREAS**, pursuant to Proposition 218, all customers and property owners of record within the District's service area were mailed a notice of the public hearing at least 45 days prior to October 9, 2023, which notice contained: (1) the amount of the proposed rate adjustment, (2) the basis on which the rate adjustment is calculated, (3) the reason for the rate increase, and (4) the date, time and location of the public hearing at which the proposed rates will be considered for adoption, together with an explanation of the right to submit written protests to the proposed increase; and

**WHEREAS**, a full, true and correct copy of the "Notice of Proposed Adjustments to Water Use Rates and Charges" is incorporated herein by this reference and attached hereto as Exhibit "**B**"; and

**WHEREAS**, on October 9, 2023, prior to the adoption of this resolution, the District's Board of Directors conducted and concluded a duly noticed public hearing concerning the proposed water rate increase as set forth in the Water Rate Study and considered all written and oral comments presented; and

**WHEREAS**, at the close of such public hearing, no majority written protest to the proposed increase was presented under Proposition 218; and

**WHEREAS**, the proposed rate increase is Statutorily Exempt under the California Environmental Quality Act ("CEQA") Guidelines section 15273 as it applies only to rates to obtain funds necessary to operate and maintain the District's water system; and

**WHEREAS**, all legal prerequisites to adoption of a water rate increase have occurred prior to the adoption of this Resolution.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF LA PUENTE VALLEY COUNTY WATER DISTRICT DOES RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:**

**SECTION 1.** The District's Board of Directors (the "Board") hereby finds that the above recitations are true and correct and, accordingly, are incorporated as a material part of this Resolution; and

**SECTION 2.** The Board hereby finds that the water rate increase is Statutorily Exempt pursuant to CEQA Guidelines section 15273 as it applies only to rates to obtain funds necessary to operate and maintain the District's water system; and

**SECTION 3.** The Board finds and determines that the adjustment of the water rates is in the best interest of the District and its constituents and complies with current laws, including but not limited to, Proposition 218; and

**SECTION 4.** The Board does hereby approve the water rate increase as set forth in the Water Rate Study, a copy of which is attached to this Resolution as Exhibit "**A**," and directs District staff to implement such water rates as set forth therein effective immediately.

**ADOPTED, SIGNED AND APPROVED** by the Board of Directors of La Puente Valley County Water District at a meeting held on October 9, 2023.

Ayes:

Nays:

Abstains:

Absent:

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Henry P. Hernandez, President  
Board of Directors  
La Puente Valley County Water District

ATTEST:

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Roy Frausto, Board Secretary

**EXHIBIT A**





# LA PUENTE VALLEY COUNTY WATER DISTRICT

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## Final Water Rate Study Report

October 2023

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# Section 1. EXECUTIVE SUMMARY

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## Background and Purpose

### BACKGROUND

The La Puente Valley County Water District provides water service to approximately 2,500 connections in portions of the Cities of La Puente and Industry. Because it is important for the District to routinely update its cost-of-service basis for the rates it charges its customers, as required by California statutes, the District adopted Resolution No. 254 in October 2018.

This resolution implemented new water use rates and service charges, consisting of separate rates for three customer classes: 1) single family, 2) multi-family/commercial/industrial, and 3) public authority/irrigation. Within the single-family customer class, the rate structure includes two tiers that correspond to the cost of local groundwater sources vs. purchased/leased water costs. Further, there are five zones for all customer classes that reflect the pressure zones. The final increase of the five-year adopted schedule occurred on October 15, 2022.

The costs of the District’s local water supplies have increased by over 23 percent over the last four years and the new groundwater pumping assessment for the San Gabriel Valley will add significant costs. Additionally, the 2015 San Juan Capistrano court decision established more restrictive standards for calculating water rates in California, and the District must now “demonstrate the cost basis” for tiered volumetric rates<sup>1</sup>.

### PURPOSE

To address these concerns, the District retained NBS earlier this year to prepare a cost of service water rate study to ensure that water rates collect sufficient revenues over the next five years to meet the District’s financial needs. These needs include funding operating costs, maintaining reasonable reserves, and funding capital improvements. Other objectives include evaluating the fairness and equity of the rate design and promoting revenue stability.

This report summarizes the rates and charges developed in this study; the rates are based on industry standards and intended to meet the requirements of Proposition 218 (or Prop 218)<sup>2</sup>. This report is part of the District’s efforts to document the study for Prop 218 purposes and to ensure the District communicates the results of this study with its customers.

The initial results were presented at a June 26, 2023, public workshop. The District Board will decide whether to direct staff to prepare Prop 218 public notices and set the rate hearing in a public hearing that may be as late as September 2023; rates will go into effect on October 15, 2023.

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<sup>1</sup> This court decision required that tiered rates demonstrate the actual amount of water and the costs included in each tier.

<sup>2</sup> California Constitutional Provision, Article XIII D, Section 6.

## Key Findings

### PROPOSED WATER RATE DESIGN AND FINANCIAL PLAN

Fixed monthly charges will continue to be based on meter sizes, vary by customer class, have two tiers for residential customers, and increased volumetric rates that reflect the additional pumping costs for delivering water to the District’s five elevation zones. Among several financial plan alternatives considered, the proposed rates are intended to fund 100 percent of the capital improvement plan as well as a new administration building.

### REVENUE REQUIREMENTS AND PROJECTED RATES

The District needs to complete ongoing rehabilitation and replacement projects that include significant costs for recycled water projects, a nitrate treatment system, pumping improvements, well rehabilitation, waterline replacements, vehicles, and equipment. These projects average almost \$1.1 million per year over the next five years<sup>3</sup> compared to approximately \$600 thousand per year of rate funded projects in the District’s last rate study. General inflation appears to be increasing at a much higher rate than historically seen.

The District’s annual net revenue requirements (i.e., total revenue requirements less non-rate revenues) are projected to vary from year to year, beginning at \$2.5 million in 2023 and increasing to \$3 million in 2027. Assuming the proposed rate increases are adopted, total rate revenue would increase from \$2.9 million in 2023 and end at just under \$4.6 million in 2027.

During the course of this study, the District evaluated several funding alternatives, each with different rate increases, as shown in Figure 1. Alternative 4 was the option the District Board chose to implement.

**FIGURE 1. CIP FUNDING BY RATE ALTERNATIVE**

Summary of Water System Financial Results by Rate Alternative						
Financial Plan/CIP Funding Alternatives	Ending Cash Reserves (≈\$3.4 M Target)	Rate Increases				
		Effective Oct 2023	Effective Oct 2024	Effective Oct 2025	Effective Oct 2026	Effective Oct 2027
1. Fund 25% of CIP & Admin. Bldg.	\$3.7 M	3.00%	3.00%	3.00%	3.00%	3.00%
2. Fund 50% of CIP & Admin. Bldg.	\$3.6 M	6.00%	6.00%	6.00%	6.00%	6.00%
3. Fund 75% of CIP & Admin. Bldg.	\$3.0 M	8.00%	8.00%	8.00%	8.00%	8.00%
<b>4. Fund 100% of CIP &amp; Admin. Bldg.</b>	<b>\$3.4 M</b>	<b>12.00%</b>	<b>12.00%</b>	<b>12.00%</b>	<b>10.00%</b>	<b>10.00%</b>
5. Fund 100% of CIP & Admin. Bldg. w/ \$4 M Rev. Bonds	\$3.5 M	4.00%	6.00%	6.00%	8.00%	8.00%

<sup>3</sup> This amounts to approximately \$7.5 million in capital improvement program (CIP) costs.

## Section 2. RATE STUDY METHODOLOGY

### Overview of Rate Study Methodology

The methodology followed in this rate study is similar to the District’s previous study, and focuses on rate design, accurately assessing projected water demands.

The three components typically included in rate studies are summarized in Figure 2 and are intended to follow industry standards and reflect the fundamental principles of cost-of-service ratemaking embodied in the American Water Works Association (AWWA) Principles of Water Rates, Fees, and Charges<sup>4</sup>, also referred to as Manual M1. This methodology also addresses Prop 218 requirements that rates not exceed the cost of providing the service (i.e., rates must be proportionate to the cost of providing service for all customers).

FIGURE 2. PRIMARY COMPONENTS OF A RATE STUDY



The District’s previous (2018) rate study used a Base-Extra Capacity methodology, whereas NBS’ rate analysis follows a Commodity-Demand methodology. The primary difference is that the 2018 approach assigns costs based on peak-hour, peak-day, and average monthly water consumption and relies on typical industry factors for those cost allocations. NBS’ approach uses actual peak month vs. average month consumption, which we feel better represents actual customer class usage characteristics. Both are presented in the AWWA M1 Manual.

As a result of this water rate study, rate increases – or more accurately, increases in the total revenue collected from rates – are recommended for each of the next five years. The recommended volumetric rates continue to use two tiers for single-family residential customers and uniform rates for of the commercial/ industrial/multi-family and public authority/irrigation customer classes. The rates are adjusted by 12 percent for the first three years, and then 10 percent the last two years of the five-year period (i.e., 2023 through 2027).

### Rate Design Criteria

It is important for utilities to send proper price signals to their customers about the actual cost of providing service, and a second tier for residential customers can be an effective means of accomplishing this. However, the cost basis of a second tier must be demonstrated by actual costs of the District’s source of

<sup>4</sup> Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices, M1, AWWA, seventh edition, 2017.

supplies. Based on the District's two primary supply costs, we believe continuing with a second tier complies with Prop 218 mandates and the criteria set forth in the San Juan Capistrano case.

Sending proper price signals can also be addressed through the magnitude of the rates and the rate structure design. In other words, both the amount of revenue collected and the way in which it is collected from customers are important. The District's variable costs are relatively high which supports the District's decision to collect more rate revenue from volumetric rates than from fixed charges.

Several more general criteria are also considered in setting rates and developing sound rate structures. The fundamentals of this process have been documented in various rate-setting manuals<sup>5</sup>. The following is a list of common rate structure objectives:

- Rates should yield the necessary revenue in a stable and predictable manner.
- Rates should minimize unexpected changes to customer bills.
- Rates should promote fairness (i.e., cost based).
- Rates should avoid discrimination.
- Rates should maintain simplicity, certainty, convenience, and freedom from controversy.
- Rates should comply with all applicable laws (in California, this specifically includes Prop 218).
- Rates should be easy to understand and to administer.

## KEY FINANCIAL ASSUMPTIONS

The following are the key assumptions used in the water rate analysis:

- **Funding Capital Projects** – The analysis assumes:
  - Capital costs are funded with rate revenue and reserve funds, with no additional debt issued.
  - One hundred percent of capital projects listed in the financial plans along with an administration building are assumed to be funded.
- **Reserve Targets** – Reserves for operations and capital needs are set at levels established by District staff and adopted by the District Board. Reserve targets used in the analysis are as follows:
  - Capital Improvement Reserve – 10 percent of net assets.
  - Rate Stabilization Reserve – 45 days of water sales revenue.
  - Emergency/Disaster Reserve – 1 percent of net assets.
- **Inflation and Growth Projections** – Annual inflation and growth assumptions were determined using the District's historical data, government publications, and assumptions in published plans such as the Water Master Plan and Urban Water Management Plan; they are as follows:
  - General cost inflation is assumed to be 3 percent annually.
  - Customer growth is 0.0 percent annually per the District's Master Plan.
  - Labor cost inflation is 5.0 percent annually per the District's Budget.
  - Benefit cost inflation is 5.0 percent annually per the District's Budget.
  - Energy cost inflation is 5.0 percent annually per the District's Budget.
- **Pass-Through Costs** – This provision allows the District to adjust for certain operating costs that are beyond the District's control. This would include costs associated with purchased water, RDA

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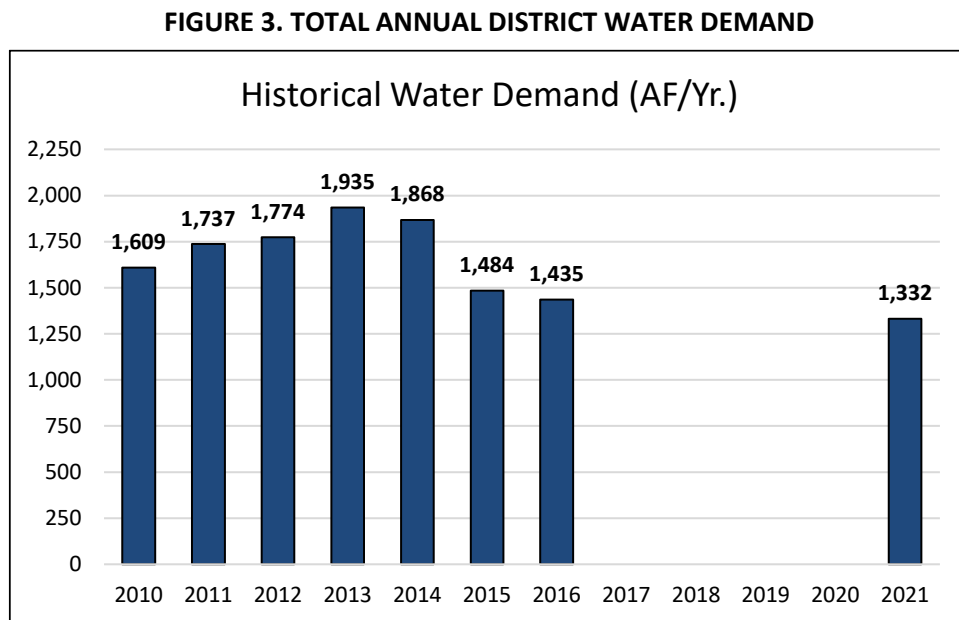
<sup>5</sup> From M1 Manual, AWWA, seventh edition, 2017, p. 105. Also, James C. Bonbright; Albert L. Danielsen and David R. Kamerschen, *Principles of Public Utility Rates*, (Arlington, VA: Public Utilities Report, Inc., Second Edition, 1988), p. 383-384.

groundwater assessments, and regulatory requirements like outside agency charges. These pass-through costs will only be implemented if future increases exceed the projected costs used in the rate model. For the District to pass through these cost increases, it must specify that intention in Prop 218 notices and be noted in the rate resolution.

## Water Consumption Trends

Uncertainty about the amount of water sold each year presents a challenge to how rates should be designed. The impacts of the COVID-19 restrictions on water consumption in the District over the last few years is a concern, as well as whether those impacts will continue, consumption patterns will return to “normal,” or there will be new trends developing. There is also the question of how much “drought-hardening” has taken place, where customers have made permanent changes in their consumption patterns, such as installing low-water landscaping and appliances.

Figure 3 indicates that, while the annual average water demand for 2010 through 2016 was 1,691, the most recent demand is approximately 1,332 acre-feet. A greater conservation mind-set among all California water users, we have assumed a five-percent conservation of this 1,300 acre-feet is the average demand going forward.



The next section discusses the water study in further detail.

## Section 3. DEVELOPING RECOMMENDED WATER RATES

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### Overview: Developing the Recommended Water Rates

The following are the basic tasks included in the cost-of-service and rate design analyses:

- **Developing Revenue Requirements:** The water revenue requirements were projected based on the 2023 annual budget and input from District staff. The District Board’s decision was to fund 100 percent of the District’s adopted CIP program plus the new administration building. If no rate increases were adopted, less than 25 percent of the CIP program could be funded and the District would not be able to build the new admin building.
- **Developing Cost Allocations:** The cost-of-service study used these projected water revenue requirements to “functionalize” them into categories: (1) fixed capacity costs; (2) variable (or volume-based) costs; (3) customer service costs; (4) fire protection costs; and (5) zonal pumping costs. Each of these functional costs has a distinct allocation factor used to determine revenue requirements by customer class.
- **Determining Revenue Requirements by Customer Class:** Revenue requirements for each customer class were then determined based on allocation factors such as water consumption, capacity peaking factors, and number of accounts by meter size. For example, volume-related costs are allocated based on the annual water consumption for each class; fixed/capacity related costs are allocated based on peaking factors; customer costs are allocated based on number of accounts in each customer class; and zonal pumping costs are allocated on the basis of amount pumped and the elevation changes for each elevation zone.
- **Evaluating Rate Design and Fixed vs. Variable Costs:** Evaluating rate-design alternatives includes how much revenue is collected from fixed charges versus variable rates. Industry practices provide flexibility regarding the actual percentages collected from fixed vs. variable rates, and the District has decided to use a rate design that results in rates that are comparable to the current rates. This proposed rate design collects 54 percent from volumetric rates and the remaining 46 percent is collected from fixed charges.

There are two tiers for residential customers and a uniform tier for commercial/industrial/ multi-family and public authority/irrigation customers. The District also decided to retain separate volumetric rates for the five elevation zones, which reflect the higher pumping costs of these zones. This rate study also developed proposed rates under an alternative rate structure that collects 40 percent of rate revenue from fixed charges and 60 percent from volumetric rates. The proposed rate design alternative is the 46 percent Fixed/54 percent Volumetric alternative.

- **Evaluating Financial Plan/CIP Alternatives:** As previously shown in Figure 1, NBS evaluated several alternatives for rate increase and CIP costs, and the District selected the alternative that funds 100% percent of the District’s CIP program and the new administration building.
- **Drought and Water Conservation:** Beginning in June 2016, communities were allowed to “self-certify” that they had sufficient supply to meet customer demand for three years but were no longer mandated to achieve a specific conservation target. Today, the District continues to ask customers to conserve, and while the level of conservation the District is achieving is beneficial from a supply standpoint, placing a priority on conservation creates financial risks for the utility.



To help offset this risk, the drought rates proposed in this study account for various stages of water conservation to allow the District to continue meeting its financial obligations during times of significant conservation. These drought rates were developed to align with the State Water Resources Control Board Water Shortage Contingency Plan Shortage Level, which requires the Board to act to implement the drought/conservation rates.

- **Meeting Operating Costs:** For Fiscal Years 2023 through 2027, the net revenue requirements (total revenue requirements less non-rate revenues) are projected to vary from year-to-year but increase moderately, beginning at \$2.5 million in 2023, peaking at almost \$3.0 million in 2027. If the District did not implement any water rate increases over this period, there would be insufficient revenue to fund operations and capital projects (assuming CIP is still funded at 100 percent and includes the Admin building). More importantly, the District cash reserves would be negative at the end of the 5-year rate period.
- **Maintaining Reserve Funds:** It is important for public water utilities to maintain reasonable reserves to handle emergencies, fund working capital, maintain a good credit rating, and generally follow sound financial management practices. Rate increases typically consider the need to meet various reserve-related objectives. The District has established the following reserve targets:
  - **Working Capital Reserves** – Year-end target reserve is based on 90 days of operating expenses, which amount to \$1.2 million in 2023 and increases to almost \$1.4 million. This reserve addresses risks of normal cash-flow fluctuations, non-payments, and other unexpected cashflow issues.
  - **Capital Improvement Reserves** – Year-end target reserve is based on 10 percent of the District’s net assets, meaning capital assets net of depreciation and less non-depreciable assets (such as land). The District’s total capital assets in 2023 were \$16.6 million, less non-depreciable assets of \$3.7 million, leaving \$12.8 million as the basis for the 10-percent. This amounts to \$1.28 million in 2023, gradually increasing to \$1.6 million by 2027.
  - **Rate Stabilization Reserves** – To address the concern that fluctuations in rate revenues due to normal cashflow variations, weather-related changes in water sold, and emergencies that occasionally affect revenues, the District has a rate stabilization reserve. The target reserve level is based on the higher of 50 percent of the costs of purchased/leased water or 45 days of water sales revenue; the target reserve level is \$414,000 in 2023, reaching \$480,000 by 2027.
  - **Emergency/Disaster Reserves** – This is a special reserve for emergencies target based on one percent of net assets. This is \$128,500 in 2023 but grows to \$160,000 in 2027.

If rate increases are not implemented, reserves will drop below the sustainable levels and the ending cash reserves would decline from \$2.5 million in 2023 and be negative by the end of the five-year period. Therefore, annual rate increases are necessary to maintain sufficient reserves.

## Modifications to Rate Structure

The changes to the District’s water rate structure in 2018 included the implementation of separate rates for new customer classes and adjusting the breakpoint for the Tier 1 rates. Both changes were based on the water use data and estimates of indoor water usage. The 2018 rate study also proposed collection 68 percent of rate revenue from volumetric rates and 32 percent from fixed charges.<sup>6</sup> The proposed rates in

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<sup>6</sup> See Table 5-2, Section 5.2 – Proposed Rate Structure in the District’s 2018 rate study by Raftelis.

NBS' rate design adjust the share of revenue collected from variable charges from 68 percent to 54 percent and adjusts the share of revenue collected from fixed charges from 32 percent to 46 percent. The proposed rate design continues with two tiers at the same breakpoint for residential customers of 20 hundred cubic feet (HCF), uniform rates for commercial, industrial & multi-family customers and public authority & irrigation customers, and zonal rates for each of five elevation zones.

## Water Utility Revenue Requirements

Figure 4 summarizes the sources and uses of funds and net revenue requirements for the next five years and includes the recommended annual rate increases. Figure 5 summarizes the projected reserve fund balances and reserve targets. A summary of the District's proposed 10-year financial plan, which is included in Appendix C – Water Rate Study Summary Table, includes revenue requirements, reserve funds, revenue sources, proposed rate increases, and the District's capital improvement program.

**FIGURE 4. FINANCIAL PLAN - SUMMARY OF WATER REVENUE REQUIREMENTS**

Summary of Sources and Uses of Funds and Net Revenue Requirements	Budget		Projected			
	2023	2023	2024	2025	2026	2027
<b>Sources of Water Funds</b>						
Rate Revenue Under Prevailing Rates	\$ 2,756,700	\$ 2,756,700	\$ 2,756,700	\$ 2,756,700	\$ 2,756,700	\$ 2,756,700
Non-Rate Revenues	2,499,782	2,569,516	2,613,504	2,658,373	2,704,138	2,750,819
<b>Total Sources of Funds</b>	<b>\$ 5,256,482</b>	<b>\$ 5,326,216</b>	<b>\$ 5,370,204</b>	<b>\$ 5,415,073</b>	<b>\$ 5,460,838</b>	<b>\$ 5,507,519</b>
<b>Uses of Water Funds</b>						
Operating Expenses	\$ 4,571,955	\$ 4,876,874	\$ 5,029,209	\$ 5,186,985	\$ 5,350,418	\$ 5,519,737
Debt Service	198,460	198,459	198,460	198,460	198,459	198,459
Rate-Funded Capital Expenses	687,400	-	-	-	-	-
<b>Total Use of Funds</b>	<b>\$ 5,457,815</b>	<b>\$ 5,075,333</b>	<b>\$ 5,227,669</b>	<b>\$ 5,385,445</b>	<b>\$ 5,548,877</b>	<b>\$ 5,718,196</b>
<b>Surplus (Deficiency) before Rate Increase</b>	<b>\$ (201,333)</b>	<b>\$ 250,883</b>	<b>\$ 142,535</b>	<b>\$ 29,628</b>	<b>\$ (88,039)</b>	<b>\$ (210,677)</b>
Additional Revenue from Rate Increases	-	165,402	608,679	1,012,525	1,406,737	1,823,081
<b>Surplus (Deficiency) after Rate Increase</b>	<b>\$ (201,333)</b>	<b>\$ 416,285</b>	<b>\$ 751,214</b>	<b>\$ 1,042,153</b>	<b>\$ 1,318,698</b>	<b>\$ 1,612,404</b>
<b>Projected Annual Rate Increase<sup>1</sup></b>	<b>0.00%</b>	<b>12.00%</b>	<b>12.00%</b>	<b>12.00%</b>	<b>10.00%</b>	<b>10.00%</b>
<i>Debt Coverage Ratio</i>	(0.01)	3.10	4.79	6.25	7.64	9.12
<b>Net Revenue Requirement<sup>2</sup></b>	<b>\$ 2,958,033</b>	<b>\$ 2,505,817</b>	<b>\$ 2,614,165</b>	<b>\$ 2,727,072</b>	<b>\$ 2,844,739</b>	<b>\$ 2,967,377</b>

1. Revenue from rate increases are implemented on January 1, 2024, so the District will collect 6 months

2. Total Use of Funds less non-rate revenues and interest earnings. This is the annual amount needed from water rates.

**FIGURE 5. SUMMARY OF WATER RESERVE FUNDS**

Beginning Reserve Fund Balances and Recommended Reserve Targets	Budget		Projected			
	2023	2023	2024	2025	2026	2027
<b>Working Capital Reserve</b>	\$ 898,667	\$ 1,219,000	\$ 1,257,000	\$ 1,297,000	\$ 1,338,000	\$ 1,380,000
<i>Recommended Minimum Target</i>	<i>1,143,000</i>	<i>1,219,000</i>	<i>1,257,000</i>	<i>1,297,000</i>	<i>1,338,000</i>	<i>1,380,000</i>
<b>Capital Improvement Reserve</b>	\$ 1,285,500	\$ 1,040,897	\$ (84,958)	\$ (81,012)	\$ 371,126	\$ 1,665,043
<i>Recommended Minimum Target</i>	<i>1,285,500</i>	<i>1,403,600</i>	<i>1,539,900</i>	<i>1,590,500</i>	<i>1,622,900</i>	<i>1,601,000</i>
<b>Rate Stabilization Fund Reserve</b>	\$ 200,000	\$ 202,578	\$ 205,189	\$ 207,834	\$ 210,513	\$ 213,227
<i>Recommended Minimum Target</i>	<i>414,000</i>	<i>427,000</i>	<i>440,000</i>	<i>453,000</i>	<i>466,000</i>	<i>480,000</i>
<b>Emergency/Disaster Reserve</b>	\$ 120,000	\$ 121,547	\$ 123,114	\$ 124,700	\$ 126,308	\$ 127,936
<i>Recommended Minimum Target</i>	<i>128,500</i>	<i>140,400</i>	<i>154,000</i>	<i>159,100</i>	<i>162,300</i>	<i>160,100</i>
<b>Total Ending Balance</b>	<b>\$ 2,504,167</b>	<b>\$ 2,584,022</b>	<b>\$ 1,500,344</b>	<b>\$ 1,548,523</b>	<b>\$ 2,045,947</b>	<b>\$ 3,386,206</b>
<b>Total Recommended Minimum Target</b>	<b>\$ 2,971,000</b>	<b>\$ 3,190,000</b>	<b>\$ 3,390,900</b>	<b>\$ 3,499,600</b>	<b>\$ 3,589,200</b>	<b>\$ 3,621,100</b>

The rate model developed for this rate study includes mechanisms that can be used to adjust the financial plan going forward: (1) If *grant funding* becomes available, that funding can be included in the capital project funding calculations to reduce the amount of CIP costs that are funded through rates. (2) Although the District Board has not directed staff to implement a *low-income assistance program*, unrestricted

revenues could be used to fund such a program. This would entail establishing the annual amount committed to this program, creating an applicant form and process, and placing qualified customers into the billing system, thereby reducing their water bills.

## Customer Class Cost Allocation Factors

Three cost-of-service factors are used to allocate revenue requirements to each customer class, including:

- **Water consumption** (see Figure 6) – which allocates variable (or commodity) costs.
- **Peaking factors**, or the percentages of system peak demands, (see Figure 7) – which allocates capacity-related costs based on peaking factors<sup>7</sup>.
- **Number of accounts** (see Figure 8) – which allocates customer-related costs.

These factors tend to change over time and are one of the primary reasons that rates change between customer classes when a new cost-of-service rate study is prepared.

**FIGURE 6. WATER CONSUMPTION BY CUSTOMER CLASS**

Customer Class	2022 Volume (hcf) <sup>1</sup>	Conservation Factor	Adjusted Volume (hcf/Yr.)	Percent of Total Volume
Single Family	255,200	5.0%	242,440	44.0%
Apartment	70,754	5.0%	67,216	12.2%
Commercial	84,568	5.0%	80,340	14.6%
Industrial	33,978	5.0%	32,279	5.9%
Irrigation	96,284	5.0%	91,470	16.6%
Public Authority	39,384	5.0%	37,415	6.8%
Fire Meters	57	5.0%	54	0.0%
<b>Grand Total</b>	<b>580,225</b>	<b>--</b>	<b>551,214</b>	<b>100.0%</b>

1. Source: Data summarized with Pivot tables in source files: Apartment Billing Data\_jt.xlsx, Commercial Billing Data\_jt.xlsx, Industrial Billing Data\_jt.xlsx, Irrigation Billing Data\_jt.xlsx, Public Authority Billing Data\_jt.xlsx, Residential Billing Data\_jt.xlsx'

**FIGURE 7. PEAKING FACTORS BY CUSTOMER CLASS**

Customer Class	Average Monthly Use (hcf)	Peak Monthly Use (hcf) <sup>1</sup>	Peak Month Factor	Max Month Capacity Factor
Single Family	42,533	48,359	1.14	41.8%
Apartment	11,792	14,036	1.19	12.1%
Commercial	14,095	15,534	1.10	13.4%
Industrial	5,663	5,827	1.03	5.0%
Irrigation	16,047	21,761	1.36	18.8%
Public Authority	6,564	10,141	1.54	8.8%
Fire Meters	10	40	4.21	0.0%
<b>Grand Total</b>	<b>96,704</b>	<b>115,698</b>	<b>1.20</b>	<b>100.0%</b>

<sup>7</sup> Peaking factors are peak month consumption divided by 12-month average monthly consumption. While peak day data is preferred, this data is not available by customer class and is rarely available for most water agencies in our experience.

**FIGURE 8. NUMBER OF ACCOUNTS BY CUSTOMER CLASS**

Customer Class	Number of Meters <sup>1</sup>	Percent of Total
Single Family	2,031	80.1%
Apartment	54	2.1%
Commercial	284	11.2%
Industrial	11	0.4%
Irrigation	94	3.7%
Public Authority	31	1.22%
Fire Meters	32	1.26%
<b>Grand Total</b>	<b>2,537</b>	<b>100.0%</b>

1. Number of meters is from source: *Apartment Billing Data\_jt.xlsx*, *Commercial Billing Data\_jt.xlsx*, *Industrial Billing Data\_jt.xlsx*, *Irrigation Billing Data\_jt.xlsx*, *Public Authority Billing Data\_jt.xlsx*, *Residential Billing Data\_jt.xlsx*

## Cost of Service Analysis

The revenue requirements previously shown in Figure 4 are distributed in the cost-of-service analysis to each component of the water rate structure by allocating costs through the functionalization and classification process.

### **Functionalization and Classification**

Most costs are not typically allocated just to fixed or variable categories and, therefore, can be allocated to multiple functions of water service. Those costs are then classified for the purpose of allocating costs to the following five cost causation components:

- **Commodity** related costs are those costs associated with the total consumption of water over a specified period (e.g., annual).
- **Capacity** related costs are those costs associated with the maximum demand required or the maximum size of facilities required to meet this demand.
- **Customer** related costs are those costs associated with having a customer on the water system, such as meter reading, postage, and billing.
- **Fire Protection** costs are those costs associated with providing sufficient capacity in the system for fire meters and other operating and maintenance costs of providing water to properties for private fire service protection.
- **Zonal Pumping Costs** are energy costs for pumping to each of five consecutive elevation zones.

Figure 9 summarizes the results of this functional allocation process.

**FIGURE 9. REVENUE REQUIREMENTS BY FUNCTIONAL CATEGORY**

Total Rev. Reqts. Including Rate Increases	Commodity	Capacity	Customer	Fire Protection	Zonal
\$ 3,087,504	\$ 1,667,252	\$ 742,809	\$ 233,748	\$ 82,362	\$ 121,646
100.0%	54.0%	28.9%	9.1%	3.2%	4.7%

### **Allocations to Customer Classes**

Once costs have been organized in the District’s functional categories, they are then allocated to the cost causation components and used to establish new water rates in the form of fixed and variable charges. The following is a description of this analysis.

**Fixed costs** generally consist of costs that a utility incurs to serve customers irrespective of the amount of water they use. These include: (1) infrastructure (capacity-related facilities) required to provide service to customers; (2) costs associated with the peaking requirements, or maximum demand which affects the maximum size of the water supply system, treatment and delivery system, operations, and maintenance costs; and (3) administrative and billing costs associated with meter reading, postage, and billing.

**Variable costs** are those that change as the volume of water produced and delivered changes. These commonly include the costs for groundwater replenishment, groundwater pumping, chemicals used in the treatment process, energy related to pumping for transmission and distribution, and source of supply. Zonal costs are directly allocated to volumetric rates and used to determine the additional costs (or surcharges) associated with pumping costs to each of the five elevation zones. We note that not all customer classes have water deliveries within each zone and as seen in the proposed rate schedule, therefore do not have volumetric rates for each zone.

**Collecting Fixed vs. Variable Costs** – Ideally, all fixed costs would be recovered from fixed charges and all variable costs would be recovered from volumetric charges. When this is the case, fluctuations in water sales revenues would be directly offset by reductions or increases in variable expenses, which provides greater revenue stability for the utility. However, water conservation goals as well as ease of understanding, ease of administration, and customer bill impacts are also considered.<sup>8</sup> Further, revenue losses resulting from decreased consumption can be mitigated by developing drought rates and/or revenue stabilization rates, both of which were developed in this study.

The net revenue requirements previously identified in Figure 4 are allocated to each customer class using the allocation factors shown above in Figures 6 through 8. The results of this cost-allocation process are summarized in Figure 10 and Figure 11. The functional costs for both rate design alternatives (i.e., the 46 percent Fixed/54 percent Variable and the 40 percent Fixed/60 percent Variable) are shown in Figure 10, whereas Figure 14 shows how these costs are allocated to each customer class.<sup>9</sup>

**FIGURE 10. SUMMARY OF REVENUE REQUIREMENTS BY FUNCTIONAL CATEGORY (FY 2023)**

Classification Components	Current Rate Structure 46% Fixed/54% Variable		Alternative Rate Structure	
	Net Revenue Requirements		40% Fixed/60% Variable	
Commodity-Related Costs	\$ 1,667,252	54.0%	\$ 1,706,159	55.3%
Zonal-Related Costs	\$ 146,343	4.7%	\$ 146,343	4.7%
Total Variable Costs	\$ 1,813,595	58.7%	\$ 1,852,502	60.0%
Capacity-Related Costs (Fixed)	\$ 893,620	28.9%	\$ 854,712	27.7%
Customer-Related Costs	\$ 281,206	9.1%	\$ 281,206	9.1%
Total Fixed Costs	\$ 1,174,825	38.1%	\$ 1,135,918	36.8%
Fire Protection-Related Costs	\$ 99,084	3.2%	\$ 99,084	3.2%
Total Fixed Costs	\$ 1,273,909	41.3%	\$ 1,235,002	40.0%
<b>Subtotal Revenue Requirement</b>	<b>\$ 3,087,504</b>	<b>100%</b>	<b>\$ 3,087,504</b>	<b>100%</b>

<sup>8</sup> *Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices*, M1 Manual, AWWA, Seventh Edition, 2017, pp. 6 and 96.

<sup>9</sup> *Appendix D shows how fixed and variable costs are allocated in more detail.*

**FIGURE 11. SUMMARY OF REVENUE REQUIREMENTS BY CUSTOMER CLASS (FY 2023)**

Customer Class	Proposed Rate Structure (46% Fixed / 54% Variable)					Cost of Service Net Revenue Reqts	% of COS Net Revenue Reqts
	Cost Classification Components						
	Commodity	Capacity (Fixed)	Customer	Fire Protection	Zonal		
Single Family	\$ 733,306	\$ 373,512	\$ 225,120	\$ -	\$ 64,366	\$ 1,396,304	45%
Apartment	\$ 203,309	\$ 108,410	\$ 5,985	\$ -	\$ 17,845	\$ 335,550	11%
Commercial	\$ 243,003	\$ 119,980	\$ 31,479	\$ -	\$ 21,330	\$ 415,792	13%
Industrial	\$ 97,634	\$ 45,006	\$ 1,219	\$ -	\$ 8,570	\$ 152,430	5%
Irrigation	\$ 276,668	\$ 168,076	\$ 10,419	\$ -	\$ 24,285	\$ 479,448	16%
Public Authority	\$ 113,168	\$ 78,326	\$ 3,436	\$ -	\$ 9,933	\$ 204,864	7%
Fire	\$ 163.79	\$ 309	\$ 3,547	\$ 99,084	\$ -	\$ 103,103	3%
<b>Grand Total</b>	<b>\$ 1,667,252</b>	<b>\$ 893,620</b>	<b>\$ 281,206</b>	<b>\$ 99,084</b>	<b>\$ 146,329</b>	<b>\$ 3,087,490</b>	<b>100%</b>
<i>% of Costs by Classification</i>	<i>54%</i>	<i>29%</i>	<i>9%</i>	<i>3%</i>	<i>5%</i>	<i>100%</i>	

### Calculation of Proposed Water Rates

The following is a summary of how fixed charges and volumetric rates were calculated. Only the preferred/proposed rate design (46 percent Fixed/54 percent Variable) alternative is shown below. Calculations for the 40 percent Fixed/60 percent Variable alternative have slightly different results.

**Fixed Charges:** Figure 12 summarizes the number of meters and equivalent meters by customer class and meter size. Equivalent meters are the basis for calculating fixed monthly capacity-related charges, while the number of meters is used to calculate customer-related charges. Figure 13 shows the calculation of these fixed capacity-related and customer-related charges by meter size and customer class and Figure 14 shows the calculated fixed charges for Fire Meters.

**FIGURE 12. SUMMARY OF METERS BY CUSTOMER CLASS (CY 2022)**

Number of Meters by Class and Size <sup>1</sup>	2023											Total
	5/8 inch	3/4 inch	1 inch	1.5 inch	2 inch	3 inch	4 inch	6 inch	8 inch	10 inch	12 inch	
Single Family	1,325	577	128	1	-	-	-	-	-	-	-	2,031
Apartment	14	18	9	6	5	-	1	1	-	-	-	54
Commercial	98	66	60	11	42	1	5	1	-	-	-	284
Industrial	2	-	1	1	2	-	1	1	3	-	-	11
Irrigation	8	8	25	2	43	1	2	-	3	2	-	94
Public Authority	6	2	4	-	11	-	4	2	2	-	-	31
Fire Meters	-	-	-	-	-	-	5	3	18	4	2	32
<b>Total Meters/Accounts</b>	<b>1,453</b>	<b>671</b>	<b>227</b>	<b>21</b>	<b>103</b>	<b>2</b>	<b>18</b>	<b>8</b>	<b>26</b>	<b>6</b>	<b>2</b>	<b>2,537</b>

**FIGURE 13. FIXED CHARGE CALCULATIONS BY CUSTOMER CLASS (FY 2023)**

<i>Proposed Rate Structure (46% Fixed / 54% Variable)</i>												
Number of Meters by Class and Size <sup>1</sup>	2023											Total
	5/8 inch	3/4 inch	1 inch	1.5 inch	2 inch	3 inch	4 inch	6 inch	8 inch	10 inch	12 inch	
<b>All Customers (Except Fire Meters)</b>	1,453	671	227	21	103	2	13	5	8	2	-	2,505
<i>Hydraulic Capacity Factor<sup>2</sup></i>	1.00	1.50	2.50	5.00	8.00	16.00	25.00	50.00	80.00	120.00	168.75	
<b>Total Equivalent Meters</b>	<b>1,453</b>	<b>1,007</b>	<b>568</b>	<b>105</b>	<b>824</b>	<b>32</b>	<b>325</b>	<b>250</b>	<b>640</b>	<b>240</b>	<b>-</b>	<b>5,443</b>
<b>Bi-Monthly Fixed Service Charges</b>												
Customer Costs (\$/Acct/mo.) <sup>3</sup>	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	
Capacity Costs (\$/Acct/mo.) <sup>4</sup>	\$ 27.36	\$ 41.04	\$ 68.41	\$ 136.81	\$ 218.90	\$ 437.81	\$ 684.07	\$ 1,368.15	\$ 2,189.04	\$ 3,283.56	\$ 4,617.50	
<b>Total Bi-Monthly Meter Charge</b>	<b>\$ 45.84</b>	<b>\$ 59.52</b>	<b>\$ 86.88</b>	<b>\$ 155.29</b>	<b>\$ 237.38</b>	<b>\$ 456.28</b>	<b>\$ 702.55</b>	<b>\$ 1,386.62</b>	<b>\$ 2,207.51</b>	<b>\$ 3,302.03</b>	<b>\$ 4,635.97</b>	
<b>Annual Fixed Costs Allocated to Bi-Monthly Meter Charges</b>												
Customer Costs	\$ 277,659											
Capacity Costs	\$ 893,620											
<b>Total Fixed Meter Costs</b>	<b>\$ 1,171,278</b>											
<b>Annual Revenue from Monthly Bi-Meter Charges</b>												
Customer Charges	\$ 161,053	\$ 74,375	\$ 25,161	\$ 2,328	\$ 11,417	\$ 222	\$ 1,441	\$ 554	\$ 887	\$ 222	\$ -	<b>\$ 277,659</b>
Capacity Charges	238,550	165,245	93,171	17,239	135,283	5,254	53,358	41,044	105,074	39,403	-	<b>\$ 893,620</b>
<b>Total Rev. from Bi-Mo. Meter Charges</b>	<b>\$ 399,603</b>	<b>\$ 239,620</b>	<b>\$ 118,332</b>	<b>\$ 19,566</b>	<b>\$ 146,699</b>	<b>\$ 5,475</b>	<b>\$ 54,799</b>	<b>\$ 41,599</b>	<b>\$ 105,961</b>	<b>\$ 39,624</b>	<b>\$ -</b>	<b>\$ 1,171,278</b>

1. Number of meters by size and class is per the District's utility billing data as of November 2022 in the Billed Consumption Report by Month spreadsheets.
2. Source: AWWA Manual M1, "Principles of Water Rates, Fees, and Charges", Table B-1. Assumes displacement meters for 5/8 - 2 inch meters, Compound Class I for 3 - 8 inch meters, and Turbine Class II for 10-12 inch meters.
3. Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.
4. Capacity costs are allocated by meter size and the hydraulic capacity of the meter.





**FIGURE 14. FIXED CHARGE CALCULATIONS FOR FIRE METERS (FY 2023)**

Number of Meters by Class and Size <sup>1</sup>	Proposed Rate Structure (46% Fixed / 54% Variable)					Total
	2023					
	4 inch	6 inch	8 inch	10 inch	12 inch	
Fire Meters	5	3	18	4	2	32
<i>Hydraulic Capacity Factor</i> <sup>2</sup>	14.00	32.00	56.00	88.00	132.00	
<b>Total Equivalent Meters</b>	<b>70</b>	<b>96</b>	<b>1,008</b>	<b>352</b>	<b>264</b>	<b>1,790</b>
<b>Bi-Monthly Fixed Service Charges</b>						
Customer Costs (\$/Acct/mo.) <sup>3</sup>	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	
Fire Protection Costs (\$/Acct/mo.) <sup>4</sup>	\$ 129.16	\$ 295.22	\$ 516.64	\$ 811.86	\$ 1,217.79	
<b>Total Bi-Monthly Meter Charge</b>	<b>\$ 147.63</b>	<b>\$ 313.70</b>	<b>\$ 535.11</b>	<b>\$ 830.33</b>	<b>\$ 1,236.26</b>	
<b>Annual Fixed Costs Allocated to Bi-Monthly Meter Charges</b>						
Customer Costs	\$ 3,547					
Fire Protection Costs	\$ 99,084					
<b>Total Fixed Meter Costs</b>	<b>\$ 102,631</b>					
<b>Annual Revenue from Monthly Bi-Meter Charges</b>						
Customer Charges	\$ 554	\$ 333	\$ 1,995	\$ 443	\$ 222	\$ 3,547
Fire Protection Costs	3,875	5,314	55,797	19,485	14,613	99,084
<b>Total Revenue from Bi-Mo. Meter Charges</b>	<b>\$ 4,429</b>	<b>\$ 5,647</b>	<b>\$ 57,792</b>	<b>\$ 19,928</b>	<b>\$ 14,835</b>	<b>\$ 102,631</b>

1. Number of meters by size is from the District's 2019 rate study and assumes the number of meters has not changed.
2. Source: AWWA Manual M6, "Water Meters - Selection, Installation, Testing and Maintenance", Table 5-3. Assumes Displacement Meters for 5/8 - 2 inch meters and Fire Service Type I & II for 3 - 10 inch meters.
3. Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.
4. Fire Protection costs are allocated by meter size and the hydraulic capacity of the meter.

**Volumetric Rates:** Currently all residential customers have two tiers, paying per zone for 0-20 HCF with a higher rate for more than 20 HCF. Non-residential customers are classified as either commercial/industrial/multi-family or public authority/irrigation customers with a uniform rate. Although there are costs that could be used to create tiered rates for non-residential customers, those customers have significant variations in consumption levels that would result in many customers never reaching the second tier and others having most of their volumetric charges coming from the second tier. Because of this, it would not be equitable to implement tiered rates for non-residential customers.

The calculation of the proposed two-tiered residential rates and the uniform non-residential rates both must consider the pumping costs for each elevation zone as well as the amount of water delivered within each zone.

**Tiered Residential Rates:** Calculating two tiers for residential customers requires identifying both the costs and the amount of water included in each tier. Figure 15 summarizes the District's two sources of supply for 2022 and indicates that about 65 percent of the supplies should be allocated to Tier 1 and 35 percent to Tier 2.

**FIGURE 15. SOURCES OF SUPPLY AND TIER ALLOCATIONS**

Allocation of Source of Supply to Tiers			
Source of Supply	Annual AF <sup>1</sup>	Supply in %	Annual HCF <sup>1</sup>
<b>Tier 1 - Wells</b>	850	65.4%	360,409
<b>Tier 2 - Wells (Purchased/Leased)</b>	450	34.6%	190,805
<b>Total Supply</b>	1,300	100.0%	551,214

1. District Data.



Figure 16 shows costs of each source by tier and once divided by the consumption by tier (in HCF), results in the tiered rates. The uniform rate is shown under the total column. These tiered rates do not yet include pumping costs, which are factored in below.

**FIGURE 16. SOURCES OF SUPPLY AND COSTS BY TIER AND TIERED RATES**

ALLOCATION OF COMMODITY COSTS BY TIER (without Zonal Costs) 46F/54V Rate Structure			
Volumetric Rate Revenue Requirements	Allocated \$ and Consumption by Tier		
	Tier 1	Tier 2	Total
Commodity-Related less Purchased/Leased	\$912,908	\$483,304	\$1,396,212
Purchased/Leased Costs (Adjusted)	\$0	\$271,040	\$271,040
<b>Total Volumetric Costs (w/o Pumping Costs)</b>	<b>\$912,908</b>	<b>\$754,344</b>	<b>\$1,667,252</b>
Residential Consumption by Tier in HCF	360,409	190,805	551,214
<b>Tiered/Uniform Rates</b>	<b>\$2.53</b>	<b>\$3.95</b>	<b>\$3.02</b>

**Zonal Volumetric Charges**

The tiered rates in Figure 16 did not include zonal pumping costs, which require the amount of consumption occurring in each zone, which is shown in Figure 17. The total amount of pumping by zone includes the amount of pumping in lower zones to get water to the higher zones and the amount of pumping required for each zone. This is estimate using the elevation difference for each zone and, when combined with the consumption by zone shown in Figure 17, estimates the proportional share of pumping costs. This analysis is shown in Figure 18 with the zonal pumping costs shown in the bottom row.

**FIGURE 17. CONSUMPTION BY ZONE**

NET CONSUMPTION BY ZONE (HCF)						
Customer Class	Net Consumption by Zone and Class (hcf/yr.)					Total Consumption
	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	
Residential - Tier 1	98,580	55,490	5,490	6,047	1,254	166,862
Residential - Tier 2	52,190	29,377	2,907	3,201	664	88,338
Comm., Indust. & Multi-Family	126,606	62,694				189,300
Public Authority & Irrigation	111,259	20,679		3,730		135,668
<b>Subtotal</b>	<b>388,635</b>	<b>168,240</b>	<b>8,397</b>	<b>12,978</b>	<b>1,918</b>	<b>580,168</b>
<i>% of Total</i>	67.0%	29.0%	1.4%	2.2%	0.3%	100.0%

1. Consumption is per the District's utility billing data as of November 2022 in the Billed Consumption Report by Month spreadsheets.

**FIGURE 18. ZONE ELEVATIONS AND PUMPING COSTS BY CUSTOMER CLASS AND ZONE**

ZONE ELEVATIONS AND PUMPING COSTS BY CUSTOMER CLASS AND ZONE						
Customer Class	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Total Pumping "Units"
<b>Elevations of Zones (ft AMSL)<sup>1</sup></b>						
Low Elevation	307	378	536	453	557	
High Elevation	442	541	690	630	568	
Average Elevation	375	460	613	542	563	
<b>Incremental Feet of Elevation Change<sup>2</sup></b>	<b>68</b>	<b>153</b>	<b>306</b>	<b>235</b>	<b>256</b>	
<b>Total "Pumping Units" by Zone and Class (hcf/yr.)<sup>3</sup></b>						
Residential - Tier 1	11,263,154	10,412,876	2,063,793	1,417,967	320,417	25,478,207
Residential - Tier 2	5,962,846	5,512,699	1,092,597	750,689	169,632	13,488,463
Comm., Indust. & Multi-Family	12,777,750	9,560,835	0	0	0	22,338,585
Public Authority & Irrigation	9,157,590	3,722,373	0	874,685	0	13,754,648
<b>Subtotal</b>	<b>39,161,340</b>	<b>29,208,783</b>	<b>3,156,390</b>	<b>3,043,341</b>	<b>490,049</b>	<b>75,059,903</b>
<b>% of "Pumping Units" by Zone<sup>4</sup></b>	<b>52.2%</b>	<b>38.9%</b>	<b>4.2%</b>	<b>4.1%</b>	<b>0.7%</b>	<b>100.0%</b>
<b>Pumping Costs by Zone<sup>4</sup></b>	<b>\$76,345</b>	<b>\$56,942</b>	<b>\$6,153</b>	<b>\$5,933</b>	<b>\$955</b>	<b>\$146,329</b>

1. Source: 2017 Urban Water Management Plan.

2. Difference between the Average Elevation and the Low Elevation of Zone 1.

3. "Total Pumping by Zone" times "Incremental Feet in Elevation Change".

4. Percentage of Pumping Units by Zone times pumping costs.

Using the pumping costs by zone from Figure 18 and the consumption by zone from Figure 17, the zonal volumetric rates are shown in Figure 19. When added to the volumetric rates (without pumping costs), the zonal volumetric rates including pumping costs can be determined. These results are also summarized in Figure 19.

**FIGURE 19. INCREMENTAL ZONAL PUMPING COSTS AND VOLUMETRIC RATES**

ESTIMATED ZONAL PUMPING COSTS AND ZONE RATES BY CUSTOMER CLASS						
Customer Class	Pumping and Costs by Zone and Zonal Volumetric Rates					Total Pumping Costs
	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	
Pumping Costs (\$)	\$76,345	\$56,942	\$6,153	\$5,933	\$955	\$146,329
Net Pumping by Zone (hcf/yr.)	388,635	168,240	8,397	12,978	1,918	580,168
Zonal Volumetric Rates (\$/hcf)	\$0.20	\$0.34	\$0.73	\$0.46	\$0.50	
46F/54V Rate Structure						
Customer Class	Volumetric Rates	Volumetric Rates by Zone and Class (hcf/yr.)				
		Zone 1	Zone 2	Zone 3	Zone 4	Zone 5
Residential - Tier 1	\$2.53	\$2.73	\$2.87	\$3.27	\$2.99	\$3.03
Residential - Tier 2	\$3.95	\$4.15	\$4.29	\$4.69	\$4.41	\$4.45
Comm., Indust. & Multi-Family	\$3.02	\$3.22	\$3.36	\$0.00	\$0.00	\$0.00
Public Authority & Irrigation	\$3.02	\$3.22	\$3.36	\$0.00	\$3.48	\$0.00

**Proposed Water Rates**

The fixed charges were shown in Figure 13 and 14 while the volumetric rates, including zonal pumping costs, were shown in Figure 19. The proposed rates for 2023 through 2027 are summarized in Figure 20.

**FIGURE 20. CURRENT AND PROPOSED WATER RATES 2023 – 2027**

Water Rate Schedule	Current Rates	Proposed Water Rates				
		2023	2024	2025	2026	2027
<b>Fixed Service Charges</b>	<b>Monthly Rates</b>					
<i>Single- and Multi-Family Residential:</i>						
5/8 inch	\$40.97	\$45.84	\$51.34	\$57.50	\$63.25	\$69.57
3/4 inch	\$52.94	\$59.52	\$66.66	\$74.66	\$82.13	\$90.34
1 inch	\$76.88	\$86.88	\$97.31	\$108.98	\$119.88	\$131.87
1.5 inch	\$136.73	\$155.29	\$173.92	\$194.79	\$214.27	\$235.70
2 inch	\$208.56	\$237.38	\$265.86	\$297.77	\$327.54	\$360.30
3 inch	\$400.08	\$456.28	\$511.03	\$572.36	\$629.59	\$692.55
4 inch	\$615.54	\$702.55	\$786.85	\$881.28	\$969.40	\$1,066.34
6 inch	\$1,214.04	\$1,386.62	\$1,553.02	\$1,739.38	\$1,913.32	\$2,104.65
8 inch	\$1,932.25	\$2,207.51	\$2,472.41	\$2,769.10	\$3,046.01	\$3,350.61
<b>Tiered Volumetric Charges (Residential - Tier 1, 0-20 hcf)</b>						
Zone 1	\$2.33	\$2.73	\$3.06	\$3.42	\$3.77	\$4.14
Zone 2	\$2.59	\$2.87	\$3.22	\$3.60	\$3.96	\$4.36
Zone 3	\$2.85	\$3.27	\$3.66	\$4.10	\$4.51	\$4.96
Zone 4	\$2.64	\$2.99	\$3.35	\$3.75	\$4.13	\$4.54
Zone 5	\$2.84	\$3.03	\$3.39	\$3.80	\$4.18	\$4.60
<b>Tiered Volumetric Charges (Residential - Tier 2, 20+ hcf)</b>						
Zone 1	\$3.96	\$4.15	\$4.65	\$5.21	\$5.73	\$6.30
Zone 2	\$4.22	\$4.29	\$4.81	\$5.38	\$5.92	\$6.51
Zone 3	\$4.48	\$4.69	\$5.25	\$5.88	\$6.47	\$7.11
Zone 4	\$4.27	\$4.41	\$4.94	\$5.53	\$6.09	\$6.69
Zone 5	\$4.48	\$4.45	\$4.99	\$5.58	\$6.14	\$6.76
<b>Uniform Volumetric Charges (Commercial, Industrial &amp; Multi-Family Customers)</b>						
Zone 1	\$2.77	\$3.22	\$3.61	\$4.04	\$4.44	\$4.89
Zone 2	\$3.03	\$3.36	\$3.77	\$4.22	\$4.64	\$5.10
Zone 4	\$3.08	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Uniform Volumetric Charges (Public Authority &amp; Irrigation Customers)</b>						
Zone 1	\$3.06	\$3.22	\$3.61	\$4.04	\$4.44	\$4.89
Zone 2	\$3.32	\$3.36	\$3.77	\$4.22	\$4.64	\$5.10
Zone 4	\$3.37	\$3.48	\$3.90	\$4.37	\$4.80	\$5.28

1. The 2024 rate increase will be effective January 1, 2024, and all subsequent rate increases will be effective on January 1st of each year.

## Drought and Revenue Stabilization Rates

**Drought Rates** – The District is obligated to meet its annual net revenue requirements regardless of whether consumption levels decline due to conservation or other unexpected events (e.g., unseasonal weather, natural disasters, etc.). To this end, drought rates are intended to maintain the necessary level of revenues and have also taken into consideration the fact that, in these cases, some costs will also decrease.<sup>10</sup>

Figure 21 shows baseline consumption and consumption at each increased drought level for 2023.

**FIGURE 21. PROJECTED CONSUMPTION AT BASELINE AND EACH SUCCESSIVE DROUGHT STAGE**

2023 Consumption Assumptions				
Shortage Level <sup>1</sup>	Percent Shortage Range <sup>2</sup>	Potable Water Consumption (AF/yr.)	Potable Water Consumption (ccf/yr.)	Difference to Baseline (ccf)
1	Less than 10% Conservation <sup>3</sup>	1,265	551,214	0
2	Up to 20% Conservation	1,139	496,092	(55,121)
3	Up to 30% Conservation	1,012	440,971	(110,243)
4	Up to 40% Conservation	886	385,850	(165,364)
5	Up to 50% Conservation	759	330,728	(220,486)
6	Greater than 50% Conservation	633	275,607	(275,607)

1. State Water Resources Control Board Water Shortage Contingency Plan Shortage Level.
2. Drought levels based on the State Water Resources Control Board Drought Emergency Water Conservation.
3. This represents the baseline consumption for FY 2020/21 consumption.  
Conservation percentage for each drought stage is relative to the baseline consumption.

Figure 22 shows the expenses that are expected to decrease as consumption decreases. Figures 23-27 show the proposed drought response charge that would replace the uniform volumetric rate (shown above in the proposed volumetric rates in Figure 20) at each stage of conservation:

- Figure 23 shows drought rates for 2023
- Figure 24 shows drought rates for 2024
- Figure 25 shows drought rates for 2025
- Figure 26 shows drought rates for 2026
- Figure 27 shows drought rates for 2027

**FIGURE 22. PROJECTED VARIABLE EXPENSES CONSIDERED**

Expenses Directly Effected By Consumption Changes						
Fund	Description	Commodity-Related Costs				
		2024	2025	2026	2027	2028
Operating Fund	Pump Power	\$ 262,500	\$ 275,625	\$ 289,406	\$ 303,877	\$ 319,070
Operating Fund	Well & Pump Maintenance	\$ 61,800	\$ 63,654	\$ 65,564	\$ 67,531	\$ 69,556
Operating Fund	Purchased & Leased Water	\$ 271,040	\$ 279,171	\$ 287,546	\$ 296,172	\$ 305,057
<b>Total:</b>		<b>\$ 595,340</b>	<b>\$ 618,450</b>	<b>\$ 642,516</b>	<b>\$ 667,579</b>	<b>\$ 693,684</b>

<sup>10</sup> Details regarding the calculation of the drought rates can be found in Appendix B.

**FIGURE 23. PROPOSED DROUGHT RATES 2023**

Rate Structure: (46% Fixed/54% Volumetric)						
Conservation Goal	Water Consumption (ccf/yr.)	Baseline Rev. Req't from Vol. Charges	Cost Reduction Due to Conservation <sup>1</sup>	Target Rev. Req't from Vol. Charges	Drought Response Charge (\$/ccf)	Uniform Commodity Rates (\$/ccf)
< 10%	551,214	\$ 1,667,252	\$ -	\$ 1,667,252	\$0.00	\$3.02
Up to 20%	496,092	1,667,252	(59,534)	1,607,718	\$0.22	\$3.24
Up to 30%	440,971	1,667,252	(119,068)	1,548,184	\$0.49	\$3.51
Up to 40%	385,850	1,667,252	(178,602)	1,488,650	\$0.83	\$3.86
Up to 50%	330,728	1,667,252	(297,670)	1,369,582	\$1.12	\$4.14
> 50%	275,607	1,667,252	(357,204)	1,310,048	\$1.73	\$4.75

1. Cost reduction equals the conservation goal percentage multiplied by expenses directly effected by consumption charges.

**FIGURE 24. PROPOSED DROUGHT RATES 2024**

Rate Structure: (46% Fixed/54% Volumetric)						
Conservation Goal	Water Consumption (ccf/yr.)	Baseline Rev. Req't from Vol. Charges	Cost Reduction Due to Conservation <sup>1</sup>	Target Rev. Req't from Vol. Charges	Drought Response Charge (\$/ccf)	Uniform Commodity Rates (\$/ccf)
< 10%	551,214	\$ 1,867,322	\$ -	\$ 1,867,322	\$0.00	\$3.39
Up to 20%	496,092	1,867,322	(61,845)	1,805,477	\$0.25	\$3.64
Up to 30%	440,971	1,867,322	(123,690)	1,743,632	\$0.57	\$3.95
Up to 40%	385,850	1,867,322	(185,535)	1,681,787	\$0.97	\$4.36
Up to 50%	330,728	1,867,322	(247,380)	1,619,942	\$1.51	\$4.90
> 50%	275,607	1,867,322	(309,225)	1,558,097	\$2.27	\$5.65

1. Cost reduction equals the conservation goal percentage multiplied by expenses directly effected by consumption charges.

**FIGURE 25. PROPOSED DROUGHT RATES 2025**

Rate Structure: (46% Fixed/54% Volumetric)						
Conservation Goal	Water Consumption (ccf/yr.)	Baseline Rev. Req't from Vol. Charges	Cost Reduction Due to Conservation <sup>1</sup>	Target Rev. Req't from Vol. Charges	Drought Response Charge (\$/ccf)	Uniform Commodity Rates (\$/ccf)
< 10%	551,214	\$ 2,091,401	\$ -	\$ 2,091,401	\$0.00	\$3.79
Up to 20%	496,092	2,091,401	(64,252)	2,027,149	\$0.29	\$4.09
Up to 30%	440,971	2,091,401	(128,503)	1,962,897	\$0.66	\$4.45
Up to 40%	385,850	2,091,401	(192,755)	1,898,646	\$1.13	\$4.92
Up to 50%	330,728	2,091,401	(257,006)	1,834,394	\$1.75	\$5.55
> 50%	275,607	2,091,401	(321,258)	1,770,143	\$2.63	\$6.42

1. Cost reduction equals the conservation goal percentage multiplied by expenses directly effected by consumption charges.

**FIGURE 26. PROPOSED DROUGHT RATES 2026**

Rate Structure: (46% Fixed/54% Volumetric)						
Conservation Goal	Water Consumption (ccf/yr.)	Baseline Rev. Req't from Vol. Charges	Cost Reduction Due to Conservation <sup>1</sup>	Target Rev. Req't from Vol. Charges	Drought Response Charge (\$/ccf)	Uniform Commodity Rates (\$/ccf)
< 10%	551,214	\$ 2,300,541	\$ -	\$ 2,300,541	\$0.00	\$4.17
Up to 20%	496,092	2,300,541	(66,758)	2,233,783	\$0.33	\$4.50
Up to 30%	440,971	2,300,541	(133,516)	2,167,025	\$0.74	\$4.91
Up to 40%	385,850	2,300,541	(200,274)	2,100,267	\$1.27	\$5.44
Up to 50%	330,728	2,300,541	(267,032)	2,033,509	\$1.97	\$6.15
> 50%	275,607	2,300,541	(333,790)	1,966,751	\$2.96	\$7.14

1. Cost reduction equals the conservation goal percentage multiplied by expenses directly effected by consumption charges.

**FIGURE 27. PROPOSED DROUGHT RATES 2027**

Rate Structure: (46% Fixed/54% Volumetric)						
Conservation Goal	Water Consumption (ccf/yr.)	Baseline Rev. Req't from Vol. Charges	Cost Reduction Due to Conservation <sup>1</sup>	Target Rev. Req't from Vol. Charges	Drought Response Charge (\$/ccf)	Uniform Commodity Rates (\$/ccf)
< 10%	551,214	\$ 2,530,595	\$ -	\$ 2,530,595	\$0.00	\$4.59
Up to 20%	496,092	2,530,595	(69,368)	2,461,226	\$0.37	\$4.96
Up to 30%	440,971	2,530,595	(138,737)	2,391,858	\$0.83	\$5.42
Up to 40%	385,850	2,530,595	(208,105)	2,322,489	\$1.43	\$6.02
Up to 50%	330,728	2,530,595	(277,474)	2,253,121	\$2.22	\$6.81
> 50%	275,607	2,530,595	(346,842)	2,183,753	\$3.33	\$7.92

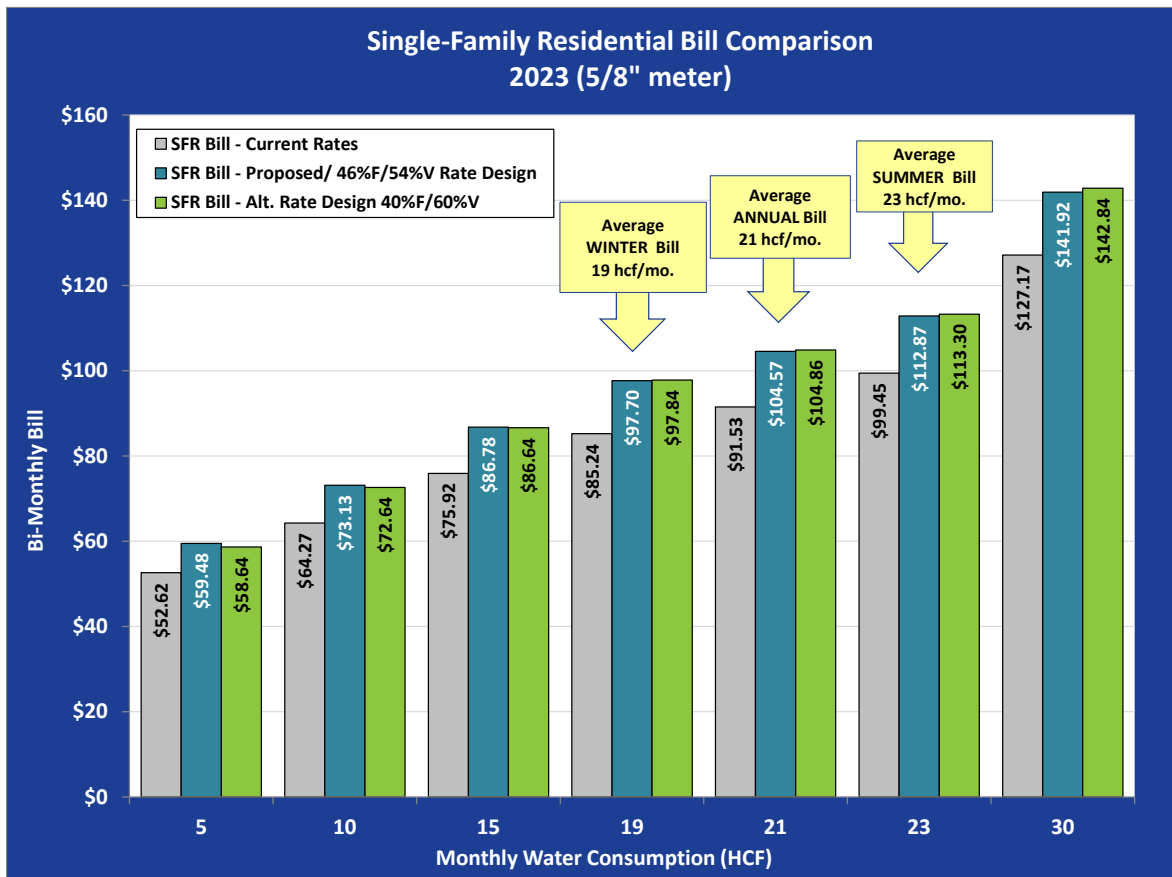
1. Cost reduction equals the conservation goal percentage multiplied by expenses directly effected by consumption charges.

## Comparison of Current and Proposed Bi-Monthly Bills

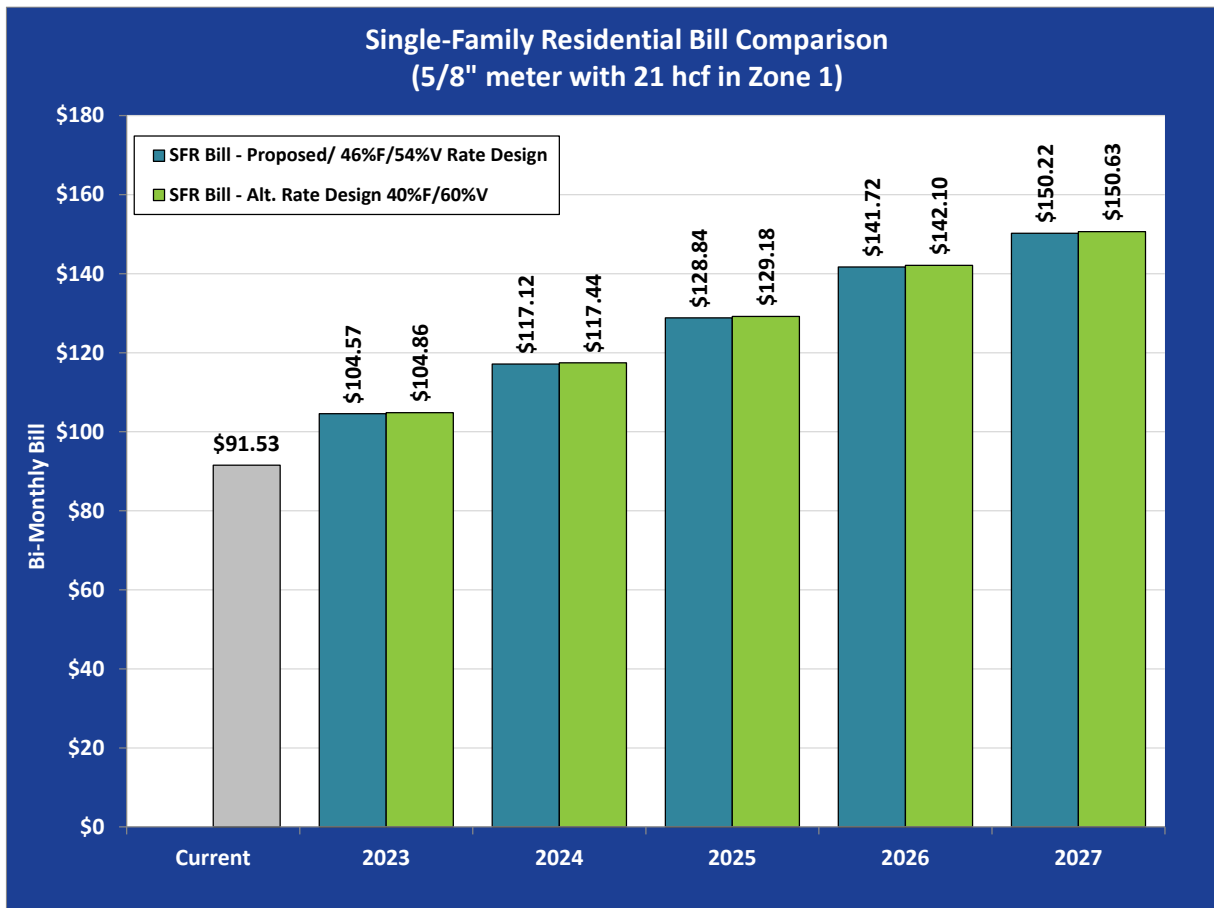
### SINGLE-FAMILY CUSTOMERS

Figure 28 compares bi-monthly water bills under the current and proposed rates for single-family customers for a 5/8" inch meter – the most common meter size, in 2023, along with the bills for the rate design alternative (i.e., 40 percent Fixed/60 percent Variable). Figure 29 shows the project bi-monthly residential bills for the projected 5-year rate adoption period.

**FIGURE 28. BI-MO. WATER BILL COMPARISON FOR SINGLE-FAMILY CUSTOMERS - FY 2023**



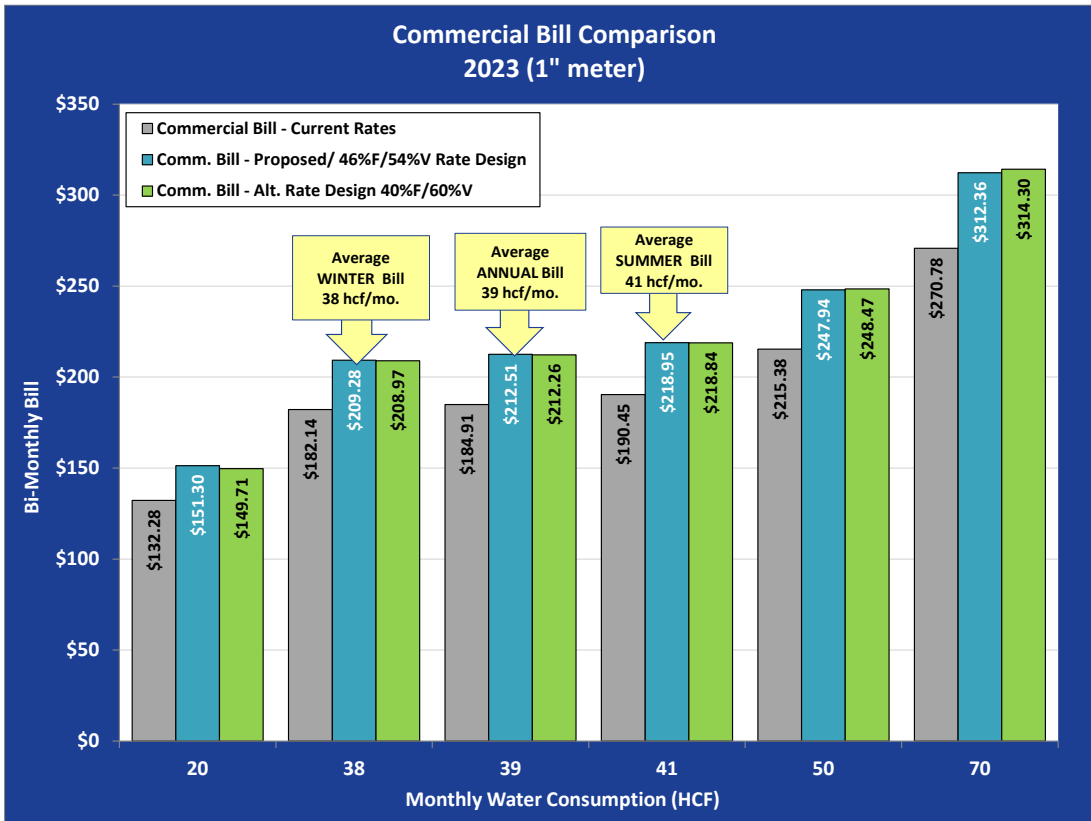
**FIGURE 29. BI-MO. BILL COMPARISON FOR SINGLE-FAMILY RESIDENTIAL CUSTOMERS (2023 – 2027)**



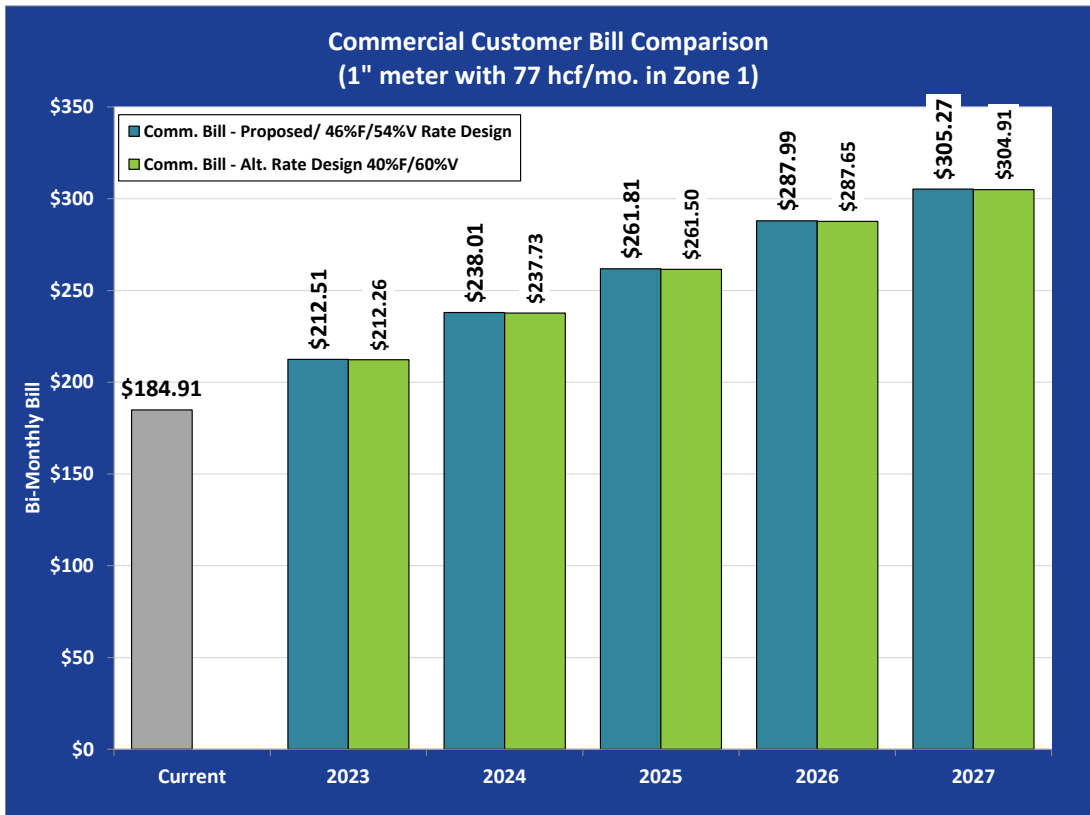
**COMMERCIAL CUSTOMERS**

The District is largely residential (80 percent), with approximately 11 percent in the commercial class and 9 percent in the other customer classes. Figure 30 compares bi-monthly water bills in 2023 under the current and proposed rates for commercial customers with a 1” meter in Zone 1. Figure 31 shows the project bi-monthly commercial bills for the projected 5-year rate adoption period.

**FIGURE 30. BI-MO. BILL COMPARISON FOR COMMERCIAL CUSTOMERS 2023**



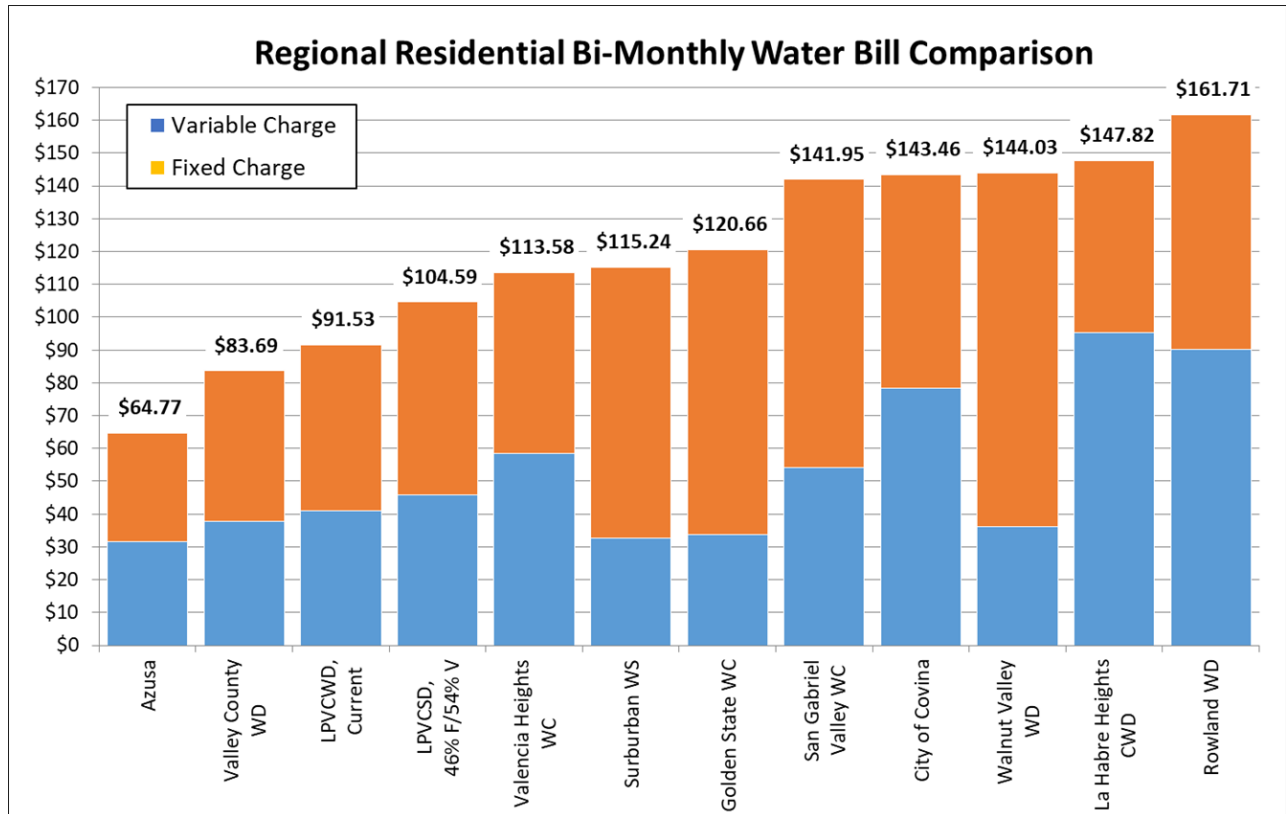
**FIGURE 31. BI-MO. BILL COMPARISON FOR COMMERCIAL CUSTOMERS (2023 – 2027)**



## REGIONAL RATE COMPARISONS

For comparison purposes, Figure 32 shows the District’s current and proposed rates compared to regional agencies. The rate calculation assumes consumption of 21 hcf bi-monthly by a residential customer with a 5/8-inch water meter.

**FIGURE 32. REGIONAL WATER BILL COMPARISONS FOR RESIDENTIAL CUSTOMERS 2023**





## Section 4. RECOMMENDATIONS AND NEXT STEPS

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### Consultant Recommendations

This water rate study reflects input from District staff and the District Board and is intended to comply with general industry standards and State law, and specifically the requirements of Proposition 218. NBS' recommendations include:

- Have District legal counsel review this report, the proposed rates, and the District's Prop 218 notice for compliance with State law.
- Adopt this rate study and its proposed new water rates shown in Figure 20 along with fire meter charges shown in Figure 14 and drought rates shown in Figure 23 to Figure 27.
- Direct District staff to mail Prop 218 protest ballots to each property owner/customer.
- After a minimum of 45 days, hold a public hearing and, assuming there is no successful protest (i.e., 50% plus one protest ballots submitted), consider adopting the proposed rates.

### Next Steps

**Annually Review Rates and Revenue:** Any time an agency adopts new utility rates, particularly when facing uncertainties such as future coronavirus impacts, drought-related changes in water demand, inflation, and the costs of regulatory changes, those new rates should be closely monitored to ensure the revenue generated is sufficient. Specific assumptions about future consumption were made and should be reviewed annually, as they directly impact volumetric rate revenues.

### Principal Assumptions and Considerations

In preparing this report and the recommendations included herein, NBS has relied on several principal assumptions and considerations regarding financial matters, including the District's operating budgets, capital improvement plans, customer account data, water consumption records, and other conditions and events projected to occur in the future. This information and these assumptions were provided by sources we believe to be reliable, although NBS has not independently verified this data.

While we believe NBS' use of such information and assumptions is reasonable for the purpose of this report and its recommendations, some assumptions will invariably not materialize as stated herein or may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others.

## APPENDIX A – ABBREVIATIONS & ACRONYMS<sup>11</sup>

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AAF	Average Annual Flow
AF	Acre Foot, equal to 435.6 HCF/CCF or 325,851 gallons
Alt.	Alternative
Avg.	Average
AWWA	American Water Works Association
BMP	Best Management Practice
BOD	Biochemical Oxygen Demand
CA	Customer
CAP	Capacity
CCF	Hundred Cubic Feet (same as HCF); equal to 748 gallons
CCI	Construction Cost Index
COD	Chemical Oxygen Demand
COM	Commodity
Comm.	Commercial
COS	Cost of Service
COSA	Cost of Service Analysis
CPI	Consumer Price Index
CIP	Capital Improvement Program
DU	Dwelling Unit
Excl.	Exclude
ENR	Engineering News Record
EDU	Equivalent Dwelling Unit
Exp.	Expense
FP	Fire Protection
FY	Fiscal Year (e.g., July 1st to June 30th)
FY 2020/21	July 1, 2020 through June 30, 2021
GPD	Gallons per Day
GPM	Gallons per Minute
HCF	Hundred Cubic Feet; equal to 748 gallons or 1 CCF
Ind.	Industrial
Irr.	Irrigation
Lbs.	Pounds
MFR	Multi-Family Residential
MGD	Million Gallons per Day
Mo.	Month
Muni.	Municipal
NPV	Net Present Value
N/A	Not Available or Not Applicable
O&M	Operational & Maintenance Expenses
Prop 218	Proposition 218 (1996) – State Constitutional amendment expanded restrictions of local government revenue collections.
Req't	<i>Requirement</i>

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*11 This appendix identifies abbreviations and acronyms that may be used in this report. This appendix has not been viewed, arranged, or edited by an attorney, nor should it be relied on as legal advice. The intent of this appendix is to support the recognition and analysis of this report. Any questions regarding clarification of this document should be directed to staff or an attorney specializing in this particular subject matter.*

*Appendix A, continued*

Res.	Residential
Rev.	Revenue
RTS	Readiness-to-Serve
R&R	Rehabilitation & Replacement
SFR	Single Family Residential
SRF Loan	State Revolving Fund Loan
SWRCB	State Water Resources Control Board
TSS / SS	Total Suspended Solids
V. / Vs. /vs.	Versus
WWTP	Wastewater Treatment Plant

## APPENDIX B – SUMMARY OF WATER USE DATA

**TABLE 18 : DEVELOPMENT OF THE BASE COMMODITY ALLOCATION FACTOR**

Customer Class	2022 Volume (hcf) <sup>1</sup>	Conservation Factor	Adjusted Volume (hcf/Yr.)	Percent of Total Volume
Single Family	255,200	5.0%	242,440	44.0%
Apartment	70,754	5.0%	67,216	12.2%
Commercial	84,568	5.0%	80,340	14.6%
Industrial	33,978	5.0%	32,279	5.9%
Irrigation	96,284	5.0%	91,470	16.6%
Public Authority	39,384	5.0%	37,415	6.8%
Fire Meters	57	5.0%	54	0.0%
<b>Grand Total</b>	<b>580,225</b>	<b>--</b>	<b>551,214</b>	<b>100.0%</b>

1. Source: Data summarized with Pivot tables in source files: Apartment Billing Data\_jt.xlsx, Commercial Billing Data\_jt.xlsx, Industrial Billing Data\_jt.xlsx, Irrigation Billing Data\_jt.xlsx, Public Authority Billing Data\_jt.xlsx, Residential Billing Data\_jt.xlsx'

**TABLE 19 : DEVELOPMENT OF THE BASE CAPACITY (MAX MONTH) ALLOCATION FACTOR**

Customer Class	Average Monthly Use (hcf)	Peak Monthly Use (hcf) <sup>1</sup>	Peak Month Factor	Max Month Capacity Factor
Single Family	42,533	48,359	1.14	41.8%
Apartment	11,792	14,036	1.19	12.1%
Commercial	14,095	15,534	1.10	13.4%
Industrial	5,663	5,827	1.03	5.0%
Irrigation	16,047	21,761	1.36	18.8%
Public Authority	6,564	10,141	1.54	8.8%
Fire Meters	10	40	4.21	0.0%
<b>Grand Total</b>	<b>96,704</b>	<b>115,698</b>	<b>1.20</b>	<b>100.0%</b>

Consumption Summary by Class	CY 2022 (Jan-Nov)						Total
	January-22	March-22	May-22	July-22	September-22	November-22	
Single Family	39,736	37,176	40,670	45,886	48,359	43,373	255,200
Apartment	11,437	10,305	10,486	12,541	14,036	11,949	70,754
Commercial	14,063	12,511	13,064	14,563	15,534	14,833	84,568
Industrial	5,517	5,675	5,757	5,827	5,708	5,494	33,978
Irrigation	11,892	10,281	14,628	18,337	21,761	19,385	96,284
Public Authority	3,411	3,684	5,787	9,346	10,141	7,015	39,384
Fire	1	-	-	40	15	1	57
<b>Total Consumption</b>	<b>86,057</b>	<b>79,632</b>	<b>90,392</b>	<b>106,540</b>	<b>115,554</b>	<b>102,050</b>	<b>580,225</b>

Data summarized with Pivot tables in source files: Apartment Billing Data\_jt.xlsx, Commercial Billing Data\_jt.xlsx, Industrial Billing Data\_jt.xlsx, Irrigation Billing Data\_jt.xlsx, Public Authority Billing Data\_jt.xlsx, Residential Billing Data\_jt.xlsx

Water Consumption Data							
Summary of Consumption by Class	Dec. 2021-Nov. 2022		Avg. hcf/bi-monthly			Winter-to-Annual Ratio	
	Consumption (hcf/year)	meters	Annual	Winter	Summer		
<b>Single Family</b>		<b>255,200</b>	<b>2,031</b>	<b>21</b>	<b>19</b>	<b>23</b>	<b>90.4%</b>
5/8"	165,143	1,325	21	19	23	90.2%	
3/4"	73,411	577	21	19	23	91.7%	
1"	15,555	128	20	18	23	88.2%	
1 1/2"	1,091	1	182	135	219	74.0%	
<b>Apartment</b>		<b>70,754</b>	<b>54</b>	<b>218</b>	<b>201</b>	<b>246</b>	<b>92.2%</b>
5/8"	8,844	14	105	103	105	97.5%	
3/4"	10,353	18	96	98	96	102.4%	
1"	12,757	9	236	124	435	52.6%	
1 1/2"	5,106	6	142	135	152	94.8%	
2"	22,500	5	750	754	757	100.5%	
4"	-	1	-	-	-	#DIV/0!	
6"	11,194	1	1,866	1,974	1,487	105.8%	
<b>Commercial</b>		<b>84,568</b>	<b>316</b>	<b>45</b>	<b>42</b>	<b>48</b>	<b>94.3%</b>
5/8"	9,210	98	16	15	18	95.1%	
3/4"	10,702	66	27	17	40	61.4%	
1"	13,897	60	39	38	41	97.4%	
1 1/2"	7,166	11	109	86	127	79.6%	
2"	36,250	42	144	132	154	92.0%	
3"	1,800	1	300	177	248	59.0%	
4"	4,774	10	80	166	-	208.2%	
6"	718	4	30	34	24	113.2%	
8"	47	18	0	-	1	0.0%	
10"	4	4	0	-	1	0.0%	
12"	-	2	-	-	-	#DIV/0!	
<b>Industrial</b>		<b>33,978</b>	<b>11</b>	<b>515</b>	<b>509</b>	<b>524</b>	<b>98.8%</b>
5/8"	161	2	13	13	12	93.2%	
1"	285	1	48	41	52	86.3%	
1 1/2"	201	1	34	77	12	229.9%	
2"	25,072	2	2,089	2,049	2,104	98.1%	
4"	8,023	1	1,337	1,282	1,466	95.9%	
6"	-	1	-	-	-	#DIV/0!	
8"	236	3	13	24	2	185.6%	
<b>Irrigation</b>		<b>96,284</b>	<b>94</b>	<b>171</b>	<b>118</b>	<b>213</b>	<b>69.1%</b>
5/8"	591	8	12	14	12	115.7%	
3/4"	11,553	8	241	107	355	44.4%	
1"	4,947	25	33	21	45	65.1%	
1 1/2"	1,071	2	89	60	106	66.9%	
2"	69,280	43	269	196	328	72.9%	
3"	6,182	1	1,030	644	1,134	62.5%	
4"	2,660	2	222	201	273	90.8%	
8"	-	3	-	-	-	#DIV/0!	
10"	-	2	-	-	-	#DIV/0!	
<b>Public Authority</b>		<b>39,384</b>	<b>31</b>	<b>212</b>	<b>114</b>	<b>314</b>	<b>54.0%</b>
5/8"	14,538	6	404	229	630	56.6%	
3/4"	17,092	2	1,424	678	2,254	47.6%	
1"	769	4	32	26	37	80.0%	
2"	6,964	11	106	65	118	61.6%	
4"	1	4	0	0	-	300.0%	
6"	1	2	0	-	-	0.0%	
8"	19	2	2	1	4	47.4%	
<b>Total</b>		<b>580,168</b>	<b>2,537</b>	<b>38</b>	<b>33</b>	<b>44</b>	<b>85.7%</b>



## APPENDIX C – WATER RATE STUDY SUMMARY TABLE

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TABLE 1 : FINANCIAL PLAN AND SUMMARY OF REVENUE REQUIREMENTS

RATE REVENUE REQUIREMENTS SUMMARY	Budget	Projected				
	2023	2024	2025	2026	2027	2028
<b>Sources of Water Funds</b>						
<b>Rate Revenue:</b>						
Water Sales	\$ 1,727,200	\$ 1,727,200	\$ 1,727,200	\$ 1,727,200	\$ 1,727,200	\$ 1,727,200
Service Charges	\$ 1,029,500	\$ 1,029,500	\$ 1,029,500	\$ 1,029,500	\$ 1,029,500	\$ 1,029,500
Subtotal - Rate Revenue <sup>1</sup>	\$ 2,756,700	\$ 2,756,700	\$ 2,756,700	\$ 2,756,700	\$ 2,756,700	\$ 2,756,700
<b>Non-Rate Revenue</b>						
Management Fees	2,094,682	2,199,416	2,243,404	2,288,273	2,334,038	2,380,719
Taxes & Assessments	321,100	321,100	321,100	321,100	321,100	321,100
Other, Non-Rate Revenues	84,000	49,000	49,000	49,000	49,000	49,000
Subtotal - Non-Rate Revenue	2,499,782	2,569,516	2,613,504	2,658,373	2,704,138	2,750,819
<b>Total Sources of Funds</b>	<b>\$ 5,256,482</b>	<b>\$ 5,326,216</b>	<b>\$ 5,370,204</b>	<b>\$ 5,415,073</b>	<b>\$ 5,460,838</b>	<b>\$ 5,507,519</b>
<b>Uses of Water Funds</b>						
<b>Operating Expenses<sup>2</sup></b>						
Supply & Treatment	\$ 1,144,955	\$ 1,184,304	\$ 1,225,083	\$ 1,267,348	\$ 1,311,156	\$ 1,356,569
Salaries & Benefits	2,638,000	2,879,900	2,967,077	3,057,475	3,151,235	3,248,501
Other Operating Expenses	345,000	355,350	366,011	376,991	388,301	399,950
General & Administrative	444,000	457,320	471,040	485,171	499,726	514,718
Subtotal: Operating Expenses	\$ 4,571,955	\$ 4,876,874	\$ 5,029,209	\$ 5,186,985	\$ 5,350,418	\$ 5,519,737
<b>Other Expenditures:</b>						
Existing Debt Service	\$ 198,460	\$ 198,459	\$ 198,460	\$ 198,460	\$ 198,459	\$ 198,459
New Debt Service	-	-	-	-	-	-
Rate-Funded Capital Expenses	687,400	-	-	-	-	-
Subtotal: Other Expenditures	\$ 885,860	\$ 198,459	\$ 198,460	\$ 198,460	\$ 198,459	\$ 198,459
<b>Total Uses of Water Funds</b>	<b>\$ 5,457,815</b>	<b>\$ 5,075,333</b>	<b>\$ 5,227,669</b>	<b>\$ 5,385,445</b>	<b>\$ 5,548,877</b>	<b>\$ 5,718,196</b>
plus: Revenue from Rate Increases <sup>3</sup>	-	165,402	608,679	1,012,525	1,406,737	1,823,081
<b>Surplus/Deficit (After Rate Increases)</b>	<b>\$ (201,333)</b>	<b>\$ 416,285</b>	<b>\$ 751,214</b>	<b>\$ 1,042,153</b>	<b>\$ 1,318,698</b>	<b>\$ 1,612,404</b>
<b>Net Revenue Req. (Total Uses less Non-Rate Revenue)</b>	<b>\$ 2,958,033</b>	<b>\$ 2,505,817</b>	<b>\$ 2,614,165</b>	<b>\$ 2,727,072</b>	<b>\$ 2,844,739</b>	<b>\$ 2,967,377</b>
<b>Total Rate Revenue After Rate Increases</b>	<b>\$ 2,756,700</b>	<b>\$ 2,922,102</b>	<b>\$ 3,365,379</b>	<b>\$ 3,769,225</b>	<b>\$ 4,163,437</b>	<b>\$ 4,579,781</b>
<b>Projected Annual Rate Revenue Increase</b>	<b>0.00%</b>	<b>12.00%</b>	<b>12.00%</b>	<b>12.00%</b>	<b>10.00%</b>	<b>10.00%</b>
<b>Cumulative Increase from Annual Revenue Increases</b>	<b>0.00%</b>	<b>12.00%</b>	<b>25.44%</b>	<b>40.49%</b>	<b>54.54%</b>	<b>70.00%</b>
<b>Debt Coverage After Rate Increase<sup>5</sup></b>	<b>(0.01)</b>	<b>3.10</b>	<b>4.79</b>	<b>6.25</b>	<b>7.64</b>	<b>9.12</b>
<b>Target Debt Coverage</b>	<b>1.20</b>	<b>1.20</b>	<b>1.20</b>	<b>1.20</b>	<b>1.20</b>	<b>1.20</b>

- Actual rate revenue is higher than shown in the O&M budget; an adjustment was made to ensure proposed rates are collecting the increased rate revenue indicated by the rate increase.
- The FY22-FY23 operating expenses are per the District's budget projections. Inflationary factors are applied to these expenses to project costs in FY24 and beyond.
- Revenue from rate increases are implemented on January 1, 2024, so the District will collect 6 months of the increased rate revenue for the first year of the adjustment. The rate increase for future years through 2026 will occur on October 1 annually.

**Selection of Financial Plan Alternative (Select rate option below)**

Insert policy choice in box to right, based on options listed below

4

Financial Plan Alternatives	2023	2024	2025	2026	2027	2028
1 Fund 25% of CIP & Admin. Bldg.	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%
2 Fund 50% of CIP & Admin. Bldg.	0.00%	6.00%	6.00%	6.00%	6.00%	6.00%
3 Fund 75% of CIP & Admin. Bldg.	0.00%	8.00%	8.00%	8.00%	8.00%	8.00%
4 Fund 100% of CIP & Admin. Bldg.	0.00%	12.00%	12.00%	12.00%	10.00%	10.00%
5 Fund 100% of CIP & Admin. Bldg. w/ \$4 M Rev. Bonds	0.00%	4.00%	6.00%	6.00%	8.00%	8.00%



TABLE 2 : RESERVE FUND SUMMARY

SUMMARY OF CASH ACTIVITY	Budget	Projected				
	2023	2024	2025	2026	2027	2028
<b>Total Beginning Cash <sup>1</sup></b>	<b>\$ 4,545,400</b>					
<b>Working Capital Reserve</b>						
Beginning Reserve Balance	\$ 1,100,000	\$ 898,667	\$ 1,219,000	\$ 1,257,000	\$ 1,297,000	\$ 1,338,000
Plus: Net Cash Flow (After Rate Increases)	(201,333)	416,285	751,214	1,042,153	1,318,698	1,612,404
Plus: Grant Funding Reimbursement	-	1,275,000	-	-	-	-
Plus: Transfer of Debt Reserve Surplus	-	-	-	-	-	-
Plus: Transfer of Rate Stabilization Reserve Surplus	-	-	-	-	-	-
Less: Transfer Out to Water System Replacement Reserve	-	(1,370,952)	(713,214)	(1,002,153)	(1,277,698)	(1,570,404)
Less: Transfer Out to Rate Stabilization Fund	-	-	-	-	-	-
<b>Ending Working Capital Reserve Bal.</b>	<b>\$ 898,667</b>	<b>\$ 1,219,000</b>	<b>\$ 1,257,000</b>	<b>\$ 1,297,000</b>	<b>\$ 1,338,000</b>	<b>\$ 1,380,000</b>
<i>Target Ending Balance (90-days of O&amp;M) <sup>2</sup></i>	<i>\$ 1,143,000</i>	<i>\$ 1,219,000</i>	<i>\$ 1,257,000</i>	<i>\$ 1,297,000</i>	<i>\$ 1,338,000</i>	<i>\$ 1,380,000</i>
<b>Capital Improvement Reserve</b>						
Beginning Reserve Balance <sup>1</sup>	\$ 3,125,400	\$ 1,285,500	\$ 1,040,897	\$ (84,958)	\$ (81,012)	\$ 371,126
Plus: Grant Proceeds	-	-	-	-	-	-
Plus: Transfer of Operating Reserve Surplus	-	1,370,952	713,214	1,002,153	1,277,698	1,570,404
Less: Use of Reserves for Capital Projects	(1,839,900)	(1,615,555)	(1,839,070)	(998,206)	(825,561)	(276,487)
<b>Ending Capital Improvement Reserve Bal.</b>	<b>\$ 1,285,500</b>	<b>\$ 1,040,897</b>	<b>\$ (84,958)</b>	<b>\$ (81,012)</b>	<b>\$ 371,126</b>	<b>\$ 1,665,043</b>
<i>Target Ending Balance (10% of net assets) <sup>3</sup></i>	<i>\$ 1,285,500</i>	<i>\$ 1,403,600</i>	<i>\$ 1,539,900</i>	<i>\$ 1,590,500</i>	<i>\$ 1,622,900</i>	<i>\$ 1,601,000</i>
<b>Rate Stabilization Fund Reserve</b>						
Beginning Reserve Balance <sup>1</sup>	\$ 200,000	\$ 200,000	\$ 202,578	\$ 205,189	\$ 207,834	\$ 210,513
Plus: Contributions to Rate Stabilization Fund	-	-	-	-	-	-
Plus: Interest Earnings <sup>4</sup>	-	2,578	2,611	2,645	2,679	2,714
Less: Transfer of Surplus to Operating Reserve	-	-	-	-	-	-
<b>Ending Rate Stabilization Fund Reserve Bal.</b>	<b>\$ 200,000</b>	<b>\$ 202,578</b>	<b>\$ 205,189</b>	<b>\$ 207,834</b>	<b>\$ 210,513</b>	<b>\$ 213,227</b>
<i>Target Ending Balance (50% of Purch/Leased Water &amp; Assmts.)</i>	<i>\$ 414,000</i>	<i>\$ 427,000</i>	<i>\$ 440,000</i>	<i>\$ 453,000</i>	<i>\$ 466,000</i>	<i>\$ 480,000</i>
<i>Target Ending Balance (45 days of water sales revenue)</i>	<i>\$ 208,000</i>	<i>\$ 233,000</i>	<i>\$ 261,000</i>	<i>\$ 292,000</i>	<i>\$ 321,000</i>	<i>\$ 353,000</i>
<b>Emergency/Disaster Reserve</b>						
Beginning Reserve Balance <sup>1</sup>	\$ 120,000	\$ 120,000	\$ 121,547	\$ 123,114	\$ 124,700	\$ 126,308
Plus: Contributions to Emergency Reserve	-	-	-	-	-	-
Plus: Interest Earnings <sup>3</sup>	-	1,547	1,567	1,587	1,607	1,628
Less: Transfer of Surplus to Operating Reserve	-	-	-	-	-	-
<b>Ending Emergency/Disaster Reserve Bal.</b>	<b>\$ 120,000</b>	<b>\$ 121,547</b>	<b>\$ 123,114</b>	<b>\$ 124,700</b>	<b>\$ 126,308</b>	<b>\$ 127,936</b>
<i>Target Ending Balance (1% of net assets) <sup>3</sup></i>	<i>\$ 128,500</i>	<i>\$ 140,400</i>	<i>\$ 154,000</i>	<i>\$ 159,100</i>	<i>\$ 162,300</i>	<i>\$ 160,100</i>
<b>Ending Balance - Excludes Debt Reserve</b>	<b>\$ 2,504,167</b>	<b>\$ 2,584,022</b>	<b>\$ 1,500,344</b>	<b>\$ 1,548,523</b>	<b>\$ 2,045,947</b>	<b>\$ 3,386,206</b>
<b>Minimum Target Ending Balance - Excludes Debt Reserve</b>	<b>\$ 2,971,000</b>	<b>\$ 3,190,000</b>	<b>\$ 3,390,900</b>	<b>\$ 3,499,600</b>	<b>\$ 3,589,200</b>	<b>\$ 3,621,100</b>
<b>Ending Surplus/(Deficit) Compared to Reserve Targets</b>	<b>\$ (466,833)</b>	<b>\$ (605,978)</b>	<b>\$ (1,890,556)</b>	<b>\$ (1,951,077)</b>	<b>\$ (1,543,253)</b>	<b>\$ (234,894)</b>
<b>Days Cash on Hand for Unrestricted Funds <sup>5</sup></b>	<b>192</b>	<b>186</b>	<b>105</b>	<b>105</b>	<b>135</b>	<b>217</b>
<b>District's Minimum DCOH (per District Fiscal Policies)</b>	<b>97</b>	<b>98</b>	<b>99</b>	<b>99</b>	<b>99</b>	<b>98</b>

TABLE 3 : RESERVE FUND SUMMARY, CONTINUED

SUMMARY OF CASH ACTIVITY, continued	Budget	Projected				
	2023	2024	2025	2026	2027	2028
<b>Restricted Reserves:</b>						
<b>Capacity Fee Fund (651)</b>						
Beginning Reserve Balance <sup>1</sup>		\$ -	\$ -	\$ -	\$ -	\$ -
Plus: Interest Earnings <sup>3</sup>	-	-	-	-	-	-
Plus: Impact Fee Revenue	-	-	-	-	-	-
Less: Debt Service (Impact Fund Allocation of 41%)	-	-	-	-	-	-
Less: Use of Reserves for Capital Projects	-	-	-	-	-	-
<b>Ending Connection Fee Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Bond Project Fund</b>						
Beginning Reserve Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plus: Loan Financing	-	-	-	-	-	-
Plus: Revenue Bond Proceeds	-	-	-	-	-	-
Less: Use of Bond & Loan Funds for Capital Projects	-	-	-	-	-	-
<b>Ending Bond Project Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Target Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Debt Reserve</b>						
Beginning Reserve Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plus: Reserve Funding from New Debt Obligations	-	-	-	-	-	-
Plus: Interest Earnings	-	-	-	-	-	-
Less: Transfer of Surplus to Operating Reserve	-	-	-	-	-	-
<b>Ending Debt Reserve Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Target Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Annual Interest Earnings Rate <sup>3</sup></b>	<b>0.00%</b>	<b>1.29%</b>	<b>1.29%</b>	<b>1.29%</b>	<b>1.29%</b>	<b>1.29%</b>

- Total beginning cash as of 07/01/2023; source file: 2023 LP Budget, v4, Submitted to NBS.xlsx .
- Existing District policy is 90 days of O&M. Source file: 2023 LP Budget, v4 Submitted to NBS.xlsx , Policy tab.
- Net assets is Capital Assets Net of Accumulated Depreciation from the District's CAFR, and excludes non-depreciable assets (i.e., land).
- District's actual or budgeted interest earnings are used in analysis for unrestricted reserves in FY 2022/23. Beyond, interest earning rates are estimated at the 5-year average (FY '17/18 - '21/22) for funds invested in LAIF, per the California Treasurer's Office website, for the restricted reserves. Source: <https://www.treasurer.ca.gov/pmia-laif/historical/annual.asp> .
- Days cash on hand represents the number of days cash the District has available to cover operating expenses and debt service payments.

LA PUENTE VALLEY COUNTY WATER DISTRICT  
WATER RATE STUDY  
Operating Revenue and Expenses

TABLE 4 : REVENUE FORECAST <sup>1</sup>

Budget

WATER OPERATIONS	Basis	2023	2024	2025	2026	2027	2028
<b>Operating Revenues (Rate)</b>							
Water Sales	1	\$ 1,667,200	\$ 1,667,200	\$ 1,667,200	\$ 1,667,200	\$ 1,667,200	\$ 1,667,200
Service Charges	1	908,800	908,800	908,800	908,800	908,800	908,800
Surplus Sales	1	60,000	60,000	60,000	60,000	60,000	60,000
Customer Charges	1	40,000	40,000	40,000	40,000	40,000	40,000
Fire Service	1	80,700	80,700	80,700	80,700	80,700	80,700
Miscellaneous Income	1	500	500	500	500	500	500
<b>Management Fees</b>							
Management Fees	3	\$ 517,902	\$ 543,797	\$ 554,673	\$ 565,767	\$ 577,082	\$ 588,623
IPU Service Fees (Labor)	3	777,500	816,375	832,703	849,357	866,344	883,671
BPOU Service Fees (Labor)	3	324,480	340,704	347,518	354,468	361,558	368,789
PVOU IZ Service Fees (Labor)	3	307,500	322,875	329,333	335,919	342,638	349,490
PVOU SZ Service Fees (Labor)	3	158,000	165,900	169,218	172,602	176,054	179,575
Other O&M Fees	3	9,300	9,765	9,960	10,160	10,363	10,570
<b>Non-Operating Revenues</b>							
Taxes & Assessments	1	\$ 321,100	\$ 321,100	\$ 321,100	\$ 321,100	\$ 321,100	\$ 321,100
Rental Revenue	1	41,000	41,000	41,000	41,000	41,000	41,000
Interest Revenue	1	35,000	-	-	-	-	-
Market Value Gain / (Loss)	1	-	-	-	-	-	-
Miscellaneous Income	1	7,500	7,500	7,500	7,500	7,500	7,500
Developer Fees	1	-	-	-	-	-	-
<b>TOTAL: REVENUE</b>		<b>\$ 5,256,482</b>	<b>\$ 5,326,216</b>	<b>\$ 5,370,204</b>	<b>\$ 5,415,073</b>	<b>\$ 5,460,838</b>	<b>\$ 5,507,519</b>

TABLE 5 : REVENUE SUMMARY, CONTINUED

WATER OPERATIONS	2023	2024	2025	2026	2027	2028
<b>WATER RATE REVENUE</b>	\$ 2,576,000	\$ 2,576,000	\$ 2,576,000	\$ 2,576,000	\$ 2,576,000	\$ 2,576,000
<b>Fire Service</b>	80,700	80,700	80,700	80,700	80,700	80,700
<b>Management Fees</b>	2,094,682	2,199,416	2,243,404	2,288,273	2,334,038	2,380,719
<b>Interest Income</b>	35,000	-	-	-	-	-
<b>Non-Operating Revenues</b>	470,100	470,100	470,100	470,100	470,100	470,100

LA PUENTE VALLEY COUNTY WATER DISTRICT  
WATER RATE STUDY  
Operating Revenue and Expenses

TABLE 6 : OPERATING EXPENSE FORECAST <sup>1</sup>

WATER OPERATIONS FUND, Operations	Basis	2023	2024	2025	2026	2027	2028
<b>Supply &amp; Treatment</b>							
Purchased & Leased Water	2	\$ 495,655	\$ 510,525	\$ 525,840	\$ 541,616	\$ 557,864	\$ 574,600
Power	5	250,000	262,500	275,625	289,406	303,877	319,070
Assessments	2	333,300	343,299	353,598	364,206	375,132	386,386
Treatment	2	6,000	6,180	6,365	6,556	6,753	6,956
Well & Pump Maintenance	2	60,000	61,800	63,654	65,564	67,531	69,556
<b>Salaries &amp; Benefits</b>							
Total District Wide Labor	3	\$ 1,577,000	\$ 1,655,850	\$ 1,688,967	\$ 1,722,746	\$ 1,757,201	\$ 1,792,345
New Position (FY'24)	3	-	110,000	112,200	114,444	116,733	119,068
Directors Fees & Benefits	4	115,000	120,750	126,788	133,127	139,783	146,772
Benefits	4	405,000	425,250	446,513	468,838	492,280	516,894
OPEB Payments	4	110,000	115,500	121,275	127,339	133,706	140,391
OPEB Trust Contributions	4	60,000	63,000	66,150	69,458	72,930	76,577
Payroll Taxes	3	122,000	128,100	130,662	133,275	135,941	138,660
CalPERS Retirement (Normal Costs)	4	184,000	193,200	202,860	213,003	223,653	234,836
CalPERS Unfunded Accrued Liability	4	65,000	68,250	71,663	75,246	79,008	82,958
<b>Other Operating Expenses</b>							
General Plant	2	\$ 60,000	\$ 61,800	\$ 63,654	\$ 65,564	\$ 67,531	\$ 69,556
Transmission & Distribution	2	120,000	123,600	127,308	131,127	135,061	139,113
Vehicles & Equipment	2	50,000	51,500	53,045	54,636	56,275	57,964
Field Support & Other Expenses	2	60,000	61,800	63,654	65,564	67,531	69,556
Regulatory Compliance	2	55,000	56,650	58,350	60,100	61,903	63,760
<b>General &amp; Administrative</b>							
District Office Expenses	2	\$ 55,000	\$ 56,650	\$ 58,350	\$ 60,100	\$ 61,903	\$ 63,760
Customer Accounts	2	32,000	32,960	33,949	34,967	36,016	37,097
Insurance	2	82,000	84,460	86,994	89,604	92,292	95,060
Professional Services	2	160,000	164,800	169,744	174,836	180,081	185,484
Training & Certification	2	45,000	46,350	47,741	49,173	50,648	52,167
Public Outreach & Conservation	2	25,000	25,750	26,523	27,318	28,138	28,982
Other Administrative Expenses	2	45,000	46,350	47,741	49,173	50,648	52,167
<b>SUB-TOTAL: WATER OPERATIONS FUND, Operations</b>		<b>\$ 4,571,955</b>	<b>\$ 4,876,874</b>	<b>\$ 5,029,209</b>	<b>\$ 5,186,985</b>	<b>\$ 5,350,418</b>	<b>\$ 5,519,737</b>

TABLE 7 : FORECASTING ASSUMPTIONS

INFLATION FACTORS <sup>3</sup>	2023	2024	2025	2026	2027	2028
1 Customer Growth <sup>4</sup>	--	0.00%	0.00%	0.00%	0.00%	0.00%
2 General Cost Inflation	--	3.00%	3.00%	3.00%	3.00%	3.00%
3 Labor Cost Inflation	--	5.00%	2.00%	2.00%	2.00%	2.00%
4 Benefits Cost Inflation	--	5.00%	5.00%	5.00%	5.00%	5.00%
5 Energy Cost Inflation	--	5.00%	5.00%	5.00%	5.00%	5.00%
6 No Escalation	--	0.00%	0.00%	0.00%	0.00%	0.00%

1. Inflationary factors are applied to project revenue and expenses in all future years. Data source for the FY 2022/23 budget: 2023 LP Budget, V4 Submitted to NBS.xlsx.  
2. Interest earnings beyond 2022/23 are calculated in the Financial Plan and Reserve Fund Summary of this model.  
3. Inflation assumptions per District budget. Source file: 2023 LP Budget V4 Submitted to NBS.xlsx, Assumptions tab.  
4. Customer growth is found in water supply growth estimated in City's Master Plan. Source file: FINAL 2017 LPVCWD WMP.pdf, page 24.

CHART 1

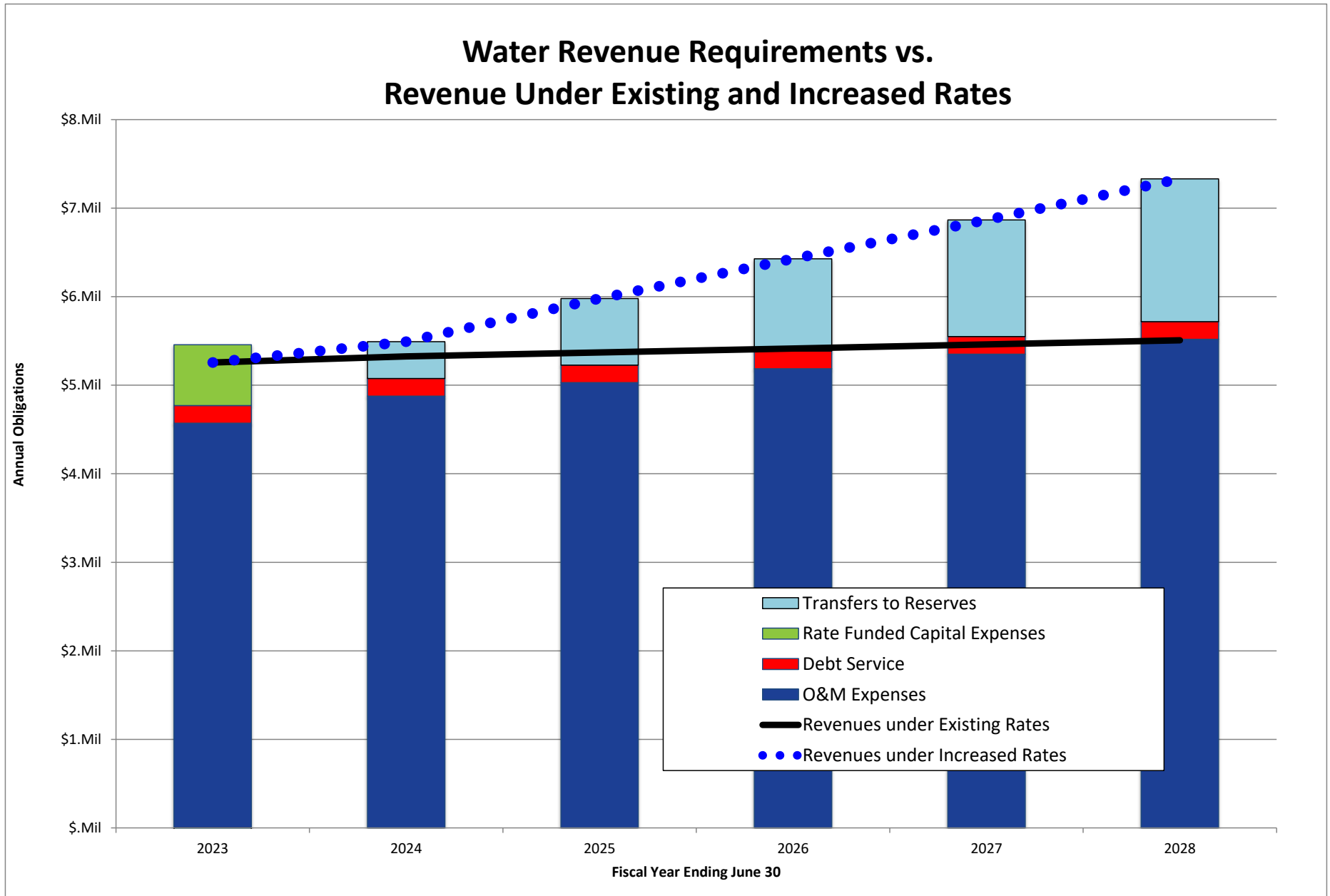


CHART 2

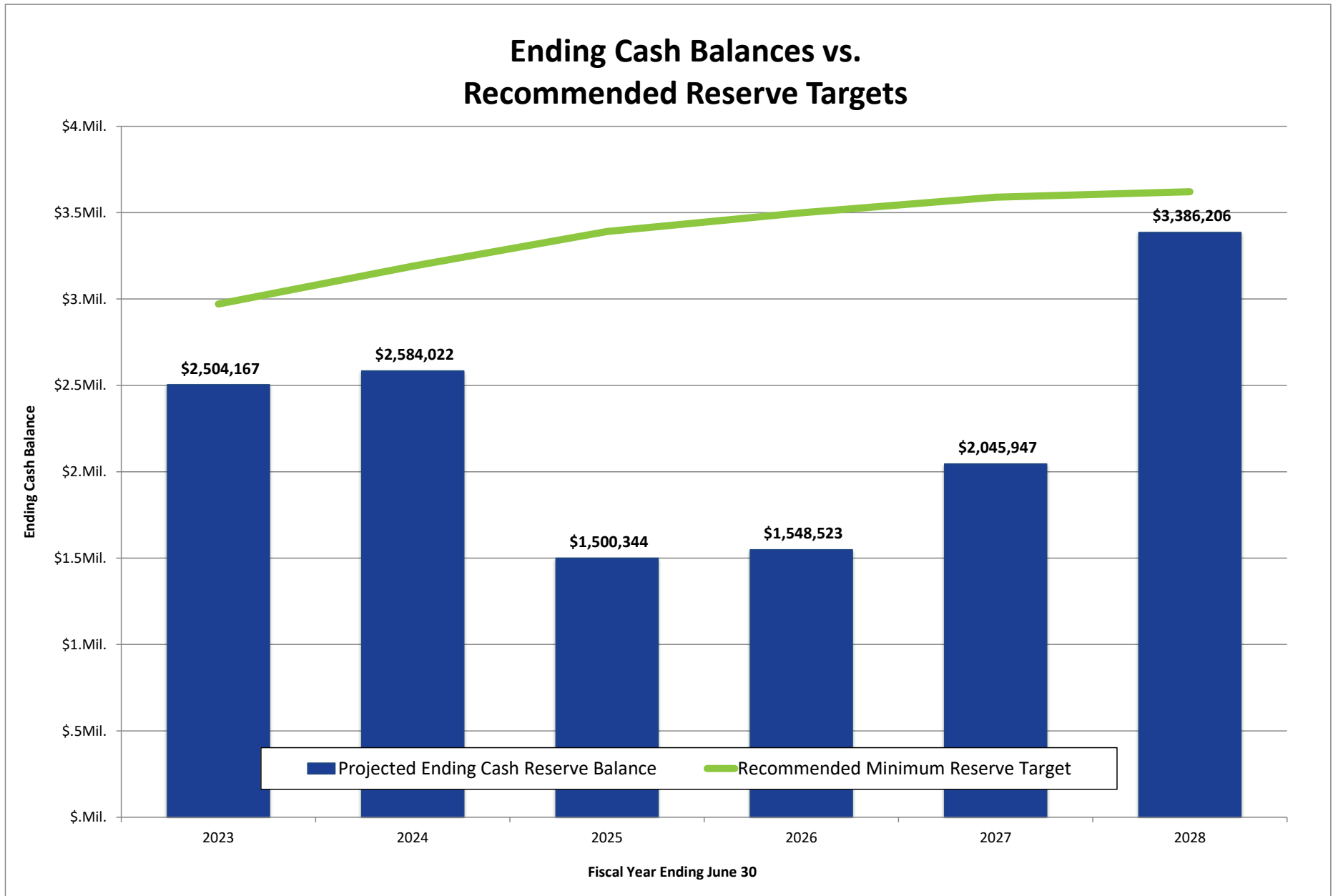


CHART 3

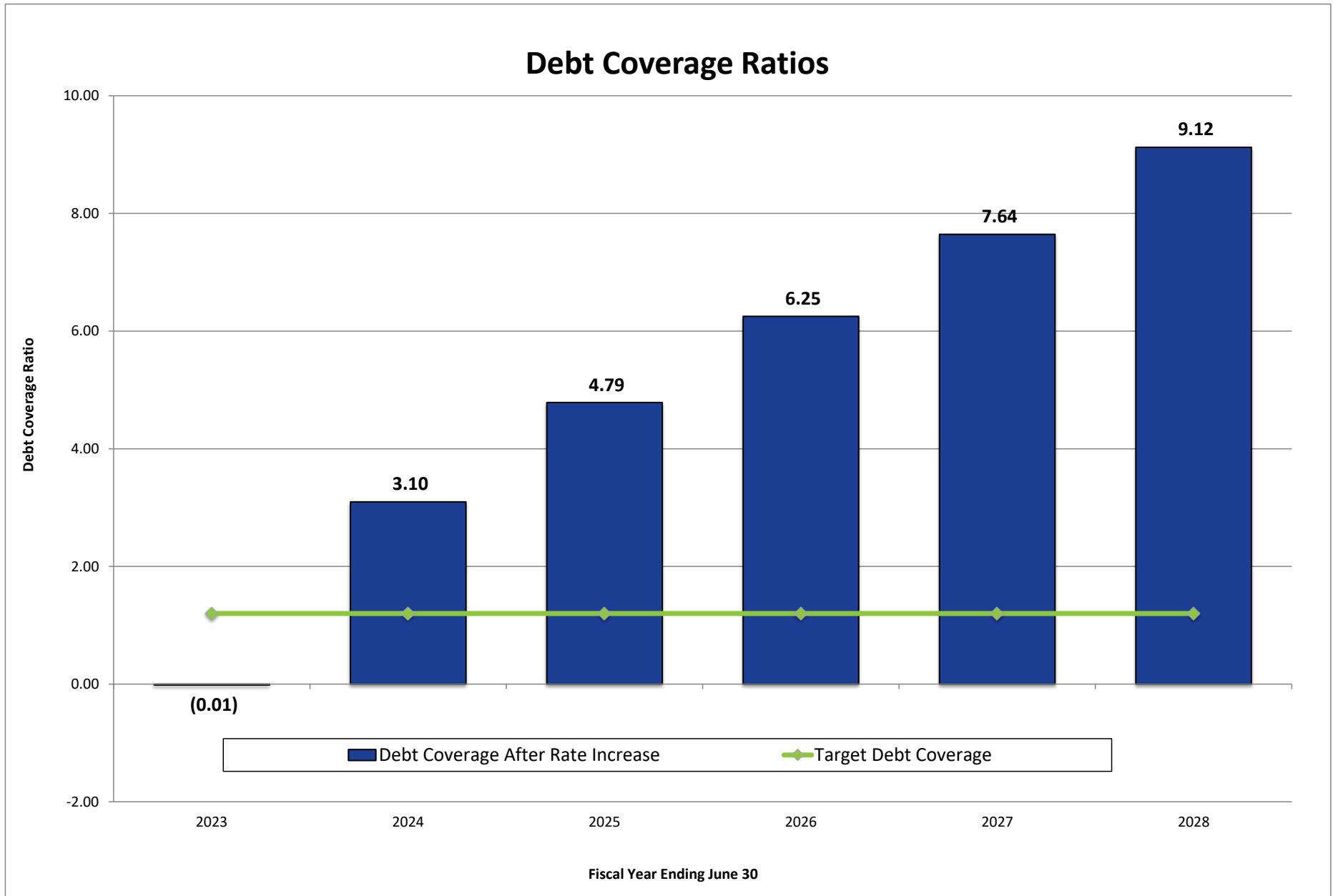


CHART 4

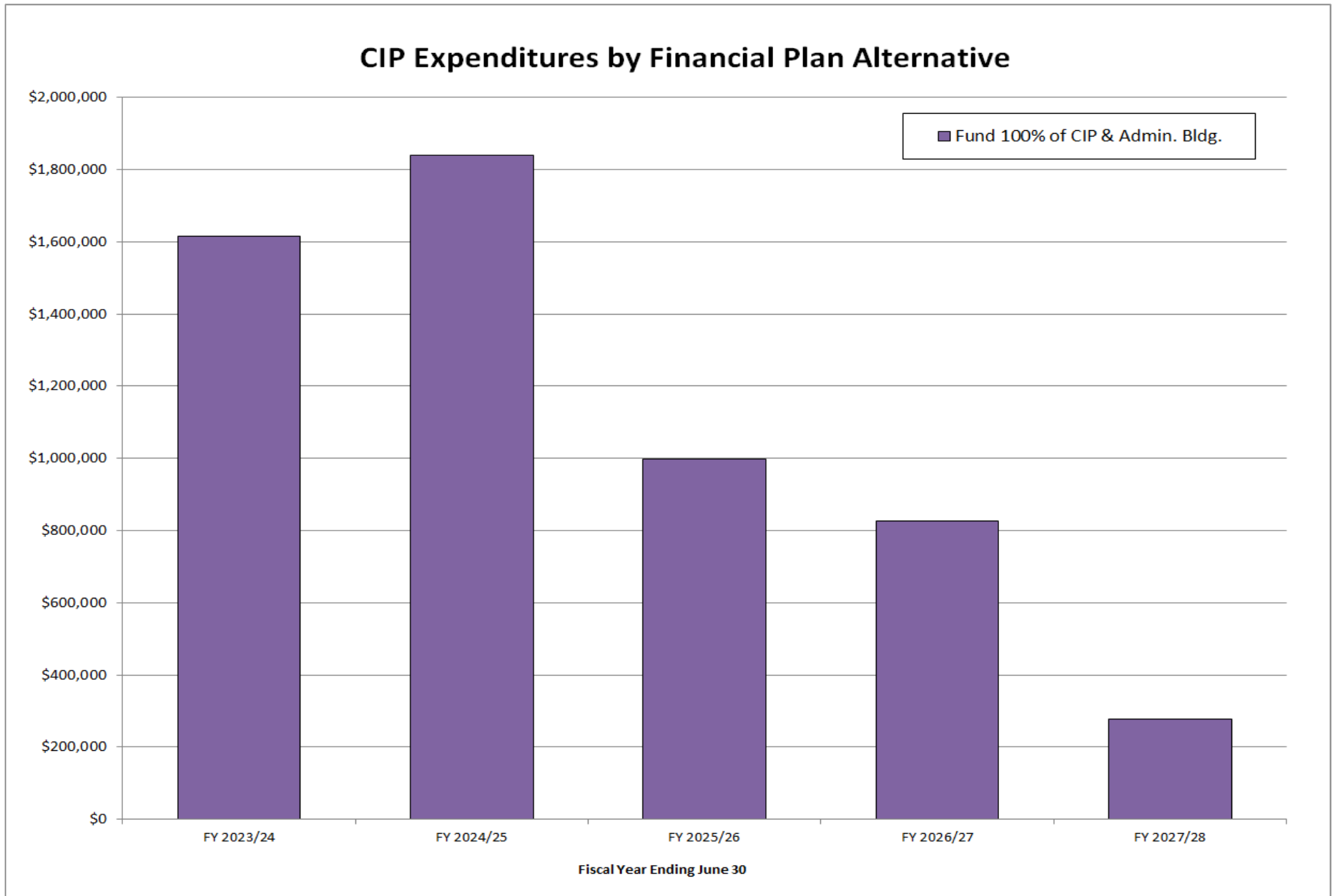




CHART 5

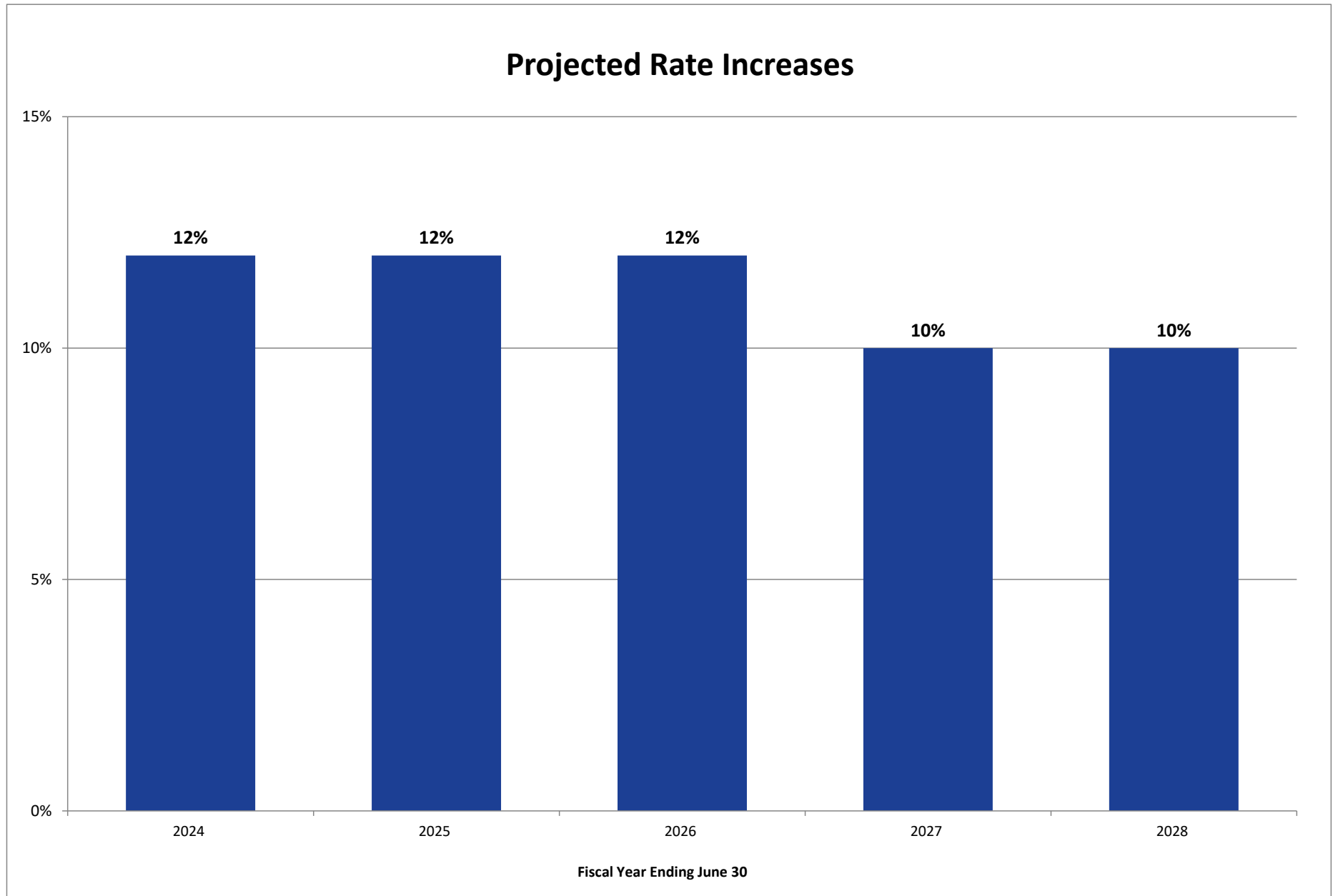


TABLE 8 : CAPITAL PROJECT FUNDING SUMMARY

CAPITAL FUNDING FORECAST		Budget	Projected				
Funding Sources:	2023	2024	2025	2026	2027	2028	
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Use of Capacity Fee Reserves	-	-	-	-	-	-	
Use of New Revenue Bond Proceeds	-	-	-	-	-	-	
Use of Capital Improvement Reserve	1,839,900	1,615,555	1,839,070	998,206	825,561	276,487	
Rate Revenue	687,400	-	-	-	-	-	
<b>Total Sources of Capital Funds</b>	<b>\$ 2,527,300</b>	<b>\$ 1,615,555</b>	<b>\$ 1,839,070</b>	<b>\$ 998,206</b>	<b>\$ 825,561</b>	<b>\$ 276,487</b>	
<b>Uses of Capital Funds:</b>							
Total Project Costs	\$ 2,527,300	\$ 1,615,555	\$ 1,839,070	\$ 998,206	\$ 825,561	\$ 276,487	
<b>Capital Funding Surplus (Deficiency)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

CIP FUNDING OPTIONS

CIP Funding Option Selected in Financial Plan		4					
Policy Choice	2023	2024	2025	2026	2027	2028	
1 Fund 25% of CIP & Admin. Bldg.	\$ 2,527,300	\$ 403,889	\$ 459,768	\$ 249,552	\$ 206,390	\$ 69,122	
2 Fund 50% of CIP & Admin. Bldg.	\$ 2,527,300	\$ 807,778	\$ 919,535	\$ 499,103	\$ 412,780	\$ 138,243	
3 Fund 75% of CIP & Admin. Bldg.	\$ 2,527,300	\$ 1,211,666	\$ 1,379,303	\$ 748,655	\$ 619,171	\$ 207,365	
4 Fund 100% of CIP & Admin. Bldg.	\$ 2,527,300	\$ 1,615,555	\$ 1,839,070	\$ 998,206	\$ 825,561	\$ 276,487	
5 Fund 100% of CIP & Admin. Bldg. w/ \$4 M Rev. Bonds	\$ 2,527,300	\$ 1,615,555	\$ 1,839,070	\$ 998,206	\$ 825,561	\$ 276,487	
<b>Capital Improvement Program Funding Choice</b>							
Effective Annual Funding Amount	\$ 2,527,300	\$ 1,615,555	\$ 1,839,070	\$ 998,206	\$ 825,561	\$ 276,487	
<b>New Debt Issued</b>							
5 Fund 100% of CIP & Admin. Bldg. w/ \$4 M Rev. Bonds	\$ -	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -	\$ -	

LA PUENTE VALLEY COUNTY WATER DISTRICT  
WATER RATE STUDY  
Capital Improvement Plan Expenditures

CAPITAL IMPROVEMENT PROGRAM

TABLE 9 : CAPITAL IMPROVEMENT PROGRAM COSTS (in Current-Year Dollars)

Capital Improvement Program Projects <sup>1</sup>	2023	2024	2025	2026	2027	2028
<b>Alternative Supply</b>						
Recycled Water Project	\$ 246,700	\$ -	\$ -	\$ -	\$ -	\$ -
<b>R &amp; R</b>						
Nitrate Treatment System	\$ 954,400	\$ -	\$ -	\$ -	\$ -	\$ -
Hudson Avenue Pumping Improvements	542,700	-	-	-	-	-
LP-CIWS Interconnection Ind Hills Pump Station No. 1	65,000	-	-	-	-	-
SCADA Improvements	40,000	-	-	-	-	-
Service Line Replacements	65,000	65,000	65,000	65,000	65,000	65,000
Valve Replacements	40,000	20,000	20,000	20,000	20,000	20,000
Meter Replacement / Reading Equipment	-	-	-	-	-	-
Fire Hydrant Repairs/ Replacement	38,500	38,500	38,500	38,500	38,500	38,500
Well 2 Rehabilitation	200,000	-	-	-	-	-
Main & 1st Street Building / Office Retrofit	-	-	-	-	-	-
Main & 1st Street Building / Office Remodel	-	-	-	-	-	-
Reservoir Reline & Recoating	-	-	250,000	-	300,000	-
Ferrero Lane and Rorimer St. Improvements	120,000	-	-	-	-	-
Pipeline Improvements in Hacienda (N. of Temple Ave)	-	-	-	130,000	-	-
Bamboo Street and Dalesford Drive Improvements	-	125,000	-	-	-	-
Pipeline Improvements in Inyo and Common	-	175,000	175,000	-	-	-
Old Valley Blvd General Waterline Replacements	-	-	150,000	350,000	-	-
Bamboo and Main Pipeline Improvements	-	-	-	-	-	-
Main St. B2 Pump Overhall (150 HP)	-	30,000	-	-	-	-
Main St. B1 Pump Overhall (50 HP)	-	-	25,000	-	-	-
Other Waterline Improvements	-	-	-	300,000	300,000	-
<b>New Admin/Maint. Building</b>	-	1,000,000	1,000,000	-	-	-
<b>Capital Outlay</b>						\$ -
Dump Trucks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Service Trucks (Operations)	200,000	65,000	-	-	-	65,000
Pick-up Trucks (Supervisor)	-	40,000	-	-	-	40,000
Other Field Equipment	15,000	10,000	10,000	10,000	10,000	10,000
Office / Computer Equipment	-	-	-	-	-	-
Estimated Future Projects <sup>2</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total: Capital Improvement Program Costs (Current-Year Dollars)</b>	<b>\$ 2,527,300</b>	<b>\$ 1,568,500</b>	<b>\$ 1,733,500</b>	<b>\$ 913,500</b>	<b>\$ 733,500</b>	<b>\$ 238,500</b>

TABLE 10 : CAPITAL IMPROVEMENT PROGRAM COSTS (in Future-Year Dollars)<sup>3</sup>

Capital Improvement Program Projects <sup>1</sup>	2023	2024	2025	2026	2027	2028
<b>Alternative Supply</b>						
Recycled Water Project	\$ 246,700	\$ -	\$ -	\$ -	\$ -	\$ -
<b>R &amp; R</b>						
Nitrate Treatment System	954,400	-	-	-	-	-
Hudson Avenue Pumping Improvements	542,700	-	-	-	-	-
LP-CIWS Interconnection Ind Hills Pump Station No. 1	65,000	-	-	-	-	-
SCADA Improvements	40,000	-	-	-	-	-
Service Line Replacements	65,000	66,950	68,959	71,027	73,158	75,353
Valve Replacements	40,000	20,600	21,218	21,855	22,510	23,185
Meter Replacement / Reading Equipment	-	-	-	-	-	-
Fire Hydrant Repairs/ Replacement	38,500	39,655	40,845	42,070	43,332	44,632
Well 2 Rehabilitation	200,000	-	-	-	-	-
Main & 1st Street Building / Office Retrofit	-	-	-	-	-	-
Main & 1st Street Building / Office Remodel	-	-	-	-	-	-
Reservoir Reline & Recoating	-	-	265,225	-	337,653	-
Ferrero Lane and Rorimer St. Improvements	120,000	-	-	-	-	-
Pipeline Improvements in Hacienda (N. of Temple Ave)	-	-	-	142,055	-	-
Bamboo Street and Dalesford Drive Improvements	-	128,750	-	-	-	-
Pipeline Improvements in Inyo and Common	-	180,250	185,658	-	-	-
Old Valley Blvd General Waterline Replacements	-	-	159,135	382,454	-	-
Bamboo and Main Pipeline Improvements	-	-	-	-	-	-
Main St. B2 Pump Overhall (150 HP)	-	30,900	-	-	-	-
Main St. B1 Pump Overhall (50 HP)	-	-	26,523	-	-	-
Other Waterline Improvements	-	-	-	327,818	337,653	-
<b>New Admin/Maint. Building</b>	-	1,030,000	1,060,900	-	-	-
<b>Capital Outlay</b>						
Dump Trucks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Service Trucks (Operations)	200,000	66,950	-	-	-	75,353
Pick-up Trucks (Supervisor)	-	41,200	-	-	-	46,371
Other Field Equipment	15,000	10,300	10,609	10,927	11,255	11,593
Office / Computer Equipment	-	-	-	-	-	-
Estimated Future Projects <sup>2</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total: Capital Improvement Program Costs (Future-Year Dollars)</b>	<b>\$ 2,527,300</b>	<b>\$ 1,615,555</b>	<b>\$ 1,839,070</b>	<b>\$ 998,206</b>	<b>\$ 825,561</b>	<b>\$ 276,487</b>

TABLE 11 : FORECASTING ASSUMPTIONS

Economic Variables	2023	2024	2025	2026	2027	2028
Annual Construction Cost Inflation, Per Engineering News Record <sup>4</sup>	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Cumulative Construction Cost Multiplier from 2023	1.00	1.03	1.06	1.09	1.13	1.16

1. Capital Improvement Program projects found in Source file: 2023 LP Budget, V4 Submitted to NBS.xlsx, CIP tab.
2. Estimated future expenditures are the average of the previous 5 years.
3. Project costs are inflated by 3% per year, Engineering News Record estimates of construction cost inflation.
4. For reference purposes, the annual Construction Cost Inflation percentage is the 10 year average change in the Construction Cost Index for 2012-2022.  
Source: *Engineering News Record website* (<http://enr.construction.com>).

TABLE 12 : EXISTING DEBT OBLIGATIONS

Annual Repayment Schedules	Budget	Projected				
	2023	2024	2025	2026	2027	2028
<b>2020 Recycled Water and Nitrate Treatment Projects (\$3,000,000)<sup>1</sup></b>						
Principal Payment	\$ 118,844	\$ 122,327	\$ 125,913	\$ 129,604	\$ 133,402	\$ 137,312
Interest Payment	79,616	76,132	72,547	68,856	65,057	61,147
<b>Subtotal: Annual Debt Service</b>	<b>\$ 198,460</b>	<b>\$ 198,459</b>	<b>\$ 198,460</b>	<b>\$ 198,460</b>	<b>\$ 198,459</b>	<b>\$ 198,459</b>
Coverage Requirement(% above annual payment)	120%	120%	120%	120%	120%	120%
Reserve Requirement <sup>2</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Grand Total: Existing Annual Debt Service</b>	<b>\$ 198,460</b>	<b>\$ 198,459</b>	<b>\$ 198,460</b>	<b>\$ 198,460</b>	<b>\$ 198,459</b>	<b>\$ 198,459</b>
<b>Grand Total: Existing Debt Reserve Target</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

TABLE 13 : FUNDING SOURCES FOR EXISTING DEBT OBLIGATIONS

Allocation of Debt Service Payments to Funding Sources <sup>4</sup>	2023	2024	2025	2026	2027	2028
Fund 651 - Capacity Fee Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fund 653 - Water System Replacement Fund (59%)</b>	<b>\$ 198,460</b>	<b>\$ 198,459</b>	<b>\$ 198,460</b>	<b>\$ 198,460</b>	<b>\$ 198,459</b>	<b>\$ 198,459</b>

1. Source file for amortization schedule: 2020 Installment Agreement - OPUS Bank.pdf, Page A1-A2.

2. There is no reserve requirement for this bond issue.

TABLE 14 : CURRENT RATES

Existing Water Rate Schedule	2022
<b>Bi-monthly fixed charge</b>	
5/8 inch	\$40.97
3/4 inch	\$52.94
1 inch	\$76.88
1.5 inch	\$136.73
2 inch	\$208.56
3 inch	\$400.08
4 inch	\$615.54
6 inch	\$1,214.04
8 inch	\$1,932.25

<b>Variable Consumption Charge per HCF</b>		
<u>Residential Customers</u>	<u>Tier 1</u>	<u>Tier 2</u>
	0-20 HCF	20+ HCF
Zone 1	\$2.33	\$3.96
Zone 2	\$2.59	\$4.22
Zone 3	\$2.85	\$4.48
Zone 4	\$2.64	\$4.27
Zone 5	\$2.84	\$4.48
<u>Commercial, Industrial &amp; Multi-Family Custon</u>	<u>Uniform</u>	
Zone 1	\$2.77	
Zone 2	\$3.03	
Zone 4	\$3.08	
<u>Public Authority &amp; Irrigation Customers</u>		
Zone 1	\$3.06	
Zone 2	\$3.32	
Zone 4	\$3.37	

Private Fire Service	2022
<b>Bi-monthly fixed charge</b>	
1 inch	\$9.96
1.5 inch	\$12.05
2 inch	\$15.65
3 inch	\$28.59
4 inch	\$50.91
6 inch	\$131.00
8 inch	\$269.15
10 inch	\$348.86
12 inch	\$558.06

Source file: LPVCWD Rate Tables 2018-2022.pdf

LA PUENTE VALLEY COUNTY WATER DISTRICT  
WATER RATE STUDY  
Cost of Service Analysis

TABLE 15 : CLASSIFICATION OF EXPENSES

Budget Categories	Total Revenue Requirements	Commodity	Capacity	Customer	Fire Protection	Zonal	Basis of Classification				
	2024	(COM)	(CAP)	(CA)	(FP)	(Z)	(COM)	(CAP)	(CA)	(FP)	(Z)
<b>OPERATING EXPENSES</b>											
<b>WATER OPERATIONS FUND, Operations</b>											
<b>Supply &amp; Treatment</b>											
Purchased & Leased Water	\$ 510,525	\$ 510,525	\$ -	\$ -	\$ -	\$ -	100%	0%	0%	0%	0%
Power	262,500	65,625	-	-	-	196,875	25%	0%	0%	0%	75%
Assessments	343,299	171,650	171,650	-	-	-	50%	50%	0%	0%	0%
Treatment	6,180	2,472	3,708	-	-	-	40%	60%	0%	0%	0%
Well & Pump Maintenance	61,800	27,810	27,810	-	3,090	3,090	45%	45%	0%	5%	5%
<b>Salaries &amp; Benefits</b>											
Total District Wide Labor	\$ 1,655,850	\$ 1,159,095	\$ 346,250	\$ 82,793	\$ 67,713	\$ -	70%	21%	5%	4%	0%
New Position (FY'24)	110,000	77,000	23,002	5,500	4,498	-	70%	21%	5%	4%	0%
Directors Fees & Benefits	120,750	84,525	25,250	6,038	4,938	-	70%	21%	5%	4%	0%
Benefits	425,250	297,675	88,923	21,263	17,390	-	70%	21%	5%	4%	0%
OPEB Payments	115,500	80,850	24,152	5,775	4,723	-	70%	21%	5%	4%	0%
OPEB Trust Contributions	63,000	44,100	13,174	3,150	2,576	-	70%	21%	5%	4%	0%
Payroll Taxes	128,100	89,670	26,787	6,405	5,238	-	70%	21%	5%	4%	0%
CalPERS Retirement (Normal Costs)	193,200	135,240	40,399	9,660	7,901	-	70%	21%	5%	4%	0%
CalPERS Unfunded Accrued Liability	68,250	47,775	14,272	3,413	2,791	-	70%	21%	5%	4%	0%
<b>Other Operating Expenses</b>											
General Plant	\$ 61,800	\$ 43,260	\$ 12,923	\$ 3,090	\$ 2,527	\$ -	70%	21%	5%	4%	0%
GROUNDWATER PRODUCTION	123,600	86,520	32,026	-	5,054	-	70%	26%	0%	4%	0%
Vehicles & Equipment	51,500	36,050	10,769	2,575	2,106	-	70%	21%	5%	4%	0%
Field Support & Other Expenses	61,800	43,260	12,923	3,090	2,527	-	70%	21%	5%	4%	0%
Regulatory Compliance	56,650	39,655	11,846	2,833	2,317	-	70%	21%	5%	4%	0%
<b>General &amp; Administrative</b>											
District Office Expenses	\$ 56,650	\$ -	\$ 28,325	\$ 28,325	\$ -	\$ -	0%	50%	50%	0%	0%
Customer Accounts	32,960	-	16,480	16,480	-	-	0%	50%	50%	0%	0%
Insurance	84,460	21,115	21,115	42,230	-	-	25%	25%	50%	0%	0%
Professional Services	164,800	41,200	41,200	82,400	-	-	25%	25%	50%	0%	0%
Training & Certification	46,350	11,588	11,588	23,175	-	-	25%	25%	50%	0%	0%
Public Outreach & Conservation	25,750	6,438	6,438	12,875	-	-	25%	25%	50%	0%	0%
Other Administrative Expenses	46,350	11,588	11,588	23,175	-	-	25%	25%	50%	0%	0%
<b>SUB-TOTAL: WATER OPERATIONS FUND, Operations</b>	<b>\$ 4,876,874</b>	<b>\$ 3,134,684</b>	<b>\$ 1,022,593</b>	<b>\$ 384,243</b>	<b>\$ 135,389</b>	<b>\$ 199,965</b>	<b>64%</b>	<b>21%</b>	<b>8%</b>	<b>2.78%</b>	<b>4.1%</b>

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TABLE 16 : CLASSIFICATION OF EXPENSES, CONT.

Budget Categories	Total Revenue Requirements	Commodity	Capacity	Customer	Fire Protection	Zonal	Basis of Classification				
	2024	(COM)	(CAP)	(CA)	(FP)	(Z)	(COM)	(CAP)	(CA)	(FP)	(Z)
<b>DEBT SERVICE PAYMENTS</b>											
Existing Debt Service	\$ 198,459	\$ -	\$ 198,459	\$ -	\$ -	\$ -	0%	100%	0%	0%	0%
New Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	100%	0%	0%	0%
	\$ 198,459	\$ -	\$ 198,459	\$ -	\$ -	\$ -	0%	100%	0%	0%	0%
<b>Rate funded Cap Exp.</b>											
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	30%	70%	0%	0%	0%
	\$ 5,075,333	\$ 3,134,684	\$ 1,221,052	\$ 384,243	\$ 135,389	\$ 199,965	62%	24%	8%	2.67%	3.94%
<b>Operating Revenues (Rate)</b>											
Water Sales (Excluded)											
Service Charges (Excluded)											
<b>Non-Rate Revenue</b>											
Surplus Sales	\$ (60,000)	\$ (37,058)	\$ (14,435)	\$ (4,542)	\$ (1,601)	\$ (2,364)	62%	24%	8%	3%	4%
Customer Charges	(40,000)	(24,705)	(9,623)	(3,028)	(1,067)	(1,576)	62%	24%	8%	3%	4%
Miscellaneous Income	(500)	(309)	(120)	(38)	(13)	(20)	62%	24%	8%	3%	4%
<b>Management Fees</b>											
Management Fees	\$ (543,797)	\$ (335,866)	\$ (130,830)	\$ (41,170)	\$ (14,506)	\$ (21,425)	62%	24%	8%	3%	4%
IPU Service Fees (Labor)	(816,375)	(504,219)	(196,408)	(61,806)	(21,778)	(32,165)	62%	24%	8%	3%	4%
BPOU Service Fees (Labor)	(340,704)	(210,429)	(81,968)	(25,794)	(9,089)	(13,424)	62%	24%	8%	3%	4%
PVOU IZ Service Fees (Labor)	(322,875)	(199,418)	(77,679)	(24,444)	(8,613)	(12,721)	62%	24%	8%	3%	4%
PVOU SZ Service Fees (Labor)	(165,900)	(102,465)	(39,913)	(12,560)	(4,426)	(6,536)	62%	24%	8%	3%	4%
Other O&M Fees	(9,765)	(6,031)	(2,349)	(739)	(260)	(385)	62%	24%	8%	3%	4%
<b>Non-Operating Revenues</b>											
Taxes & Assessments	\$ (321,100)	\$ (198,321)	\$ (77,252)	\$ (24,310)	\$ (8,566)	\$ (12,651)	62%	24%	8%	3%	4%
Rental Revenue	(41,000)	(25,323)	(9,864)	(3,104)	(1,094)	(1,615)	62%	24%	8%	3%	4%
Interest Revenue	-	-	-	-	-	-	62%	24%	8%	3%	4%
Market Value Gain / (Loss)	-	-	-	-	-	-	62%	24%	8%	3%	4%
Miscellaneous Income	(7,500)	(4,632)	(1,804)	(568)	(200)	(295)	62%	24%	8%	3%	4%
Developer Fees	-	-	-	-	-	-	62%	24%	8%	3%	4%
<b>Non-Rate, Management Fees &amp; Non-Operating Revenues</b>	\$ (2,669,516)	\$ (1,648,776)	\$ (642,247)	\$ (202,103)	\$ (71,212)	\$ (105,177)	62%	24%	8%	3%	4%
<b>Total Revenue Requirements</b>	\$ 2,405,817	\$ 1,485,907	\$ 578,805	\$ 182,139	\$ 64,177	\$ 94,788					
<b>REV. REQ'T'S CHECK TO FP:</b>	100.0%	61.8%	24.1%	7.6%	2.67%	3.94%					

TABLE 17 : CLASSIFICATION OF EXPENSES, CONT.

Adjustments to Classification of Expenses						
Adjustment for Current Rate Level:	Total	(COM)	(CAP)	(CA)	(FP)	(Z)
Test Year Target Rate Rev. After Rate Increases	\$3,087,504					
<b>ADJUSTED</b> Projected Rate Revenue at Current Rates	\$2,756,700					
Test Year Projected Rate Adjustment	12%					
<b>Net Revenue Requirements</b>	\$ 3,087,504	\$ 1,906,939	\$ 742,809	\$ 233,748	\$ 82,362	\$ 121,646
<i>Adjustment for Rate Design:</i>		87.4%				
<b>ADJUSTED Projected Rate Revenue w/ Rate Increase</b>	\$ 3,087,504	\$ 1,667,252	\$ 893,620	\$ 281,206	\$ 99,084	\$ 146,343
<i>Percent of Revenue - Existing Rate Design</i>	100.0%	54.0%	28.9%	9.1%	3.2%	4.7%
<i>Cost-of-Service Allocation to Fixed vs. Variable Charges</i>						
Fixed Charges	41%					
Variable Charges	59%					

These %'s self-adjust based on the COM adjustment



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TABLE 18 : DEVELOPMENT OF THE BASE COMMODITY ALLOCATION FACTOR

Customer Class	2022 Volume (hcf) <sup>1</sup>	Conservation Factor	Adjusted Volume (hcf/Yr.)	Percent of Total Volume
Single Family	255,200	5.0%	242,440	44.0%
Apartment	70,754	5.0%	67,216	12.2%
Commercial	84,568	5.0%	80,340	14.6%
Industrial	33,978	5.0%	32,279	5.9%
Irrigation	96,284	5.0%	91,470	16.6%
Public Authority	39,384	5.0%	37,415	6.8%
Fire Meters	57	5.0%	54	0.0%
<b>Grand Total</b>	<b>580,225</b>	<b>--</b>	<b>551,214</b>	<b>100.0%</b>

1. Source: Data summarized with Pivot tables in source files: *Apartment Billing Data\_jt.xlsx*, *Commercial Billing Data\_jt.xlsx*, *Industrial Billing Data\_jt.xlsx*, *Irrigation Billing Data\_jt.xlsx*, *Public Authority Billing Data\_jt.xlsx*, *Residential Billing Data\_jt.xlsx*.

**Commodity Related Costs:** These costs are associated with the total consumption (flow) of water over a specified period of time (e.g. annual).

TABLE 19 : DEVELOPMENT OF THE BASE CAPACITY (MAX MONTH) ALLOCATION FACTOR

Customer Class	Average Monthly Use (hcf)	Peak Monthly Use (hcf) <sup>1</sup>	Peak Month Factor	Max Month Capacity Factor
Single Family	42,533	48,359	1.14	41.8%
Apartment	11,792	14,036	1.19	12.1%
Commercial	14,095	15,534	1.10	13.4%
Industrial	5,663	5,827	1.03	5.0%
Irrigation	16,047	21,761	1.36	18.8%
Public Authority	6,564	10,141	1.54	8.8%
Fire Meters	10	40	4.21	0.0%
<b>Grand Total</b>	<b>96,704</b>	<b>115,698</b>	<b>1.20</b>	<b>100.0%</b>

1. Based on peak monthly data (peak day data not available).

**Capacity Related Costs:** Costs associated with the maximum demand required at one point in time or the maximum size of facilities required to meet this demand.

TABLE 20 : DEVELOPMENT OF THE CUSTOMER ALLOCATION FACTOR

Customer Class	Number of Meters <sup>1</sup>	Percent of Total
Single Family	2,031	80.1%
Apartment	54	2.1%
Commercial	284	11.2%
Industrial	11	0.4%
Irrigation	94	3.7%
Public Authority	31	1.22%
Fire Meters	32	1.26%
<b>Grand Total</b>	<b>2,537</b>	<b>100.0%</b>

1. Number of meters is from source: *Apartment Billing Data\_jt.xlsx*, *Commercial Billing Data\_jt.xlsx*, *Industrial Billing Data\_jt.xlsx*, *Irrigation Billing Data\_jt.xlsx*, *Public Authority Billing Data\_jt.xlsx*, *Residential Billing Data\_jt.xlsx*.

**Customer Related Costs :** Costs associated with having a customer on the water system. These costs vary with the addition or deletion of customers on the system. Examples: Meter-reading, Postage and billing.

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TABLE 21 : METER EQUIVALENCY FACTORS USED IN FIXED CHARGE CALCULATIONS

Meter Size	Standard Meters		Fire Service Meters	
	Meter Capacity (gpm) <sup>1</sup>	Residential Equivalency to 5/8-inch	Meter Capacity (gpm) <sup>1</sup>	Equivalency to 1-inch
	<i>Displacement Meters</i>			
5/8 inch	20	1.00		
3/4 inch	30	1.50		
1 inch	50	2.50		
1.5 inch	100	5.00		
2 inch	160	8.00		
	<i>Compound Class I Meters</i>		<i>Fire Service Type I &amp; II</i>	
3 inch	320	16.00		
4 inch	500	25.00	700	14.00
6 inch	1,000	50.00	1,600	32.00
8 inch	1,600	80.00	2,800	56.00
	<i>Propeller Type (C704-08)</i>			
10 inch	2,400	120.00	4,400	88.00
12 inch <sup>2</sup>	3,375	168.75	6,600	132.00

1. Per AWWA Manual M-1, Sixth Edition, Table B-1, p. 326.

2. Value not available in AWWA M-6, Table 5-3; this is estimated based on existing rates.

TABLE 22 : COST OF SERVICE ALLOCATIONS

Classification Components	Current Rate Structure 46% Fixed/54% Variable Net Revenue Requirements		Alternative Rate Structure 40% Fixed/60% Variable Net Revenue Requirements 50% Fixed / 50% Variable	
	Commodity-Related Costs	\$ 1,667,252	54.0%	\$ 1,706,159
Zonal-Related Costs	\$ 146,343	4.7%	\$ 146,343	4.7%
Total Variable Costs	<b>\$ 1,813,595</b>	<b>58.7%</b>	<b>\$ 1,852,502</b>	<b>60.0%</b>
Capacity-Related Costs (Fixed)	\$ 893,620	28.9%	\$ 854,712	27.7%
Customer-Related Costs	\$ 281,206	9.1%	\$ 281,206	9.1%
Total Fixed Costs	<b>\$ 1,174,825</b>	<b>38.1%</b>	<b>\$ 1,135,918</b>	<b>36.8%</b>
Fire Protection-Related Costs	\$ 99,084	3.2%	\$ 99,084	3.2%
Total Fixed Costs	<b>\$ 1,273,909</b>	<b>41.3%</b>	<b>\$ 1,235,002</b>	<b>40.0%</b>
<b>Subtotal Revenue Requirement</b>	<b>\$ 3,087,504</b>	<b>100%</b>	<b>\$ 3,087,504</b>	<b>100%</b>

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TABLE 23 : ALLOCATION OF ADJUSTED NET REVENUE REQUIREMENTS

Customer Class	Proposed Rate Structure (46% Fixed / 54% Variable)						
	Cost Classification Components					Cost of Service Net Revenue	% of COS Net Revenue Reqts
	Commodity	Capacity (Fixed)	Customer	Fire Protection	Zonal		
Single Family	\$ 733,306	\$ 373,512	\$ 225,120	\$ -	\$ 64,366	\$ 1,396,304	45%
Apartment	203,309	108,410	5,985	-	17,845	335,550	11%
Commercial	243,003	119,980	31,479	-	21,330	415,792	13%
Industrial	97,634	45,006	1,219	-	8,570	152,430	5%
Irrigation	276,668	168,076	10,419	-	24,285	479,448	16%
Public Authority	113,168	78,326	3,436	-	9,933	204,864	7%
Fire	164	309	3,547	99,084	-	103,103	3%
<b>Grand Total</b>	<b>\$ 1,667,252</b>	<b>\$ 893,620</b>	<b>\$ 281,206</b>	<b>\$ 99,084</b>	<b>\$ 146,329</b>	<b>\$ 3,087,490</b>	<b>100%</b>
<i>% of Costs by Classification</i>	<i>54%</i>	<i>29%</i>	<i>9%</i>	<i>3%</i>	<i>5%</i>	<i>100%</i>	

TABLE 24 : CALCULATION OF BI-MONTHLY FIXED METER SERVICE CHARGES

Number of Meters by Class and Size <sup>1</sup>	Proposed Rate Structure (46% Fixed / 54% Variable)												Total
	2023												
	5/8 inch	3/4 inch	1 inch	1.5 inch	2 inch	3 inch	4 inch	6 inch	8 inch	10 inch	12 inch		
<b>All Customers (Except Fire Meters)</b>	1,453	671	227	21	103	2	13	5	8	2	-	2,505	
<i>Hydraulic Capacity Factor<sup>2</sup></i>	<i>1.00</i>	<i>1.50</i>	<i>2.50</i>	<i>5.00</i>	<i>8.00</i>	<i>16.00</i>	<i>25.00</i>	<i>50.00</i>	<i>80.00</i>	<i>120.00</i>	<i>168.75</i>		
<b>Total Equivalent Meters</b>	<b>1,453</b>	<b>1,007</b>	<b>568</b>	<b>105</b>	<b>824</b>	<b>32</b>	<b>325</b>	<b>250</b>	<b>640</b>	<b>240</b>	<b>-</b>	<b>5,443</b>	
<b>Bi-Monthly Fixed Service Charges</b>													
Customer Costs (\$/Acct/mo.) <sup>3</sup>	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47		
Capacity Costs (\$/Acct/mo.) <sup>4</sup>	\$ 27.36	\$ 41.04	\$ 68.41	\$ 136.81	\$ 218.90	\$ 437.81	\$ 684.07	\$ 1,368.15	\$ 2,189.04	\$ 3,283.56	\$ 4,617.50		
<b>Total Bi-Monthly Meter Charge</b>	<b>\$ 45.84</b>	<b>\$ 59.52</b>	<b>\$ 86.88</b>	<b>\$ 155.29</b>	<b>\$ 237.38</b>	<b>\$ 456.28</b>	<b>\$ 702.55</b>	<b>\$ 1,386.62</b>	<b>\$ 2,207.51</b>	<b>\$ 3,302.03</b>	<b>\$ 4,635.97</b>		
<b>Annual Fixed Costs Allocated to Bi-Monthly Meter Charges</b>													
Customer Costs	\$ 277,659												
Capacity Costs	\$ 893,620												
<b>Total Fixed Meter Costs</b>	<b>\$ 1,171,278</b>												
<b>Annual Revenue from Monthly Bi-Meter Charges</b>													
Customer Charges	\$ 161,053	\$ 74,375	\$ 25,161	\$ 2,328	\$ 11,417	\$ 222	\$ 1,441	\$ 554	\$ 887	\$ 222	\$ -	\$ 277,659	
Capacity Charges	238,550	165,245	93,171	17,239	135,283	5,254	53,358	41,044	105,074	39,403	-	\$ 893,620	
<b>Total Rev. from Bi-Mo. Meter Charges</b>	<b>\$ 399,603</b>	<b>\$ 239,620</b>	<b>\$ 118,332</b>	<b>\$ 19,566</b>	<b>\$ 146,699</b>	<b>\$ 5,475</b>	<b>\$ 54,799</b>	<b>\$ 41,599</b>	<b>\$ 105,961</b>	<b>\$ 39,624</b>	<b>\$ -</b>	<b>\$ 1,171,278</b>	

- Number of meters by size and class is per the District's utility billing data as of November 2022 in the Billed Consumption Report by Month spreadsheets.
- Source: AWWA Manual M1, "Principles of Water Rates, Fees, and Charges", Table B-1. Assumes displacement meters for 5/8 - 2 inch meters, Compound Class I for 3 - 8 inch meters, and Turbine Class II for 10-12 inch meters.
- Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.
- Capacity costs are allocated by meter size and the hydraulic capacity of the meter.

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TABLE 25 : CALCULATION OF BI-MONTHLY FIXED METER SERVICE CHARGES - FIRE METERS

Number of Meters by Class and Size <sup>1</sup>	Proposed Rate Structure (46% Fixed / 54% Variable)											Total
	2023											
	5/8 inch	3/4 inch	1 inch	1.5 inch	2 inch	3 inch	4 inch	6 inch	8 inch	10 inch	12 inch	
Fire Meters	-	-	-	-	-	-	5	3	18	4	2	32
<i>Hydraulic Capacity Factor</i> <sup>2</sup>	0.40	0.60	1.00	2.00	3.20	7.00	14.00	32.00	56.00	88.00	132.00	
<b>Total Equivalent Meters</b>	-	-	-	-	-	-	70	96	1,008	352	264	1,790
<b>Bi-Monthly Fixed Service Charges</b>												
Customer Costs (\$/Acct/mo.) <sup>3</sup>	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47	\$ 18.47
Fire Protection Costs (\$/Acct/mo.) <sup>4</sup>	\$ 3.69	\$ 5.54	\$ 9.23	\$ 18.45	\$ 29.52	\$ 64.58	\$ 129.16	\$ 295.22	\$ 516.64	\$ 811.86	\$ 1,217.79	
<b>Total Bi-Monthly Meter Charge</b>	<b>\$ 22.16</b>	<b>\$ 24.01</b>	<b>\$ 27.70</b>	<b>\$ 36.92</b>	<b>\$ 48.00</b>	<b>\$ 83.05</b>	<b>\$ 147.63</b>	<b>\$ 313.70</b>	<b>\$ 535.11</b>	<b>\$ 830.33</b>	<b>\$ 1,236.26</b>	
<b>Annual Fixed Costs Allocated to Bi-Monthly Meter Charges</b>												
Customer Costs	\$ 3,547											
Fire Protection Costs	\$ 99,084											
<b>Total Fixed Meter Costs</b>	<b>\$ 102,631</b>											
<b>Annual Revenue from Monthly Bi-Meter Charges</b>												
Customer Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 554	\$ 333	\$ 1,995	\$ 443	\$ 222	\$ 3,547
Fire Protection Costs	-	-	-	-	-	-	3,875	5,314	55,797	19,485	14,613	99,084
<b>Total Revenue from Bi-Mo. Meter Charges</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,429</b>	<b>\$ 5,647</b>	<b>\$ 57,792</b>	<b>\$ 19,928</b>	<b>\$ 14,835</b>	<b>\$ 102,631</b>

- Number of meters by size is from the District's 2019 rate study and assumes the number of meters has not changed.
- Source: AWWA Manual M6, "Water Meters - Selection, Installation, Testing and Maintenance", Table 5-3. Assumes Displacement Meters for 5/8 - 2 inch meters and Fire Service Type I & II for 3 - 10 inch meters.
- Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.
- Fire Protection costs are allocated by meter size and the hydraulic capacity of the meter.

Number of Meters by Class and Size <sup>1</sup>	Proposed Rate Structure (46% Fixed / 54% Variable)											Total
	2023											
	5/8 inch	3/4 inch	1 inch	1.5 inch	2 inch	3 inch	4 inch	6 inch	8 inch	10 inch	12 inch	
Single Family	1,325	577	128	1	-	-	-	-	-	-	-	2,031
Apartment	14	18	9	6	5	-	1	1	-	-	-	54
Commercial	98	66	60	11	42	1	5	1	-	-	-	284
Industrial	2	-	1	1	2	-	1	1	3	-	-	11
Irrigation	8	8	25	2	43	1	2	-	3	2	-	94
Public Authority	6	2	4	-	11	-	4	2	2	-	-	31
Fire Meters	-	-	-	-	-	-	5	3	18	4	2	32
<b>Total Meters/Accounts</b>	<b>1,453</b>	<b>671</b>	<b>227</b>	<b>21</b>	<b>103</b>	<b>2</b>	<b>18</b>	<b>8</b>	<b>26</b>	<b>6</b>	<b>2</b>	<b>2,537</b>
<b>All Customers Fixed Charges by Meter Size</b>	<b>\$ 45.84</b>	<b>\$ 59.52</b>	<b>\$ 86.88</b>	<b>\$ 155.29</b>	<b>\$ 237.38</b>	<b>\$ 456.28</b>	<b>\$ 702.55</b>	<b>\$ 1,386.62</b>	<b>\$ 2,207.51</b>	<b>\$ 3,302.03</b>	<b>\$ 4,635.97</b>	
<b>Fixed Charges - Fire Meters Only</b>	<b>\$ 22.16</b>	<b>\$ 24.01</b>	<b>\$ 27.70</b>	<b>\$ 36.92</b>	<b>\$ 48.00</b>	<b>\$ 83.05</b>	<b>\$ 147.63</b>	<b>\$ 313.70</b>	<b>\$ 535.11</b>	<b>\$ 830.33</b>	<b>\$ 1,236.26</b>	
<b>Revenue from Fixed Charges</b>												
All Customers	\$ 399,603	\$ 239,620	\$ 118,332	\$ 19,566	\$ 146,699	\$ 5,475	\$ 54,799	\$ 41,599	\$ 105,961	\$ 39,624	\$ -	\$ 1,171,278
Fire	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,429	\$ 5,647	\$ 57,792	\$ 19,928	\$ 14,835	\$ 102,631
<b>Total Revenue - Fixed Charges</b>												<b>\$ 1,273,909</b>

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TABLE 26 : BREAKDOWN OF VOLUMETRIC COSTS

Volumetric Costs - With and Without Pumping Costs	46F/54V Rate Structure	Alt. 40/60 Rate Structure
	2024	2024
<b>Summary of Volumetric Costs</b>		
Commodity-Related less Purchased/Leased Costs	\$ 1,396,212	\$ 1,435,120
Purchased/Leased Costs (Adjusted)	\$ 271,040	\$ 271,040
<b>Total Volumetric Costs (w/o Pumping Costs)</b>	<b>\$ 1,667,252</b>	<b>\$ 1,706,159</b>
Zonal-Related Costs	\$ 146,329	\$ 146,343
<b>TOTAL VOLUMETRIC RATE COSTS</b>	<b>\$ 1,813,581</b>	<b>\$ 1,852,502</b>

**Adjustment of Purchased/Leased Cost for Non-Rate Revenues**

<b>Net Purchased/Leased Costs (2024)</b>	
Net Rev. Req't. (from Funct./Classif.)	\$ 2,405,817
Rev. Req't. w/o Non-Rate Rev. Reductions	\$ 5,075,333
% Reduction	47.40%
Plus Rate Increase	12.00%
Total Adjustment to Purchased/Leased Costs	53.09%
<b>Budgeted Purchased/Leased Costs</b>	<b>\$ 510,525</b>
<b>Adjusted Purchased/Leased Costs</b>	<b>\$ 271,040</b>

<b>Allocation of Source of Supply to Tiers</b>			
Source of Supply	Annual AF <sup>1</sup>	Supply in %	Annual HCF <sup>1</sup>
Tier 1 - Wells	850	65.4%	360,409
Tier 2 - Wells (Purchased/Leased)	450	34.6%	190,805
<b>Total Supply</b>	<b>1,300</b>	<b>100.0%</b>	<b>551,214</b>

1. District Data.

TABLE 27 : ALLOCATION OF COMMODITY COSTS BY TIER (without Zonal Costs)

<b>ALLOCATION OF COMMODITY COSTS BY TIER (without Zonal Costs)</b>				<b>46F/54V Rate Structure</b>	
Volumetric Rate Revenue Requirements	Allocated \$ and Consumption by Tier			Allocation %'s	
	Tier 1	Tier 2	Total	Tier 1	Tier 2
Commodity-Related less Purchased/Leased Costs	\$912,908	\$483,304	\$1,396,212	65.4%	34.6%
Purchased/Leased Costs (Adjusted)	\$0	\$271,040	\$271,040	0.0%	100.0%
<b>Total Volumetric Costs (w/o Pumping Costs)</b>	<b>\$912,908</b>	<b>\$754,344</b>	<b>\$1,667,252</b>		
Residential Consumption by Tier in HCF	360,409	190,805	551,214	65.4%	34.6%
<b>Tiered/Uniform Rates</b>	<b>\$2.53</b>	<b>\$3.95</b>	<b>\$3.02</b>	<i>n.a.</i>	<i>n.a.</i>

TABLE 28 : ALLOCATION OF COMMODITY COSTS BY TIER (without Zonal Costs)

<b>ALLOCATION OF COMMODITY COSTS BY TIER (without Zonal Costs)</b>				<b>Alt. 40/60 Rate Structure</b>		
Volumetric Rate Revenue Requirements	Allocation %'s		Allocated \$			
	Tier 1	Tier 2	Tier 1	Tier 2	Total	
Commodity-Related less Purchased/Leased Costs	65.4%	34.6%	\$938,347	\$496,772	\$1,435,120	
Purchased/Leased Costs (Adjusted)	0.0%	100.0%	\$0	\$271,040	\$271,040	
<b>Total Volumetric Costs (w/o Pumping Costs)</b>	<b>55.0%</b>	<b>45.0%</b>	<b>\$938,347</b>	<b>\$767,812</b>	<b>\$1,706,159</b>	
Total Tier 1 & Tier 2	65.4%	34.6%	360,409	190,805	551,214	
<b>Tiered/Uniform Rates</b>	<i>n.a.</i>	<i>n.a.</i>	<b>\$2.60</b>	<b>\$4.02</b>	<b>\$3.10</b>	

TABLE 29 : NET CONSUMPTION BY ZONE (HCF)

Applies to both Current and Alt. Rate Structures

<b>NET CONSUMPTION BY ZONE (HCF)</b>						
Customer Class	Net Consumption by Zone and Class (hcf/yr.)					Total Consumption
	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	
Residential - Tier 1	98,580	55,490	5,490	6,047	1,254	166,862
Residential - Tier 2	52,190	29,377	2,907	3,201	664	88,338
Comm., Indust. & Multi-Family	126,606	62,694				189,300
Public Authority & Irrigation	111,259	20,679		3,730		135,668
<b>Subtotal</b>	<b>388,635</b>	<b>168,240</b>	<b>8,397</b>	<b>12,978</b>	<b>1,918</b>	<b>580,168</b>
<i>% of Total</i>	<i>67.0%</i>	<i>29.0%</i>	<i>1.4%</i>	<i>2.2%</i>	<i>0.3%</i>	<i>100.0%</i>

1. Consumption is per the District's utility billing data as of November 2022 in the Billed Consumption Report by Month spreadsheets.

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TABLE 30 : TOTAL AMOUNT OF PUMPING BY ZONE (HCF)

*Applies to both Current and Alt. Rate Structures*

TOTAL AMOUNT OF PUMPING BY ZONE (HCF)						
Customer Class	Total Pumping by Zone and Class (hcf/yr.)					Total Pumping
	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	
Residential - Tier 1	166,862	68,281	6,744	6,047	1,254	249,188
Residential - Tier 2	88,338	36,149	3,571	3,201	664	131,923
Comm., Indust. & Multi-Family	189,300	62,694				251,994
Public Authority & Irrigation	135,668	24,409		3,730		163,807
<b>Subtotal</b>	<b>580,168</b>	<b>191,533</b>	<b>10,315</b>	<b>12,978</b>	<b>1,918</b>	<b>796,912</b>
Percent of Water Use by Zone	72.8%	24.0%	1.3%	1.6%	0.2%	100.0%

TABLE 31 : ZONE ELEVATIONS AND PUMPING COSTS BY CUSTOMER CLASS AND ZONE

*Applies to both Current and Alt. Rate Structures*

ZONE ELEVATIONS AND PUMPING COSTS BY CUSTOMER CLASS AND ZONE						
Customer Class	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Total Pumping "Units"
<b>Elevations of Zones (ft AMSL)<sup>1</sup></b>						
Low Elevation	307	378	536	453	557	
High Elevation	442	541	690	630	568	
Average Elevation	375	460	613	542	563	
<b>Incremental Feet of Elevation Change<sup>2</sup></b>	<b>68</b>	<b>153</b>	<b>306</b>	<b>235</b>	<b>256</b>	
<b>Total "Pumping Units" by Zone and Class (hcf/yr.)<sup>3</sup></b>						
Residential - Tier 1	11,263,154	10,412,876	2,063,793	1,417,967	320,417	25,478,207
Residential - Tier 2	5,962,846	5,512,699	1,092,597	750,689	169,632	13,488,463
Comm., Indust. & Multi-Family	12,777,750	9,560,835	0	0	0	22,338,585
Public Authority & Irrigation	9,157,590	3,722,373	0	874,685	0	13,754,648
<b>Subtotal</b>	<b>39,161,340</b>	<b>29,208,783</b>	<b>3,156,390</b>	<b>3,043,341</b>	<b>490,049</b>	<b>75,059,903</b>
<b>% of "Pumping Units" by Zone</b>	<b>52.2%</b>	<b>38.9%</b>	<b>4.2%</b>	<b>4.1%</b>	<b>0.7%</b>	<b>100.0%</b>
<b>Pumping Costs by Zone<sup>4</sup></b>	<b>\$76,345</b>	<b>\$56,942</b>	<b>\$6,153</b>	<b>\$5,933</b>	<b>\$955</b>	<b>\$146,329</b>

1. Source: 2017 Urban Water Management Plan .

2. Difference between the Average Elevation and the Low Elevation of Zone 1.

3. "Total Pumping by Zone" times "Incremental Feet in Elevation Change".

4. Percentage of Pumping Units by Zone times pumping costs.

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TABLE 32 : ESTIMATED ZONAL PUMPING COSTS AND ZONE RATES BY CUSTOMER CLASS

*Applies to both Current and Alt. Rate Structures*

ESTIMATED ZONAL PUMPING COSTS AND ZONE RATES BY CUSTOMER CLASS						
Customer Class	Pumping and Costs by Zone and Zonal Volumetric Rates					Total Pumping Costs
	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	
<b>Pumping Costs (\$)</b>	<b>\$76,345</b>	<b>\$56,942</b>	<b>\$6,153</b>	<b>\$5,933</b>	<b>\$955</b>	<b>\$146,329</b>
<b>Net Pumping by Zone (hcf/yr.)</b>	<b>388,635</b>	<b>168,240</b>	<b>8,397</b>	<b>12,978</b>	<b>1,918</b>	<b>580,168</b>
<b>Zonal Volumetric Rates (\$/hcf)</b>	<b>\$0.20</b>	<b>\$0.34</b>	<b>\$0.73</b>	<b>\$0.46</b>	<b>\$0.50</b>	
<b>46F/54V Rate Structure</b>						
Customer Class	Volumetric Rates	Volumetric Rates by Zone and Class (hcf/yr.)				
		Zone 1	Zone 2	Zone 3	Zone 4	Zone 5
Residential - Tier 1	\$2.53	\$2.73	\$2.87	\$3.27	\$2.99	\$3.03
Residential - Tier 2	\$3.95	\$4.15	\$4.29	\$4.69	\$4.41	\$4.45
Comm., Indust. & Multi-Family	\$3.02	\$3.22	\$3.36	\$0.00	\$0.00	\$0.00
Public Authority & Irrigation	\$3.02	\$3.22	\$3.36	\$0.00	\$3.48	\$0.00
<b>Alternative Rate Structure (40% Fixed / 60% Variable)</b>						
Customer Class	Volumetric Rates	Volumetric Rates by Zone and Class (hcf/yr.)				
		Zone 1	Zone 2	Zone 3	Zone 4	Zone 5
Residential - Tier 1	\$2.60	\$2.80	\$2.94	\$3.34	\$3.06	\$3.10
Residential - Tier 2	\$4.02	\$4.22	\$4.36	\$4.76	\$4.48	\$4.52
Comm., Indust. & Multi-Family	\$3.10	\$3.29	\$3.43	\$0.00	\$0.00	\$0.00
Public Authority & Irrigation	\$3.10	\$3.29	\$3.43	\$0.00	\$3.55	\$0.00

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TABLE 33 : ASSUMPTIONS USED IN DROUGHT RATE ANALYSIS

2023 Consumption Assumptions				
Shortage Level <sup>1</sup>	Percent Shortage Range <sup>2</sup>	Potable Water Consumption (AF/yr.)	Potable Water Consumption (ccf/yr.)	Difference to Baseline (ccf)
1	Less than 10% Conservation <sup>3</sup>	1,265	551,214	0
2	Up to 20% Conservation	1,139	496,092	(55,121)
3	Up to 30% Conservation	1,012	440,971	(110,243)
4	Up to 40% Conservation	886	385,850	(165,364)
5	Up to 50% Conservation	759	330,728	(220,486)
6	Greater than 50% Conservation	633	275,607	(275,607)

1. State Water Resources Control Board Water Shortage Contingency Plan Shortage Level.
2. Drought levels based on the State Water Resources Control Board Drought Emergency Water Conservation.
3. This represents the baseline consumption for FY 2020/21 consumption. Conservation percentage for each drought stage is relative to the baseline consumption.

*Note: For the rate period (FY 2023/24 - FY 2027/28), water consumption is assumed to be the same each year to be consistent with how volumetric rates were calculated even though there are new connections each year. The rate each year at the "5% Conservation" level is the same as the proposed volumetric rate.*

TABLE 34 : DROUGHT RATES

Expenses Directly Effected By Consumption Changes						
Fund	Description	Commodity-Related Costs				
		2023	2024	2025	2026	2027
Operating Fund	Pump Power	\$ 262,500	\$ 275,625	\$ 289,406	\$ 303,877	\$ 319,070
Operating Fund	Well & Pump Maintenance	61,800	63,654	65,564	67,531	69,556
Operating Fund	Purchased & Leased Water	271,040	279,171	287,546	296,172	305,057
<b>Total:</b>		<b>\$ 595,340</b>	<b>\$ 618,450</b>	<b>\$ 642,516</b>	<b>\$ 667,579</b>	<b>\$ 693,684</b>

TABLE 35 : CALCULATION OF DROUGHT RATES FOR FY 2023

Rate Structure: (46% Fixed/54% Volumetric)						
Conservation Goal	Water Consumption (ccf/yr.)	Baseline Rev. Req't from Vol. Charges	Cost Reduction Due to Conservation <sup>1</sup>	Target Rev. Req't from Vol. Charges	Drought Response Charge (\$/ccf)	Uniform Commodity Rates (\$/ccf)
< 10%	551,214	\$ 1,667,252	\$ -	\$ 1,667,252	\$0.00	\$3.02
Up to 20%	496,092	1,667,252	(59,534)	1,607,718	\$0.22	\$3.24
Up to 30%	440,971	1,667,252	(119,068)	1,548,184	\$0.49	\$3.51
Up to 40%	385,850	1,667,252	(178,602)	1,488,650	\$0.83	\$3.86
Up to 50%	330,728	1,667,252	(297,670)	1,369,582	\$1.12	\$4.14
> 50%	275,607	1,667,252	(357,204)	1,310,048	\$1.73	\$4.75

1. Cost reduction equals the conservation goal percentage multiplied by expenses directly effected by consumption charges.



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TABLE 36 : CALCULATION OF DROUGHT RATES FOR FY 2024

Rate Structure: (46% Fixed/54% Volumetric)						
Conservation Goal	Water Consumption (ccf/yr.)	Baseline Rev. Req't from Vol. Charges	Cost Reduction Due to Conservation <sup>1</sup>	Target Rev. Req't from Vol. Charges	Drought Response Charge (\$/ccf)	Uniform Commodity Rates (\$/ccf)
< 10%	551,214	\$ 1,867,322	\$ -	\$ 1,867,322	\$0.00	\$3.39
Up to 20%	496,092	1,867,322	(61,845)	1,805,477	\$0.25	\$3.64
Up to 30%	440,971	1,867,322	(123,690)	1,743,632	\$0.57	\$3.95
Up to 40%	385,850	1,867,322	(185,535)	1,681,787	\$0.97	\$4.36
Up to 50%	330,728	1,867,322	(247,380)	1,619,942	\$1.51	\$4.90
> 50%	275,607	1,867,322	(309,225)	1,558,097	\$2.27	\$5.65

1. Cost reduction equals the conservation goal percentage multiplied by expenses directly effected by consumption charges.

TABLE 37 : CALCULATION OF DROUGHT RATES FOR FY 2025

Rate Structure: (46% Fixed/54% Volumetric)						
Conservation Goal	Water Consumption (ccf/yr.)	Baseline Rev. Req't from Vol. Charges	Cost Reduction Due to Conservation <sup>1</sup>	Target Rev. Req't from Vol. Charges	Drought Response Charge (\$/ccf)	Uniform Commodity Rates (\$/ccf)
< 10%	551,214	\$ 2,091,401	\$ -	\$ 2,091,401	\$0.00	\$3.79
Up to 20%	496,092	2,091,401	(64,252)	2,027,149	\$0.29	\$4.09
Up to 30%	440,971	2,091,401	(128,503)	1,962,897	\$0.66	\$4.45
Up to 40%	385,850	2,091,401	(192,755)	1,898,646	\$1.13	\$4.92
Up to 50%	330,728	2,091,401	(257,006)	1,834,394	\$1.75	\$5.55
> 50%	275,607	2,091,401	(321,258)	1,770,143	\$2.63	\$6.42

1. Cost reduction equals the conservation goal percentage multiplied by expenses directly effected by consumption charges.

TABLE 38 : CALCULATION OF DROUGHT RATES FOR FY 2026

Rate Structure: (46% Fixed/54% Volumetric)						
Conservation Goal	Water Consumption (ccf/yr.)	Baseline Rev. Req't from Vol. Charges	Cost Reduction Due to Conservation <sup>1</sup>	Target Rev. Req't from Vol. Charges	Drought Response Charge (\$/ccf)	Uniform Commodity Rates (\$/ccf)
< 10%	551,214	\$ 2,300,541	\$ -	\$ 2,300,541	\$0.00	\$4.17
Up to 20%	496,092	2,300,541	(66,758)	2,233,783	\$0.33	\$4.50
Up to 30%	440,971	2,300,541	(133,516)	2,167,025	\$0.74	\$4.91
Up to 40%	385,850	2,300,541	(200,274)	2,100,267	\$1.27	\$5.44
Up to 50%	330,728	2,300,541	(267,032)	2,033,509	\$1.97	\$6.15
> 50%	275,607	2,300,541	(333,790)	1,966,751	\$2.96	\$7.14

1. Cost reduction equals the conservation goal percentage multiplied by expenses directly effected by consumption charges.

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TABLE 39 : CALCULATION OF DROUGHT RATES FOR FY 2027

Rate Structure: (46% Fixed/54% Volumetric)						
Conservation Goal	Water Consumption (ccf/yr.)	Baseline Rev. Req't from Vol. Charges	Cost Reduction Due to Conservation <sup>1</sup>	Target Rev. Req't from Vol. Charges	Drought Response Charge (\$/ccf)	Uniform Commodity Rates (\$/ccf)
< 10%	551,214	\$ 2,530,595	\$ -	\$ 2,530,595	\$0.00	\$4.59
Up to 20%	496,092	2,530,595	(69,368)	2,461,226	\$0.37	\$4.96
Up to 30%	440,971	2,530,595	(138,737)	2,391,858	\$0.83	\$5.42
Up to 40%	385,850	2,530,595	(208,105)	2,322,489	\$1.43	\$6.02
Up to 50%	330,728	2,530,595	(277,474)	2,253,121	\$2.22	\$6.81
> 50%	275,607	2,530,595	(346,842)	2,183,753	\$3.33	\$7.92

1. Cost reduction equals the conservation goal percentage multiplied by expenses directly effected by consumption charges.

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TABLE 40 : CURRENT VS. PROPOSED WATER RATES

46F/54V Rate Structure (35% Fixed/65% Volumetric)

Water Rate Schedule	Current Rates	Proposed Water Rates				
		2023	2024	2025	2026	2027
<b>Fixed Service Charges</b>						
<u>Single- and Multi-Family Residential:</u>						
5/8 inch	\$40.97	\$45.84	\$51.34	\$57.50	\$63.25	\$69.57
3/4 inch	\$52.94	\$59.52	\$66.66	\$74.66	\$82.13	\$90.34
1 inch	\$76.88	\$86.88	\$97.31	\$108.98	\$119.88	\$131.87
1.5 inch	\$136.73	\$155.29	\$173.92	\$194.79	\$214.27	\$235.70
2 inch	\$208.56	\$237.38	\$265.86	\$297.77	\$327.54	\$360.30
3 inch	\$400.08	\$456.28	\$511.03	\$572.36	\$629.59	\$692.55
4 inch	\$615.54	\$702.55	\$786.85	\$881.28	\$969.40	\$1,066.34
6 inch	\$1,214.04	\$1,386.62	\$1,553.02	\$1,739.38	\$1,913.32	\$2,104.65
8 inch	\$1,932.25	\$2,207.51	\$2,472.41	\$2,769.10	\$3,046.01	\$3,350.61
<b>Tiered Volumetric Charges (Residential - Tier 1, 0-20 hcf)</b>						
Zone 1	\$2.33	\$2.73	\$3.06	\$3.42	\$3.77	\$4.14
Zone 2	\$2.59	\$2.87	\$3.22	\$3.60	\$3.96	\$4.36
Zone 3	\$2.85	\$3.27	\$3.66	\$4.10	\$4.51	\$4.96
Zone 4	\$2.64	\$2.99	\$3.35	\$3.75	\$4.13	\$4.54
Zone 5	\$2.84	\$3.03	\$3.39	\$3.80	\$4.18	\$4.60
<b>Tiered Volumetric Charges (Residential - Tier 2, 20+ hcf)</b>						
Zone 1	\$3.96	\$4.15	\$4.65	\$5.21	\$5.73	\$6.30
Zone 2	\$4.22	\$4.29	\$4.81	\$5.38	\$5.92	\$6.51
Zone 3	\$4.48	\$4.69	\$5.25	\$5.88	\$6.47	\$7.11
Zone 4	\$4.27	\$4.41	\$4.94	\$5.53	\$6.09	\$6.69
Zone 5	\$4.48	\$4.45	\$4.99	\$5.58	\$6.14	\$6.76
<b>Uniform Volumetric Charges (Commercial, Industrial &amp; Multi-Family Customers)</b>						
Zone 1	\$2.77	\$3.22	\$3.61	\$4.04	\$4.44	\$4.89
Zone 2	\$3.03	\$3.36	\$3.77	\$4.22	\$4.64	\$5.10
Zone 4	\$3.08	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Uniform Volumetric Charges (Public Authority &amp; Irrigation Customers)</b>						
Zone 1	\$3.06	\$3.22	\$3.61	\$4.04	\$4.44	\$4.89
Zone 2	\$3.32	\$3.36	\$3.77	\$4.22	\$4.64	\$5.10
Zone 4	\$3.37	\$3.48	\$3.90	\$4.37	\$4.80	\$5.28

1. The 2024 rate increase will be effective January 1, 2024, and all subsequent rate increases will be effective on January 1st of each year.

TABLE 41 : CURRENT VS. PROPOSED PRIVATE FIRE RATES

Proposed Rate Structure (46% Fixed / 54% Variable)

Private Fire Service Bi-monthly fixed charge	Current Rates	Proposed Fire Service Water Rates				
		2023	2024	2025	2026	2027
4 inch	\$50.91	\$147.63	\$165.35	\$185.19	\$203.71	\$224.08
6 inch	\$131.00	\$313.70	\$351.34	\$393.50	\$432.85	\$476.13
8 inch	\$269.15	\$535.11	\$599.33	\$671.24	\$738.37	\$812.21
10 inch	\$348.86	\$830.33	\$929.97	\$1,041.57	\$1,145.73	\$1,260.30
12 inch	\$558.06	\$1,236.26	\$1,384.61	\$1,550.77	\$1,705.85	\$1,876.43

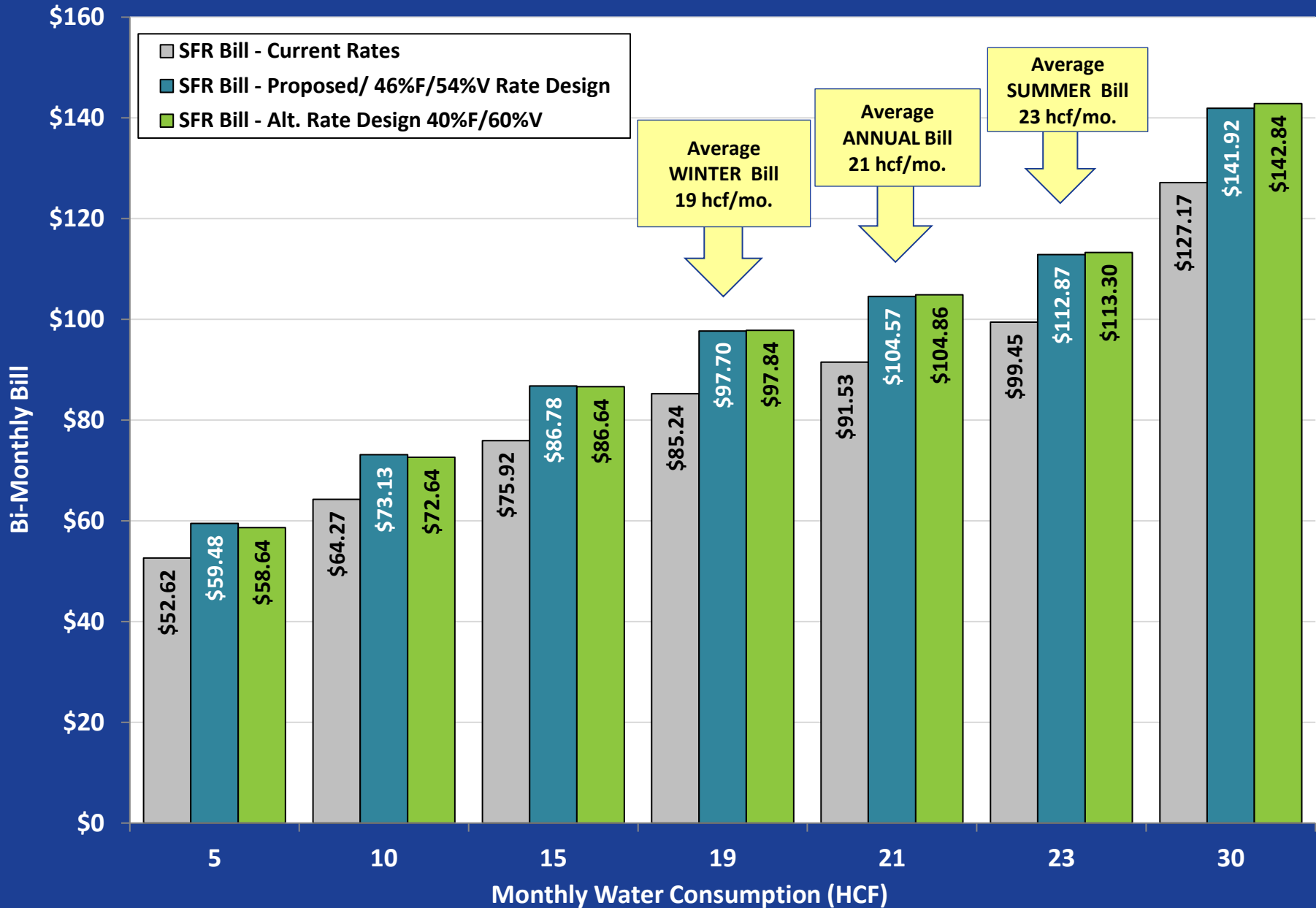
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 WATER RATE STUDY  
 Water Cost of Service Analysis/Rate Design

TABLE 42 : PROPOSED DROUGHT RATES 46/54 Rate Structure

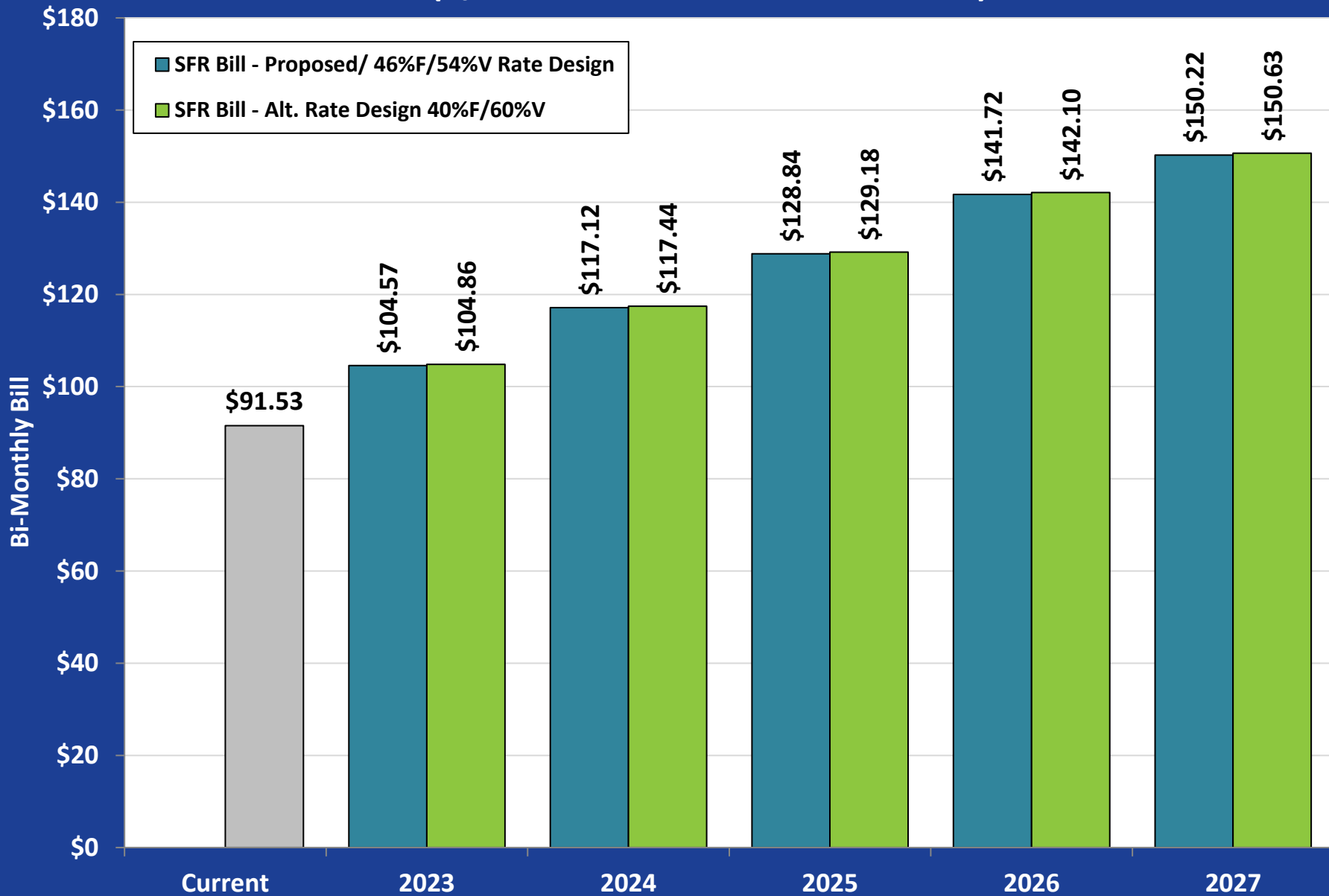
*Proposed Rate Structure (46% Fixed / 54% Variable)*

Water Rate Schedule	Current Rates	Proposed Drought Rates				
		2023	2024	2025	2026	2027
<b>Uniform Volumetric Charges (by Conservation Goal)</b>						
< 10%	N/A	\$3.02	\$3.39	\$3.79	\$4.17	\$4.59
Up to 20%	N/A	\$3.24	\$3.64	\$4.09	\$4.50	\$4.96
Up to 30%	N/A	\$3.51	\$3.95	\$4.45	\$4.91	\$5.42
Up to 40%	N/A	\$3.86	\$4.36	\$4.92	\$5.44	\$6.02
Up to 50%	N/A	\$4.14	\$4.90	\$5.55	\$6.15	\$6.81

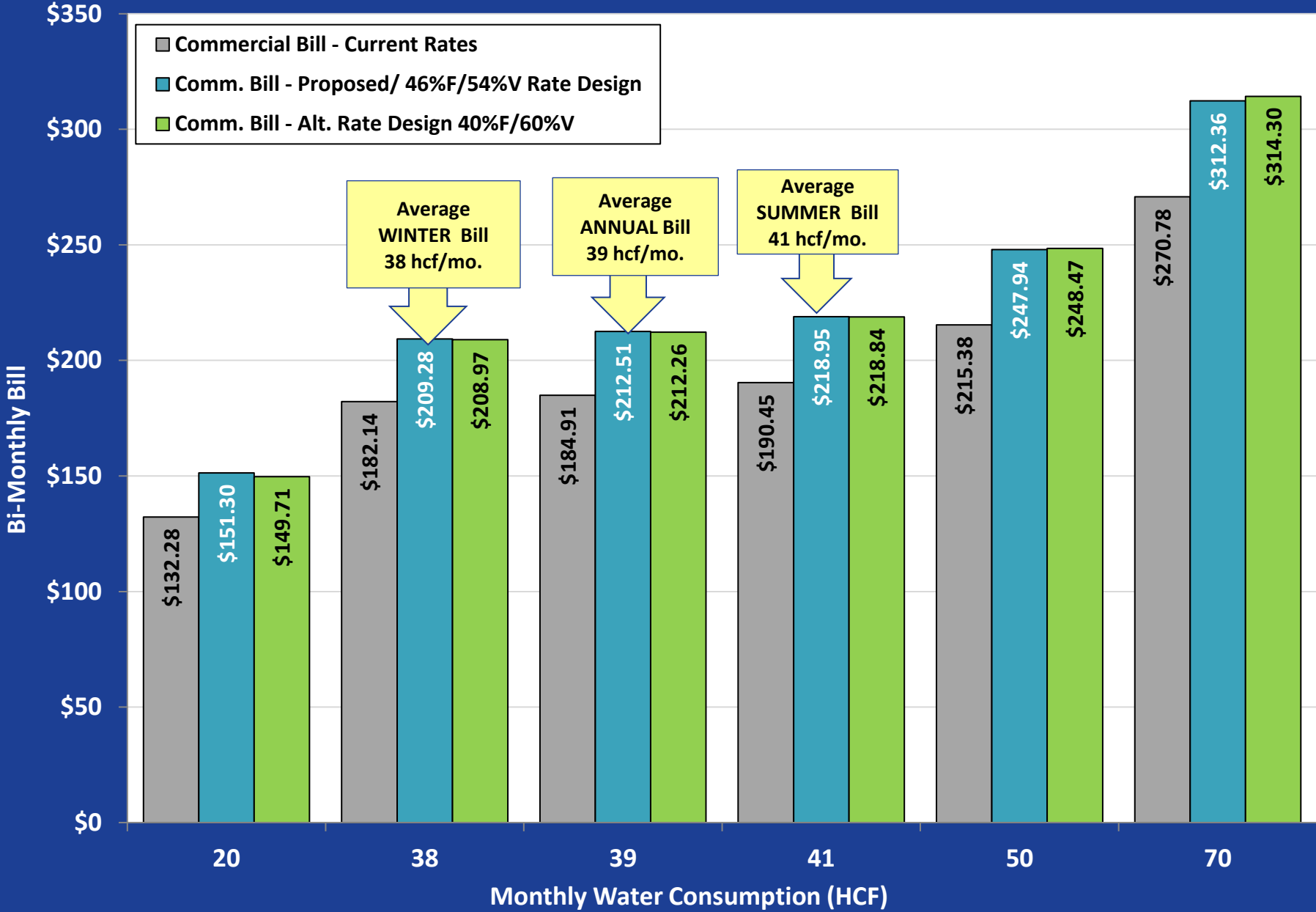
# Single-Family Residential Bill Comparison 2023 (5/8" meter)



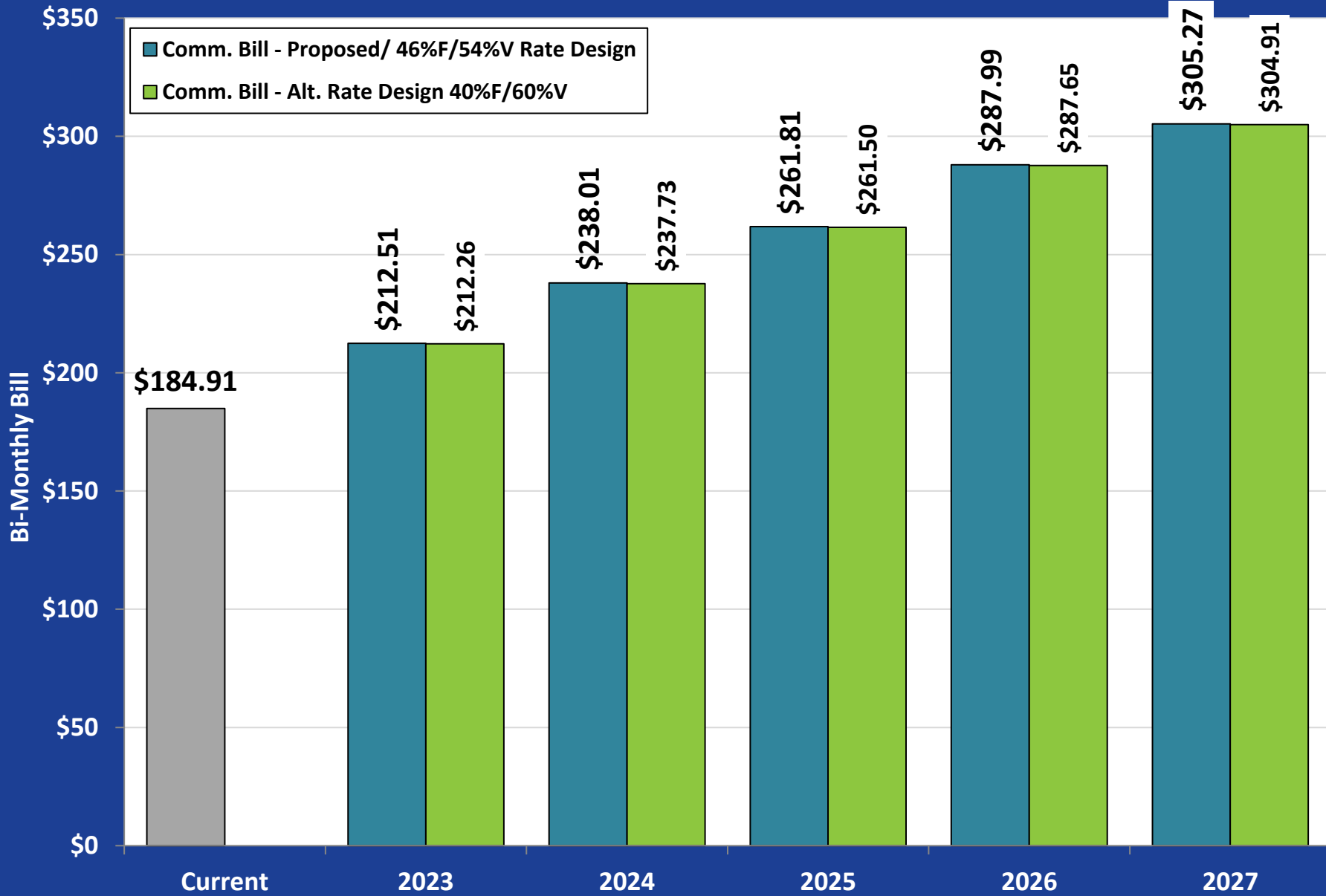
# Single-Family Residential Bill Comparison (5/8" meter with 21 hcf in Zone 1)



# Commercial Bill Comparison 2023 (1" meter)



# Commercial Customer Bill Comparison (1" meter with 77 hcf/mo. in Zone 1)





**EXHIBIT B**



# Notice of PUBLIC HEARING

## Proposed Adjustments to Water Rates

Disponible En Español  
Visite [lapuentewater.com/rates](http://lapuentewater.com/rates)  
para obtener una copia de este  
aviso en Español

### Meeting Date/Time:

Monday, October 9, 2023 at 4:30p.m.

### Meeting Location:

District Office  
112 N 1st. Street  
La Puente, California 91744

### Included in this Notice:

Why have you received this notice?	pg. 2
Why are rate changes necessary?	pg. 3
What are rates used for?	pg. 5
Understanding Drought Rates	pg. 7
Proposed Water Rates	pg. 8
How can you participate?	pg. 11

Este informe contiene información muy importante sobre su agua potable. Para mas información ó traducción, favor de contactar a (626) 330-2126.



## Important Information About Your Water Rates

This serves as notice that La Puente Valley County Water District's Board of Directors will conduct a public hearing to consider recommended adjustments to the District's water service rates for the next five years.

All members of the public are invited to attend a public hearing to review the proposed rate study.

**October 9, 2023 at 4:30p.m.**  
District Office  
112 N 1st. Street  
La Puente, California 91744

This notice is being furnished to you by La Puente Valley County Water District (LPVCWD or District) pursuant to California Constitution Article XIID (also known as "Proposition 218"). Under the terms of Proposition 218, LPVCWD is required to notify the property owners of record of proposed changes to property-related fees, such as water service.



## Why have you received this notice?

You have received this information because LPVCWD is evaluating rate adjustments that would affect your water bill. The proposed changes are based on a cost-of-service study conducted by an independent finance consultant. The research, reasoning and analysis behind the proposed adjustments are explained in this document and will be addressed at the upcoming public hearing.

If approved, the proposed rate adjustments will be implemented on:

**October 15, 2023 (year one); October 15, 2024 (year two); October 15, 2025 (year three); October 15, 2026 (year four); and October 15, 2027 (year five).**

Under California state law, all property owners and customers of record may submit a written protest to the proposed rate changes. Only one protest per parcel is permitted.

Please refer to the "How Can You Participate?" section on page 7 for instructions on submitting a formal written protest against the proposed action. All written protests will be verified. You may also appear at the public hearing to share any comments or concerns.

More information about the rates included in this document and how to participate is available online at: [lapuentewater.com/rates](http://lapuentewater.com/rates)

*Si gustaría obtener esta información en español, por favor visite [lapuentewater.com/rates](http://lapuentewater.com/rates) o contáctenos a (626) 330-2126.*

## Why are rate changes necessary?

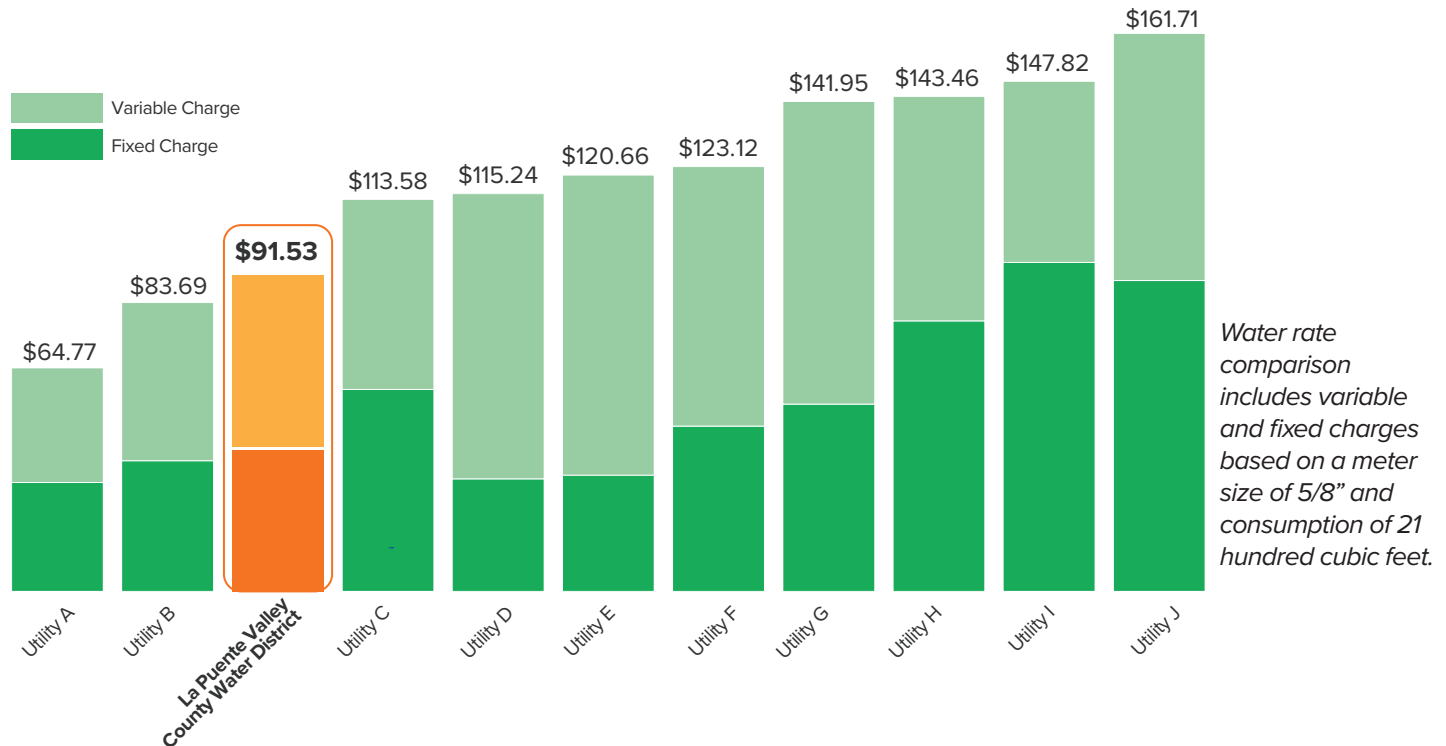
The District has considered numerous factors when reviewing a potential rate change, including the cost of operations and maintenance and securing reliable water supplies. LPVCWD hired an independent consultant to perform a cost-of-service study and determine the revenue required to maintain current service levels. The study demonstrates what it costs the District to provide water service and the appropriate rates to fairly and appropriately allocate the costs of providing water to our customers.

The proposed new rates will allow LPVCWD to address the following needs:

- *Water Supply Management*
- *System Reliability*
- *System Upgrades to Meet Demand*
- *Emergency Reserves*
- *Rising Costs for Producing Water*
- *Emergency Preparedness*

## Regional Residential Bi-Monthly Water Bill Comparison

The District's current rates are well below similar water utilities in the region.

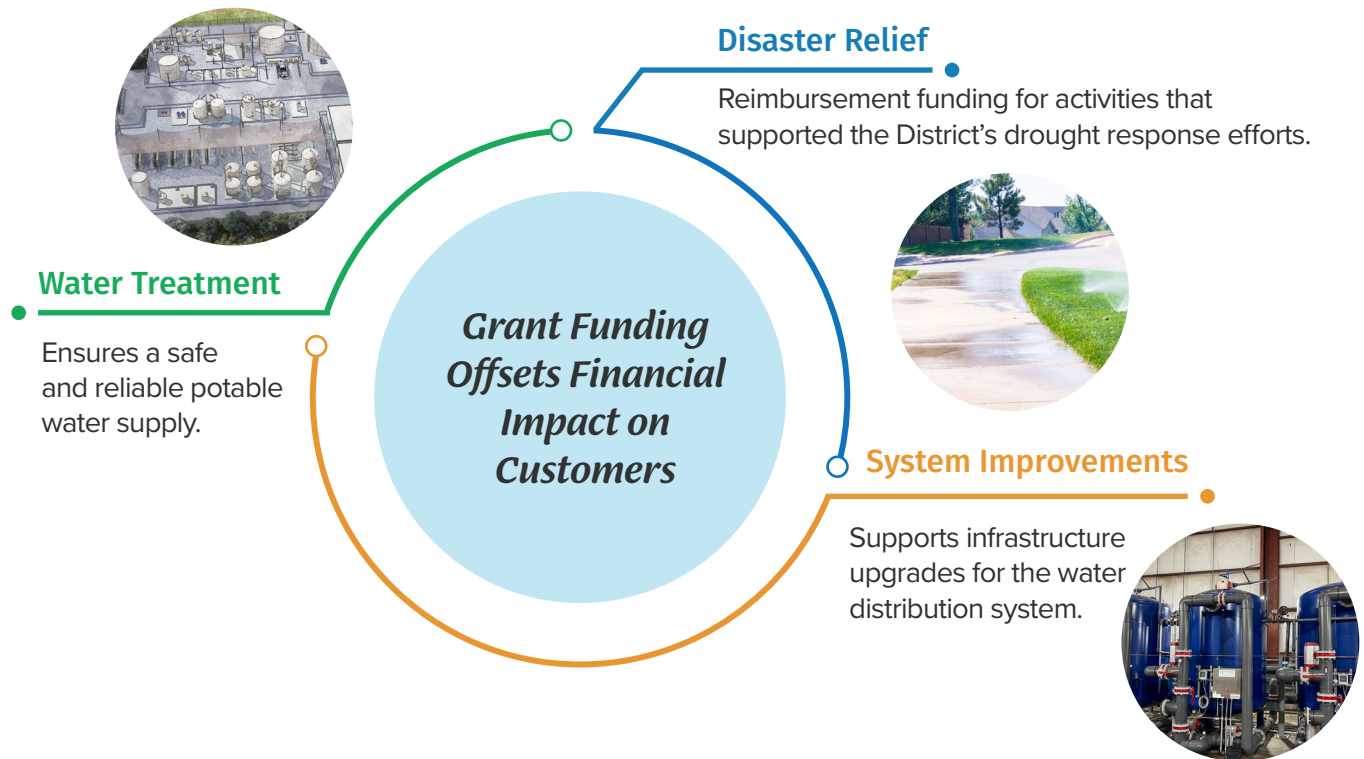




# Keeping Water Affordable

The District regularly looks for opportunities to secure alternative funding sources such as grants to support its water system improvement program. These efforts enhance LPVCWD's public health and safety programs, educational projects, water awareness and conservation workshops, and community engagement.

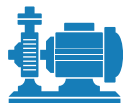
**La Puente Valley County Water District has successfully secured \$1.275 million in alternate funding from federal grant sources.**



Projects that will be completed in this rate cycle would include recycled water efforts, nitrate treatment system, pumping improvements, well rehabilitation, waterline replacements, vehicle repair/replacement, and equipment needs.

## What are rates used for?

Maintaining pumps, pipes and equipment is an important part of ensuring that the District's customers receive high-quality water and exceptional service. In times of drought, groundwater levels have reached historic lows and require additional resources to manage water supplies. Water system operations managed by the District include:



*Pumping / Accessing  
Water Supply*



*Water  
Treatment*



*Water  
Storage*



*Water  
Delivery*



*General &  
Administrative*

The LPVCWD manages approximately 2,500 retail metered water service connections in a 2.5 square mile service area.



*33 Miles  
of Pipeline*



*4.9 Million Gallons  
Reservoir Storage*



*13 Booster  
Pumps*



*5 Pressure Zones*



*3 Wells*



*3.5 Million Gallon  
Treatment Facility*



The District continuously invests in capital improvement projects that improve the performance of the water system or extend the life of existing facilities and equipment to avoid more expensive emergency repairs.

## Understanding Your Water Rate Structure

Residential water rates are made up of two components, fixed and variable charges.

### 1 Fixed Charges

These charges cover the cost of maintaining the reliability of the water system, including maintenance, repair and replacement of infrastructure, water quality testing, meter reading, debt payments, and employee salaries.

### 2 Variable Charges

These charges are based on how much water is delivered to a home and includes the cost to produce groundwater and purchase imported water, electricity, and treatment chemicals.

The District has a five-zone, two tiered variable rate structure for the amount of water used by residential accounts, and zonal rate structure for multi-family, commercial and industrial accounts, fireline and construction services.

## Included in Your Rates

The District works hard each day to provide a reliable, safe water supply while also striving to keep rates manageable. Costs to operate the water system and meet regulatory requirements are on the rise. Power, treatment chemical, insurance, wages and groundwater assessments have increased rapidly these past years. Absent rate increases, LPVCWD would experience budget shortfalls.

La Puente Valley County Water District is considering a five-year schedule of changes to water rates and charges that could affect your monthly bill. The District is proposing changes to water commodity charges, fixed service charges, and drought rates.

**As a public agency, LPVCWD cannot earn a profit from the services it provides, and must charge no more than the actual costs associated with providing services to its customers.**

## Cost of Water

The District is fortunate to have rights to a local groundwater source in the Main San Gabriel Basin. Anything we pump over our allotment must be replaced to maintain healthy water levels in the basin – either by leasing rights or purchasing imported water. Groundwater levels have been impacted significantly by many years of drought.

## Understanding Drought Rates

In times of drought, State water regulators and local water availability require LPVCWD to implement mandatory conservation measures to protect and extend the water supply. To ensure these requirements are met and continue meeting the water needs of our customers in a reliable and affordable manner, the District is proposing drought rates.

These rates may be implemented by the Board of Directors during declared drought levels, state-mandated reductions in the level of potable water usage, or other natural disasters or events that result in a water shortage and the need to require reductions in water usage.



*Ensure Compliance With All  
Local and/or State Water  
Conservation Mandates*



*Collect Sufficient Revenue  
to Continue Providing Safe  
and Reliable Water Service*



Drought rates account for various stages of water conservation to allow the District to continue meeting its financial obligations during times of significant conservation.

These drought rates were developed to align with the State Water Resources Control Board Water Shortage Contingency Plan Shortage Level, which requires the Board to act to implement the drought/conservation rates.

## Managing Groundwater

Groundwater pumping assessments are imposed to secure additional water resources to maintain water levels in the Basin. Although necessary, this assessment has a large cost impact on all water providers that pump groundwater in the San Gabriel Valley.



## Residential Water Rate Structure

The District incurs additional expense as water usage goes up because the District must use leased water rights to meet that increased demand. Tier 1 rates are based on the District's allocated source of water supply and Tier 2 rates are based on purchased/leased water that the District is required to purchase to meet consumption demands.

Proposed rates would take effect on October 15, 2023.

### *Proposed Residential Water Rate Charges (2023 – 2027)*

#### *Bi-Monthly Service Charge – Single & Multifamily Residential (Based On Meter Size)*

<b>FIXED SERVICE CHARGES</b>	<b>CURRENT RATE</b>	<b>EFFECTIVE OCT 2023</b>	<b>EFFECTIVE OCT 2024</b>	<b>EFFECTIVE OCT 2025</b>	<b>EFFECTIVE OCT 2026</b>	<b>EFFECTIVE OCT 2027</b>
<b>5/8 Inch</b>	\$ 40.97	\$ 45.84	\$ 51.34	\$ 57.50	\$ 63.25	\$ 69.57
<b>3/4 Inch</b>	\$ 52.94	\$ 59.52	\$ 66.66	\$ 74.66	\$ 82.13	\$ 90.34
<b>1 Inch</b>	\$ 76.88	\$ 86.88	\$ 97.31	\$ 108.98	\$ 119.88	\$ 131.87
<b>1.5 Inch</b>	\$ 136.73	\$ 155.29	\$ 173.92	\$ 194.79	\$ 214.27	\$ 235.70
<b>2 Inch</b>	\$ 208.56	\$ 237.38	\$ 265.86	\$ 297.77	\$ 327.54	\$ 360.30
<b>3 Inch</b>	\$ 400.08	\$ 456.28	\$ 511.03	\$ 572.36	\$ 629.59	\$ 692.55
<b>4 Inch</b>	\$ 615.54	\$ 702.55	\$ 786.85	\$ 881.28	\$ 969.40	\$ 1,066.34
<b>6 Inch</b>	\$ 1,214.04	\$ 1,386.62	\$ 1,553.02	\$ 1,739.38	\$ 1,913.32	\$ 2,104.65
<b>8 Inch</b>	\$ 1,932.25	\$ 2,207.51	\$ 2,472.41	\$ 2,769.10	\$ 3,046.01	\$ 3,350.61

#### *Variable Rate – Tier One Volumetric Charges (Residential) - 0-20 hcf*

<b>TIER ONE</b>	<b>CURRENT RATE</b>	<b>EFFECTIVE OCT 2023</b>	<b>EFFECTIVE OCT 2024</b>	<b>EFFECTIVE OCT 2025</b>	<b>EFFECTIVE OCT 2026</b>	<b>EFFECTIVE OCT 2027</b>
<b>Zone 1</b>	\$ 2.33	\$ 2.73	\$ 3.06	\$ 3.42	\$ 3.77	\$ 4.14
<b>Zone 2</b>	\$ 2.59	\$ 2.87	\$ 3.22	\$ 3.60	\$ 3.96	\$ 4.36
<b>Zone 3</b>	\$ 2.85	\$ 3.27	\$ 3.66	\$ 4.10	\$ 4.51	\$ 4.96
<b>Zone 4</b>	\$ 2.64	\$ 2.99	\$ 3.35	\$ 3.75	\$ 4.13	\$ 4.54
<b>Zone 5</b>	\$ 2.84	\$ 3.03	\$ 3.39	\$ 3.80	\$ 4.18	\$ 4.60

#### *Variable Rate – Tier Two Volumetric Charges (Residential) - 20+ hcf*

<b>TIER TWO</b>	<b>CURRENT RATE</b>	<b>EFFECTIVE OCT 2023</b>	<b>EFFECTIVE OCT 2024</b>	<b>EFFECTIVE OCT 2025</b>	<b>EFFECTIVE OCT 2026</b>	<b>EFFECTIVE OCT 2027</b>
<b>Zone 1</b>	\$ 3.96	\$ 4.15	\$ 4.65	\$ 5.21	\$ 5.73	\$ 6.30
<b>Zone 2</b>	\$ 4.22	\$ 4.29	\$ 4.81	\$ 5.38	\$ 5.92	\$ 6.51
<b>Zone 3</b>	\$ 4.48	\$ 4.69	\$ 5.25	\$ 5.88	\$ 6.47	\$ 7.11
<b>Zone 4</b>	\$ 4.27	\$ 4.41	\$ 4.94	\$ 5.53	\$ 6.09	\$ 6.69
<b>Zone 5</b>	\$ 4.48	\$ 4.45	\$ 4.99	\$ 5.58	\$ 6.14	\$ 6.76

HCF = hundred cubic feet 1 HCF = 748 gallons

## Commercial/Industrial/Multi-family or Public Authority/Irrigation Water Rate Structure

Non-residential customers are classified as either commercial/industrial/ multi-family or public authority/irrigation customers with a uniform rate.

Proposed rates would take effect on October 15, 2023.

### Proposed Commercial, Industrial & Multi-Family Water Rate Charges (2023 – 2027)

*Uniform Volumetric Charges (Commercial, Industrial & Multi-Family)*

ZONE	CURRENT RATE	EFFECTIVE OCT 2023	EFFECTIVE OCT 2024	EFFECTIVE OCT 2025	EFFECTIVE OCT 2026	EFFECTIVE OCT 2027
<b>Zone 1</b>	\$ 2.77	\$ 3.22	\$ 3.61	\$ 4.04	\$ 4.44	\$ 4.89
<b>Zone 2</b>	\$ 3.03	\$ 3.36	\$ 3.77	\$ 4.22	\$ 4.64	\$ 5.10
<b>Zone 4</b>	\$ 3.08	N/A	N/A	N/A	N/A	N/A

### Proposed Public Authority & Irrigation Customers Water Rate Charges (2023 – 2027)

*Uniform Volumetric Charges (Public Authority & Irrigation Customers)*

ZONE	CURRENT RATE	EFFECTIVE OCT 2023	EFFECTIVE OCT 2024	EFFECTIVE OCT 2025	EFFECTIVE OCT 2026	EFFECTIVE OCT 2027
<b>Zone 1</b>	\$ 3.06	\$ 3.22	\$ 3.61	\$ 4.04	\$ 4.44	\$ 4.89
<b>Zone 2</b>	\$ 3.32	\$ 3.36	\$ 3.77	\$ 4.22	\$ 4.64	\$ 5.10
<b>Zone 4</b>	\$ 3.37	\$ 3.48	\$ 3.90	\$ 4.37	\$ 4.80	\$ 5.28

Fire Protection costs are those costs associated with providing sufficient capacity in the system for fire meters and other operations and maintenance costs of providing water to properties for private fire service protection.

### Proposed Private Fire Service Rate Charges (2023 – 2027)

*Fire Service Charge*

SIZE	CURRENT RATE	EFFECTIVE OCT 2023	EFFECTIVE OCT 2024	EFFECTIVE OCT 2025	EFFECTIVE OCT 2026	EFFECTIVE OCT 2027
<b>4 Inch</b>	\$ 50.91	\$ 147.63	\$ 165.35	\$ 185.19	\$ 203.71	\$ 224.08
<b>6 Inch</b>	\$ 131.00	\$ 313.70	\$ 351.34	\$ 393.50	\$ 432.85	\$ 476.13
<b>8 Inch</b>	\$ 269.15	\$ 535.11	\$ 599.33	\$ 671.24	\$ 738.37	\$ 812.21
<b>10 Inch</b>	\$ 348.86	\$ 830.33	\$ 929.97	\$ 1,041.57	\$ 1,145.73	\$ 1,260.30
<b>12 Inch</b>	\$ 558.06	\$ 1,236.26	\$ 1,384.61	\$ 1,550.77	\$ 1,705.85	\$ 1,876.43

## Drought Rate Structure

The District has five levels of conservation goals based on water shortage levels. Each conservation goal will require customers to reduce their water use by the percentage at that level.

During a water shortage, the District may be required to implement drought response actions that would include possible water rate increases due to changes in costs in providing customers with water during a shortage. These proposed charges are shown in the table below.

**Drought response actions may include development of drought plans, water-use efficiency programs, education programs, regional partnerships in case of emergency, and water shortage contingency plans.**

## Proposed Drought Charges (2023 – 2027)

*Drought Response Charge (\$/ccf) Added to Existing Volumetric Rate for Each Customer Class by Conservation Goal*

WATER SHORTAGE LEVEL/CONSERVATION GOAL	CURRENT RATE	DROUGHT RESPONSE CHARGE (\$/CCF)	DROUGHT RESPONSE CHARGE (\$/CCF)	DROUGHT RESPONSE CHARGE (\$/CCF)	DROUGHT RESPONSE CHARGE (\$/CCF)	DROUGHT RESPONSE CHARGE (\$/CCF)
		EFFECTIVE OCT 2023	EFFECTIVE OCT 2024	EFFECTIVE OCT 2025	EFFECTIVE OCT 2026	EFFECTIVE OCT 2027
<10%	N/A	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Up to 20%	N/A	\$ 0.22	\$ 0.25	\$ 0.29	\$ 0.33	\$ 0.37
Up to 30%	N/A	\$ 0.49	\$ 0.57	\$ 0.66	\$ 0.74	\$ 0.83
Up to 40%	N/A	\$ 1.12	\$ 1.51	\$ 1.75	\$ 1.97	\$ 2.22
Up to 50%	N/A	\$ 1.73	\$ 2.27	\$ 2.63	\$ 2.96	\$ 3.33

The conservation goals listed above correlate with the stages of water supply emergencies described in the District’s Water Conservation Resolution No. 273 (available online at [lapuentewater.com/water-conservation](http://lapuentewater.com/water-conservation)).

Since the District is currently at a Stage One Water Supply Emergency and pending approval of these rates by the Board of Directors, drought charges for the first goal level of < 10% water usage may be implemented in October.

## How can you participate?

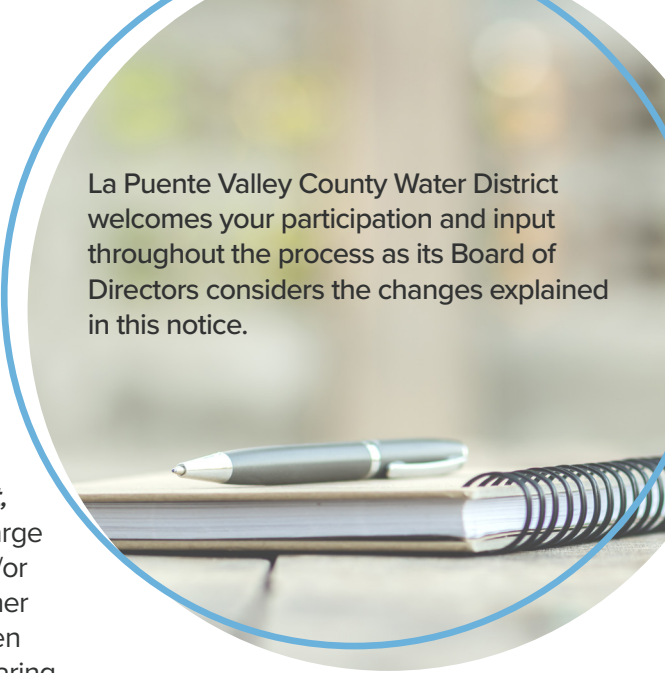
If you have questions or comments about LPVCWD's proposed rates, you can:

**Call, visit or log-on.** More information on the projected increases, including the rate study, is available for review at the LPVCWD office, or on our website, [lapuentewater.com/rates](http://lapuentewater.com/rates). For more information, please call (626) 330-2126.

**Write.** *Property owners and/or account holders may submit written protests by mail or in person to La Puente Valley County Water District, Attention: Secretary of the Board, 112 N. 1st Street, La Puente, California 91744.* Protests must specify the rate or charge being protested and must include your name, parcel number and/or service address, and signature. Protests submitted by email or other electronic means do not count as formal written protests. All written protests must be received prior to the conclusion of the public hearing and only one written protest per parcel will be considered. There is a 120-day statute of limitations for challenging any new, increased, or extended fee or charge.

**Attend the public meeting.** Members of the public are welcome to attend the public hearing regarding the proposed rate changes. The hearing will take place on October 9, 2023, at 4:30 p.m. at 112 N 1st. Street, La Puente, California 91744. At the hearing, all members of the public will have an opportunity to speak, but verbal comments alone do not qualify as a formal protest.

**Public Hearing Process.** At the time of the public hearing, the Board of Directors will hear and consider all written protests and public comments. After the public hearing, if a majority of the property owners or customers of record of the impacted parcels submit written protests in opposition to the proposed rate adjustments, the adjustments will not be adopted. If a majority written protest is not received, LPVCWD's Board of Directors may adopt the proposed changes, though they are not obligated to. If adopted, the proposed rates will become effective October 15, 2023, and scheduled adjustments will be implemented over the next five years, as explained in this document.



La Puente Valley County Water District welcomes your participation and input throughout the process as its Board of Directors considers the changes explained in this notice.



112 N. 1st Street  
La Puente, California 91744

————— *Important Information About Your Water Rates* —————

All members of the public are invited to participate in a public hearing regarding proposed changes to your water rates on October 9, 2023 at 4:30p.m. at 112 N 1st. Street, La Puente, California 91744.

***Additional information is available online at [lapuentewater.com/rates](http://lapuentewater.com/rates).***

***Board Meetings (Reuniones De La Junta Directiva)***

2nd and 4th Monday at 4:30 p.m. (2º y 4º lunes a las 4:30 p.m.)  
112 N. 1st Street, La Puente

***Office Hours (Horario de Oficina)***

Monday — Thursday (lunes a jueves): 7:30 a.m. to 4:00 p.m.  
Friday (viernes): 7:00 a.m. to 3:30 p.m.

# STAFF Report



**Date:** October 9, 2023

**To:** Honorable Board of Directors

**Subject:** Purchase of One New Service Truck: 2023 F-550 Regular Cab Truck with Scelzi Custom Service Bed

**Purpose:** *Purchase one New Service Truck for use in water system operations and improve service reliability for water maintenance repairs.*

**Recommendation:** *Authorize the General Manager to purchase a 2023 F-550 Regular Cab Truck with Scelzi Custom Service Bed for a not to exceed amount of \$170,715.74.*

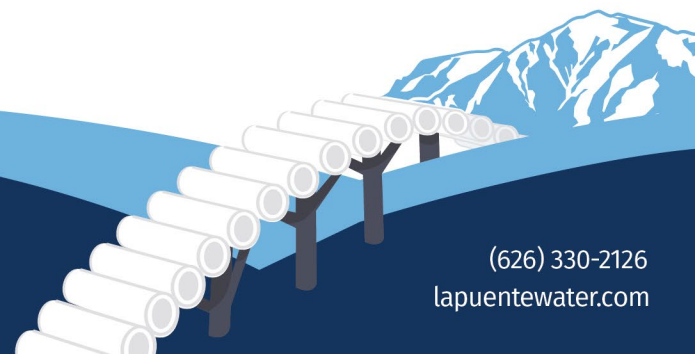
**Fiscal Impact:** *The District's 2023 Capital Expense Budget appropriates \$230,000 for the purchase of fleet trucks. The 2023 year to date total for this expense category is \$80,966.21. The proposed cost for the service truck is \$170,715.74, which is slightly above the budget appropriation by \$21,681.95.*

## BACKGROUND

The District currently has 11 vehicles that are utilized by Field Staff, Supervisors, and Superintendents to operate the treatment facilities and distribution systems reliably. As a part of the District's vehicle replacement program, staff have identified the need to purchase a new large service truck for heavy construction activities. The proposed truck will have a specially designed bed equipped to furnish all tools and supplies necessary for the field staff to perform distribution repair and maintenance activities, including watermain repairs and service line replacements. Additionally, the truck will be furnished with exterior work lights, safety lights, and an onboard air compressor system, allowing pneumatic tools to be used on job sites. The new proposed truck will replace one of the District's current large service trucks, Truck 14, a 2000 Ford F-450. Truck 14 is past its service life, and it has been identified that the truck needs extensive structural bed repairs that several bed manufacturers have recommended a complete service body replacement instead of repairing.

## SUMMARY

Staff contacted several local dealerships requesting proposals for a new service truck and bed. Due to the shortage of truck supplies related to supply chain issues and current truck manufacturer strikes, only three dealerships have readily available the identified truck and were able to provide proposals. The table below provides the cost proposals for the Ford F-550 diesel cab chassis, including the furnishing and installation of a specialized service bed, air compressor, and associated equipment.



A summary of the quotes is provided below:

BP Ford of Long Beach	Auto Nation Ford	National Auto Fleet Group
Long Beach, CA	Valencia, CA	Watsonville, CA
\$170,715.74	\$171,167.70	\$176,750.87

For the purchase of the 2023 F-550 Regular Cab Truck with Scelzi Custom Service Bed, staff requested quotes from three dealerships for the specified truck make and model. After comparing prices, BP Ford of Long Beach was the lowest-priced vehicle at \$170,715.74, and the proposal is enclosed as **Attachment 1**.

### FISCAL IMPACT

The District's 2023 Capital Expense Budget appropriates \$230,000 for the purchase of fleet trucks. The 2023 year to date total for this expense category is \$80,966.21. The proposed cost for the service truck is \$170,715.74, which is slightly above the budget appropriation by \$21,681.95.

### RECOMMENDATION

Authorize the General Manager to purchase a 2023 F-550 Regular Cab Truck with Scelzi Custom Service Bed from for a not to exceed amount of \$170,715.74.

Respectfully Submitted,

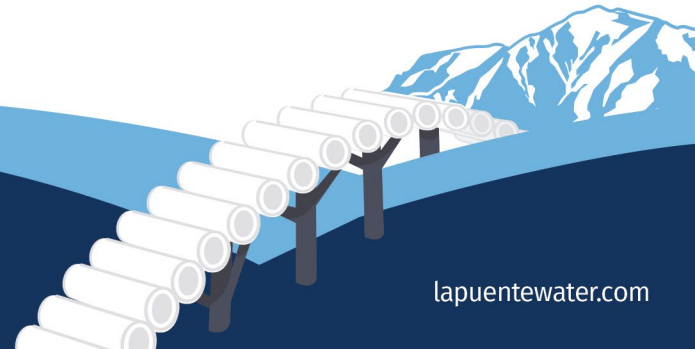


Roy Frausto

General Manager

### ENCLOSURES

- Attachment 1: Quote from BP Ford of Long Beach for a 2023 F-550 Regular Cab Truck





**Prepared for: Mr. PAUL ZAMIELLO, LA PUENTE VALLEY COUNTY WATER DISTRICT**  
112 N. FIRST STREET  
LA PUENTE, CA 91744  
Office: 626-330-2126 | Mobile: 626-636-0811  
Email: PZAMPIELLO@LAPUENTEWATER.COM

---

2023 F-550 Chassis 4x2 SD Regular Cab 169" WB DRW XL (F5G)  
Price Level: 350

---



### **Client Proposal**

Prepared by:  
Patrick O'Brien  
Office: 562-761-8826  
Email: [patricko@fordoflongbeach.com](mailto:patricko@fordoflongbeach.com)  
Quote ID: ZAM  
Date: 09/29/2023





**Prepared for: Mr. PAUL ZAMIELLO**

LA PUENTE VALLEY COUNTY WATER DISTRICT

Prepared by: Patrick O'Brien

09/29/2023



---

**2023 F-550 Chassis 4x2 SD Regular Cab 169" WB DRW XL (F5G)**

Price Level: 350 | Quote ID: ZAM

---

**Mr. PAUL ZAMIELLO, LA PUENTE VALLEY  
COUNTY WATER DISTRICT**

112 N. FIRST STREET

LA PUENTE, CA 91744

Office: 626-330-2126 | Mobile: 626-636-0811

Email: PZAMPIELLO@LAPUENTEWATER.COM

Re: Quote ID ZAM 09/29/2023

---

Dear Mr. ZAMIELLO,

Thank you very much for your interest in acquiring a vehicle from our dealership. We concur that your interest is well deserved. We hope that an outstanding product lineup and our dedication to customer service will enhance your ownership experience should you decide to buy a vehicle from us.

Attached, please find additional information that I hope will assist you in making a more informed decision. Please feel free to contact me at any time as I would truly appreciate the opportunity to be of service to you.

Sincerely,

**Patrick O'Brien**

Commercial Fleet Manager

562-761-8826

patricko@fordoflongbeach.com



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**2023 F-550 Chassis 4x2 SD Regular Cab 169" WB DRW XL (F5G)**

Price Level: 350 | Quote ID: ZAM

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Window Sticker .....	15

**Prepared for: Mr. PAUL ZAMIELLO**  
LA PUENTE VALLEY COUNTY WATER DISTRICT  
Prepared by: Patrick O'Brien  
09/29/2023



2023 F-550 Chassis 4x2 SD Regular Cab 169" WB DRW XL (F5G)

Price Level: 350 | Quote ID: ZAM

## As Configured Vehicle

Description	MSRP
<b>Base Vehicle</b>	
Base Vehicle Price (F5G)	\$51,020.00
<b>Packages</b>	
Order Code 660A	N/C
<i>Includes:</i>	
<i>- Transmission: TorqShift 10-Speed Automatic 10R140 with neutral idle. Includes SelectShift and selectable drive modes: normal, tow/haul, eco, slippery roads and trail.</i>	
<i>- Tires: 225/70Rx19.5G BSW A/P</i>	
<i>- Wheels: 19.5" x 6" Argent Painted Steel Hub covers/center ornaments not included.</i>	
<i>- Radio: AM/FM Stereo w/MP3 Player Includes 4 speakers.</i>	
<i>- SYNC 4 Communications &amp; Entertainment System Includes enhanced voice recognition, 911 Assist, 8" LCD center stack screen, AppLink, 1 smart-charging USB port and trailer brake controller.</i>	
<b>Powertrain</b>	
Engine: 6.7L 4V OHV Power Stroke V8 Turbo Diesel B20	\$9,995.00
<i>Includes Operator Commanded Regeneration (OCR), Diesel Exhaust Fluid (DEF) tank, intelligent oil-life monitor and manual push-button engine-exhaust braking.</i>	
<i>Includes:</i>	
<i>- 250 Amp Alternator</i>	
Transmission: TorqShift 10-Speed Automatic	Included
<i>10R140 with neutral idle. Includes SelectShift and selectable drive modes: normal, tow/haul, eco, slippery roads and trail.</i>	
Limited Slip w/4.30 Axle Ratio	\$395.00
GVWR: 19,500 lb Payload Plus Upgrade Package	\$1,155.00
<i>Includes upgraded frame, rear-axle and low deflection/high capacity rear springs. Increases max RGAWR to 14,706 lbs. Note: See Order Guide Supplemental Reference for further details on GVWR.</i>	
<b>Wheels &amp; Tires</b>	
Tires: 225/70Rx19.5G BSW A/P	Included
Wheels: 19.5" x 6" Argent Painted Steel	Included
<i>Hub covers/center ornaments not included.</i>	
<b>Seats &amp; Seat Trim</b>	
Cloth 40/20/40 Split Bench Seat	\$100.00
<i>Includes center armrest, cupholder, storage and driver's side manual lumbar.</i>	
<b>Other Options</b>	

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**2023 F-550 Chassis 4x2 SD Regular Cab 169" WB DRW XL (F5G)**

Price Level: 350 | Quote ID: ZAM

**As Configured Vehicle (cont'd)**

Description	MSRP
Monotone Paint Application	STD
169" Wheelbase	STD
Radio: AM/FM Stereo w/MP3 Player <i>Includes 4 speakers.</i>	Included
<i>Includes:</i>	
<i>- SYNC 4 Communications &amp; Entertainment System</i>	
<i>Includes enhanced voice recognition, 911 Assist, 8" LCD center stack screen, AppLink, 1 smart-charging USB port and trailer brake controller.</i>	
High Capacity Trailer Tow Package	\$580.00
<i>Includes trailer brake wiring kit and upgraded rear axle. Increases GCW from 32,500 lbs. to 40,000 lbs. Note: Salesperson's Portfolio or Trailer Towing Guide should be consulted for specific trailer towing or camper limits and corresponding required equipment, axle ratios and model availability. See Supplemental Reference for vehicle height consideration</i>	
Ford Pro Upfit Integration System Removal	-\$400.00
250 Amp Alternator	Included
COV Required	N/A
Priced DORA	N/C

**Fleet Options**

Fleet Customer Powertrain Limited Warranty	N/C
Requires valid FIN code.	
<i>Ford is increasing the 5-year 60,000-mile limited powertrain warranty to 5-years, 100,000 miles. Only Fleet purchasers with a valid Fleet Identification Number (FIN code) will receive the extended warranty. When the sale is entered into the sales reporting system with a sales type fleet along with a valid FIN code, the warranty extension will automatically be added to the vehicle. The extension will stay with the vehicle even if it is subsequently sold to a non-fleet customer before the expiration. This extension applies to both gas and diesel powertrains. Dealers can check for the warranty extension on eligible fleet vehicles in OASIS. Please refer to the Warranty and Policy Manual section 3.13.00 Gas Engine Commercial Warranty. This change will also be reflected in the printed Warranty Guided distributed with the purchase of every new vehicle.</i>	

**Emissions**

50-State Emissions System	STD
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**Exterior Color**

Oxford White	N/C
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**Interior Color**

Medium Dark Slate w/Cloth 40/20/40 Split Bench Seat	N/C
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**Upfit Options**

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**Prepared for: Mr. PAUL ZAMIELLO**

LA PUENTE VALLEY COUNTY WATER DISTRICT

Prepared by: Patrick O'Brien

09/29/2023



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2023 F-550 Chassis 4x2 SD Regular Cab 169" WB DRW XL (F5G)

Price Level: 350 | Quote ID: ZAM

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## As Configured Vehicle (cont'd)

### Description

### MSRP

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SCELZI CUSTOMER SPEC BED (BED SPECS PUT TOGETHER BY CUSTOMER AND REP)

\$90,251.58

Prepared for: Mr. PAUL ZAMIELLO  
LA PUENTE VALLEY COUNTY WATER DISTRICT  
Prepared by: Patrick O'Brien  
09/29/2023



2023 F-550 Chassis 4x2 SD Regular Cab 169" WB DRW XL (F5G)

Price Level: 350 | Quote ID: ZAM

## As Configured Vehicle (cont'd)

Description	MSRP
	<p>1EA - ALL LIGHTS L.E.D. 1EA - PERFORATED CAB GUARD TO TOP OF CAB. 1EA - 60" TALL 34" WIDE DRIVER SIDE FRONT OXY/ACC COMPARTMENT WITH BOTTLE HOLDERS, LOUVERS &amp; SADDLES FOR HOSES. 1EA - 60" TALL COMPARTMENT WITH SHELF BRACKETS AND (2EA) ADJUSTABLE SHELVES MOUNTED ABOVE ROLLER DRAWERS IN FRONT 24" COMPARTMENT DRIVER SIDE. 7EA - SCELZI ROLLER DRAWERS #250 STARTING FROM BOTTOM (1EA) 6" TALL THEN (2EA) 4" TALL THEN (4EA) 3" TALL ROLLER DRAWERS WITH "NO" DIVIDERS MOUNTED IN FRONT 60" TALL 24" WIDE COMPARTMENT DRIVER SIDE. 1EA - 60" TALL COMPARTMENT WITH SHELF BRACKETS AND (2EA) ADJUSTABLE SHELVES MOUNTED ABOVE ROLLER DRAWERS BEHIND 24" COMPARTMENT DRIVER SIDE. 7EA - SCELZI ROLLER DRAWERS #250 STARTING FROM BOTTOM (1EA) 6" TALL THEN (2EA) 4" TALL THEN (4EA) 3" TALL ROLLER DRAWERS WITH "NO" DIVIDERS MOUNTED IN REAR 60" TALL 24" WIDE COMPARTMENT DRIVER SIDE. 1EA - BOLT 2 POSITION PIVOTING JACK HAMMER STAND - #SE192002 ON DRIVER SIDE REAR COMPARTMENT (REINFORCE COMPARTMENT 10GA). ***NOTE: CUSTOMER USING THOR TPB40 JACKHAMMER AND/OR INGERSOLL RAND MX90 JACKHAMMER*** 1EA - 24" FRONT WORK DECK WITH ACCESS DOOR ACCESSIBLE FROM PASSENGER SIDE. 1EA - VANAIR VIPER D 60-80 CFB ROTARY SCREW AIR COMPRESSOR INSTALLED IN FRONT PASSENGER SIDE WORK DECK, RELOCATE START/STOP/CHOKE ONTO UPRIGHT OF HEADBOARD ON PASSENGER SIDE. ***NOTE: MIN. 8 WEEK LEAD TIME FOR COMPRESSOR*** 1EA - BOLT IN REMOVABLE PERFORATED 2ND BULKHEAD IN FRONT OF FRONT WORK DECK CUT-OUT. 1EA - 60" TALL COMPARTMENT WITH SHELF BRACKETS AND (3EA) ADJUSTABLE SHELVES MOUNTED IN FRONT 34" COMPARTMENT JUST BEHIND FRONT WORK DECK PASSENGER SIDE. 1EA - 60" TALL 24" WIDE COMPARTMENT WITH SHELF BRACKETS AND (2EA) ADJUSTABLE SHELVES MOUNTED ABOVE ROLLER DRAWERS BEHIND 34" COMPARTMENT PASSENGER SIDE. 7EA - SCELZI ROLLER DRAWERS #250 STARTING FROM BOTTOM (1EA) 6" TALL THEN (2EA) 4" TALL THEN (4EA) 3" TALL ROLLER DRAWERS WITH "NO" DIVIDERS MOUNTED IN REAR 60" TALL 24" WIDE COMPARTMENT PASSENGER SIDE. 1EA - DUAL FRONT CONE HOLDERS FOR LARGE CONES 11 1/4" DIAMETER MOUNTED TO FRONT BUMPER (1EA) PER SIDE # SE110119. 1EA - LED ROPE LIGHTING IN ALL COMPARTMENTS WIRED TO A LABELED SWITCH IN DASH. ***NOTE: NO LIGHTS INSIDE REAR WORK DECK COMPARTMENTS*** 2EA - ADJUSTABLE POLE LIGHTS WITH 4.5 X 5 OPTRONICS LED</p>

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**Prepared for: Mr. PAUL ZAMIELLO**  
 LA PUENTE VALLEY COUNTY WATER DISTRICT  
 Prepared by: Patrick O'Brien  
 09/29/2023



2023 F-550 Chassis 4x2 SD Regular Cab 169" WB DRW XL (F5G)

Price Level: 350 | Quote ID: ZAM

## As Configured Vehicle (cont'd)

Description	MSRP
	<p>LIGHTS            #TLL46CFB (1EA) ON DRIVER SIDE REAR END PANEL AND (1EA) ON PASSENGER SIDE REAR END PANEL. WIRED TO A LABELED SWITCH IN DASH.            2EA - VFX609C WITH FLANGE KIT PART # VTXB ON BOTH SIDES @ REAR WITH SWITCH IN DASH.            2EA - VTX609C WITH FLANGE KIT PART # VTXB IN FRONT GRILL BOTH SIDES WITH SWITCH IN DASH.            1EA - 24" REAR WORK DECK WITH ACCESS DOORS AND "V" GROOVE.            2EA - PLUMB HARD LINE FROM COMPRESSOR TO RUN OUT OF KICKPLATE OF REAR WORK DECK FLUSH WITH (1EA) 1/2" QUICK DISCONNECT (1EA) 3/8" QUICK DISCONNECT.            1EA - BOLT ON VISE STAND REMOVABLE ON PASSENGER SIDE REAR WORK DECK- PART #SE100919 (VSR-123).            1EA - CLASS 5 RECEIVER HITCH WITHOUT INSERT            1EA - 7 PRONG FLAT RV PLUG #12707            1EA - RELOCATE FACTORY BACK UP CAMERA - IF EQUIPPED.            1EA - POLYUREA BED FLOOR, BACKWRAPPERS, BULKHEAD, 2ND BULKHEAD, INSIDE SLIP IN TAILGATE AND TOP ONLY OF REAR WORK DECK.            1EA - POLYUREA WITH 28 GRIT ALUMINUM OXIDE ON THE TOP OF REAR STEP BUMPER.</p>
SUBTOTAL	\$153,096.58
Destination Charge	\$1,995.00
TOTAL	\$155,091.58

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**2023 F-550 Chassis 4x2 SD Regular Cab 169" WB DRW XL (F5G)**

Price Level: 350 | Quote ID: ZAM

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## Warranty

### Standard Warranty

#### *Basic Warranty*

Basic warranty ..... 36 months/36,000 miles

#### *Powertrain Warranty*

Powertrain warranty ..... 60 months/60,000 miles

#### *Corrosion Perforation*

Corrosion perforation warranty ..... 60 months/unlimited

#### *Roadside Assistance Warranty*

Roadside warranty ..... 60 months/60,000 miles

### Additional Warranty

#### *Diesel Engine Warranty*

Diesel engine warranty ..... 60 months/100,000 miles



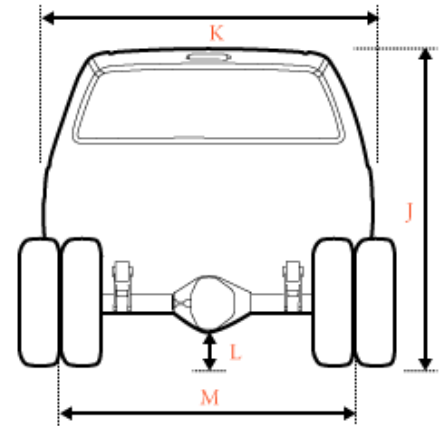
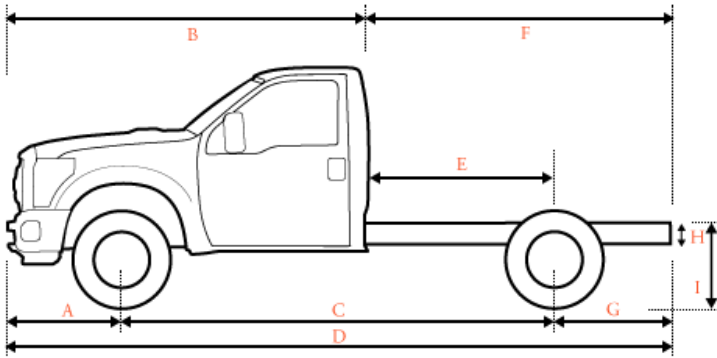


**2023 F-550 Chassis 4x2 SD Regular Cab 169" WB DRW XL (F5G)**

Price Level: 350 | Quote ID: ZAM

## Vehicle Dimension and Performance Summary

Performance predictions in this report represent an estimate of vehicle performance based on standard operating conditions. Variations in customer equipment, load configuration, ambient conditions, and/or operator driving techniques can cause significant variations in vehicle performance. These values are not representative of results that may be shown in actual dynamometer tests. This report should therefore be used as a guide for comparative vehicle performance.



### Dimensions

A	Front of Bumper to Front Axle	38.30 in.
B	Front Bumper to Back of Cab (BBC)	123.70 in.
C	Wheelbase (WB)	169.00 in.
D	Overall Length (OAL)	254.80 in.
E	Back of Cab to Rear Axle (CA)	84.00 in.
F	Back of Cab to End of Frame	131.20 in.
G	Rear Axle to End of Frame (AF)	47.20 in.
H	Frame Section Height	N/A
I	Rear Frame Height Unloaded	34.40 in.
I	Rear Frame Height Loaded	28.60 in.
J	Cab Height	81.70 in.
K	Body Width	80.00 in.
L	Maximum Ground Clearance	N/A
L	Minimum Ground Clearance	8.30 in.
M	Front Tread	74.80 in.
M	Rear Tread	74.00 in.

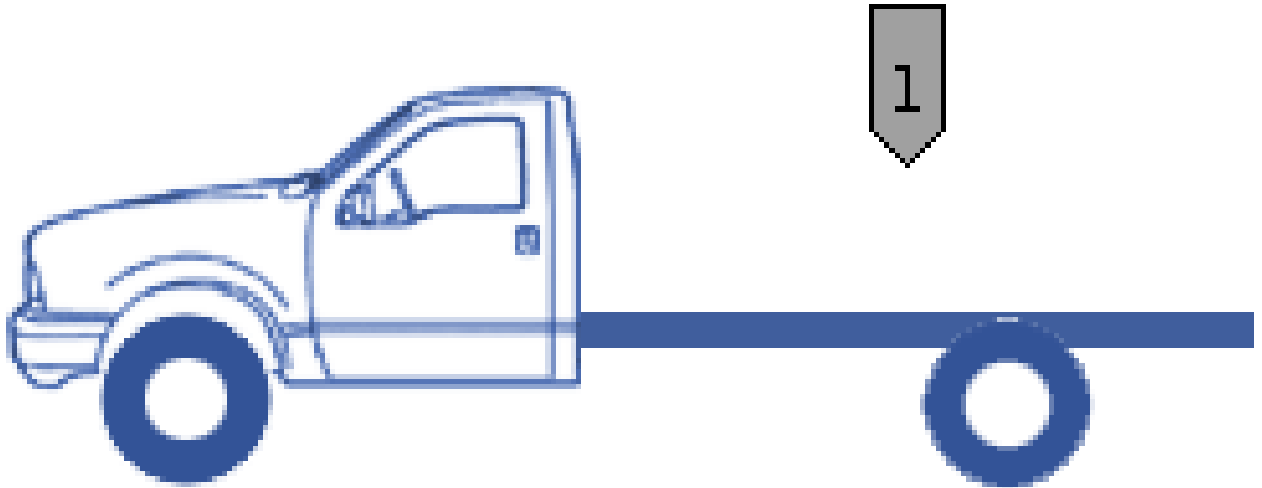
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2023 F-550 Chassis 4x2 SD Regular Cab 169" WB DRW XL (F5G)

Price Level: 350 | Quote ID: ZAM

Vehicle Dimension and Performance Summary (cont'd)



*Weight*

GVW	Front Axle	Rear Axle	Totals
Chassis .....	4,261 lbs	3,172 lbs	7,433 lbs
Body .....	0 lbs	0 lbs	0 lbs
Occupants Weight .....	300 lbs	150 lbs	450 lbs
1 Max Payload - (Max Payload) .....	1,439 lbs	10,178 lbs	11,617 lbs
<b>TOTAL</b> .....	<b>6,000 lbs</b>	<b>13,500 lbs</b>	<b>19,500 lbs</b>

Ratings	Front Axle	Rear Axle	GVWR
<b>GAWR</b> .....	<b>6,000 lbs</b>	<b>14,706 lbs</b>	<b>19,500 lbs</b>
Wheels/Tires .....	7,500 lbs	15,000 lbs	
Suspension .....	6,000 lbs	14,706 lbs	
Axle .....	7,000 lbs	14,706 lbs	
Legal Axle Limit .....	0 lbs	0 lbs	

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**2023 F-550 Chassis 4x2 SD Regular Cab 169" WB DRW XL (F5G)**

Price Level: 350 | Quote ID: ZAM

**Vehicle Dimension and Performance Summary (cont'd)**

*Start, Grade and Speed*

<u>Start</u>	<u>Ratio</u>	<u>Desired</u>	<u>Calculated</u>
Start grade capability in 1st gear .....	4.62 .....	15.00 % .....	57.58 %
Start grade capability in reverse .....	4.70 .....	15.00 % .....	58.58 %
<u>Grade</u>	<u>Ratio</u>	<u>Desired</u>	<u>Calculated</u>
Maximum grade in 8th gear .....	0.85 .....	3.00 % .....	10.78 %
Maximum grade in 9th gear .....	0.69 .....	3.00 % .....	8.70 %
Maximum grade in 10th gear .....	0.63 .....	3.00 % .....	8.01 %
<u>Speed</u>		<u>Desired</u>	<u>Calculated</u>
Top Speed (level grade) .....		75 mph .....	90 mph
<i>To meet your requirement you need a maximum axle ratio of 5.17</i>			
Top Speed on 3% grade .....		55 mph	
<i>To meet your requirement you need a maximum of 122 hp</i>			
Cruise Speed .....		60 mph .....	78 mph
Engine RPM at desired cruise speed .....			1,758 rpm

*Variables in Use*

**Start**

Rear axle ratio: .....	4.30	Clutch engagement torque: .....	475 ft.lbs.
Tire size: .....	225/70R19.5 (647 rev/mile)	Torque conversion ratio: .....	1.97
Gross Vehicle Weight (GVW): ..	19,500 lbs		

**Grade**

Rear axle ratio: .....	4.30	Gross Vehicle Weight (GVW): .....	19,500 lbs
Tire size: .....	225/70R19.5 (647 rev/mile)	Peak engine torque: .....	950 ft.lbs.

**Speed**

Engine Power: .....	330 hp @ 2,200 rpm	Worst road surface .....	Typical Highway
Governed RPM: .....	2,640 rpm	Final Drive Ratio: .....	0.63
Frontal Area: .....	40.39 Sq.Ft.	Drag Coefficient .....	0.80
Cruising RPM .....	2,300 rpm		

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2023 F-550 Chassis 4x2 SD Regular Cab 169" WB DRW XL (F5G)

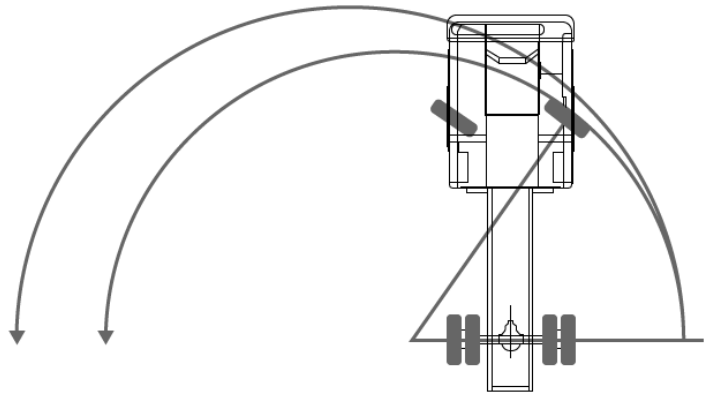
Price Level: 350 | Quote ID: ZAM

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## Vehicle Dimension and Performance Summary (cont'd)

### Turning Radius

Turning Radius ..... 24.25 ft





2023 F-550 Chassis 4x2 SD Regular Cab 169" WB DRW XL (F5G)

Price Level: 350 | Quote ID: ZAM

## Pricing Summary - Single Vehicle

	<b>MSRP</b>
<i>Vehicle Pricing</i>	
Base Vehicle Price	\$51,020.00
Options	\$11,825.00
Colors	\$0.00
Upfitting	\$90,251.58
Fleet Discount	\$0.00
Fuel Charge	\$0.00
Destination Charge	\$1,995.00
<b>Subtotal</b>	<b>\$155,091.58</b>

### Sales Taxes

<b>Code</b>	<b>Description</b>	<b>MSRP</b>
Los Angeles Tax	La Puente Sales Tax	\$15,509.16
<i>Est tax based off of 10% county tax rate.</i>		
<b>Subtotal</b>		<b>\$170,600.74</b>

### Post-Tax Adjustments

<b>Code</b>	<b>Description</b>	<b>MSRP</b>
DOC FEE	DOC FEE	\$115.00
<i>As of 09/29/2023 the \$115.00 fee includes the \$85.00 document fee and \$30.00 electronic filing fee.</i>		
<b>Subtotal</b>		<b>\$170,715.74</b>
<b>Total</b>		<b>\$170,715.74</b>

Customer Signature

Acceptance Date

**Prepared for: Mr. PAUL ZAMIELLO**

LA PUENTE VALLEY COUNTY WATER DISTRICT

Prepared by: Patrick O'Brien

09/29/2023



**2023 F-550 Chassis 4x2 SD Regular Cab 169" WB DRW XL (F5G)**

Price Level: 350 | Quote ID: ZAM

**Major Equipment**

(Based on selected options, shown at right)

TorqShift 10-speed automatic

- \* 19.5 x 6-inch front and dual rear argent steel wheels
- \* LT225/70RS19.5 AS BSW front and rear tires
- \* Lock-up transmission
- \* PTO transmission provision
- \* Stainless steel single exhaust
- \* Battery rating: 750CCA
- \* Battery run down protection
- \* Engine retarder system
- \* 8 inch primary LCD display
- \* Wireless audio streaming
- \* Seek scan
- \* Vehicle body length: 254.8"
- \* Cab to axle: 84.0"
- \* Axle capacity rear: 14,706 lbs.
- \* Axle capacity front: 7,000 lbs.
- \* Firm ride suspension
- \* Power door mirrors
- \* Manual folding door mirrors
- \* Daytime running lights

Exterior: Oxford White  
Interior: Medium Dark Slate w/Cloth 40/20/40 Split Bench Seat

- \* Front tires LT load rating: G
- \* Overdrive transmission
- \* Transmission electronic control
- \* Alternator Amps: 250A
- \* Driveline managed traction control
- \* HD lead acid battery
- \* Auxiliary power take-off
- \* Fuel tank capacity: 40.00 gal.
- \* Steering wheel mounted audio controls
- \* AM/FM stereo radio
- \* SYNC 4 external memory control
- \* Wheelbase: 169.0"
- \* Axle to end of frame: 47.2"
- \* Tire/wheel capacity rear: 15,000 lbs.
- \* Spring rating front: 6,000 lbs.
- \* Trip computer
- \* Heated driver and passenger side door mirrors
- \* DRL preference setting
- \* Light tinted windows

**As Configured Vehicle**

MSRP

STANDARD VEHICLE PRICE .....	\$51,020.00
Order Code 660A .....	N/C
Transmission: TorqShift 10-Speed Automatic .....	Included
Tires: 225/70Rx19.5G BSW A/P .....	Included
Wheels: 19.5" x 6" Argent Painted Steel .....	Included
Monotone Paint Application .....	STD
169" Wheelbase .....	STD
Radio: AM/FM Stereo w/MP3 Player .....	Included
Fleet Customer Powertrain Limited Warranty .....	N/C
50-State Emissions System .....	STD
SYNC 4 Communications & Entertainment System ..	Included
Oxford White .....	N/C
Medium Dark Slate w/Cloth 40/20/40 Split Bench Seat ..	N/C
Cloth 40/20/40 Split Bench Seat .....	\$100.00
Engine: 6.7L 4V OHV Power Stroke V8 Turbo Diesel B20 .....	\$9,995.00
250 Amp Alternator .....	Included
Limited Slip w/4.30 Axle Ratio .....	\$395.00
High Capacity Trailer Tow Package .....	\$580.00

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**Prepared for: Mr. PAUL ZAMIELLO**

LA PUENTE VALLEY COUNTY WATER DISTRICT

Prepared by: Patrick O'Brien

09/29/2023



**2023 F-550 Chassis 4x2 SD Regular Cab 169" WB DRW XL (F5G)**

Price Level: 350 | Quote ID: ZAM

**Major Equipment**

- \* Variable intermittent front windshield wipers
- \* Seat mounted side impact driver airbag
- \* Seat mounted side impact front passenger airbag
- \* SecuriLock immobilizer
- \* 40-20-40 split-bench front seat
- \* Driver seat with 4-way directional controls
- \* Height adjustable front seat head restraints
- \* Front seat center armrest
- \* Manual reclining driver seat
- \* Manual reclining passenger seat
- \* Cloth front seat upholstery
- \* Manual driver seat lumbar
- \* 4-wheel antilock (ABS) brakes
- \* Hill Start Assist
- \* Driver front impact airbag
- \* Cancellable front passenger air bag
- \* 6 airbags
- \* Manual climate control
- \* Split-bench front seat
- \* Front passenger seat with 4-way directional controls
- \* Manual front seat head restraint control
- \* Front seat armrest storage
- \* Manual driver seat fore/aft control
- \* Manual passenger seat fore/aft control
- \* Carpet front seatback upholstery
- \* 4-wheel disc brakes
- \* Brake assist system

**As Configured Vehicle**

MSRP

GVWR: 19,500 lb Payload Plus Upgrade Package	\$1,155.00
Ford Pro Upfit Integration System Removal	-\$400.00
COV Required	N/A
Priced DORA	N/C
<hr/>	
SUBTOTAL	\$62,845.00
Destination Charge	\$1,995.00
<hr/>	
<b>TOTAL</b>	<b>\$64,840.00</b>

**Fuel Economy**

**City**  
N/A



**Hwy**  
N/A

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# STAFF Report



**Date:** October 9, 2023  
**To:** Honorable Board of Directors  
**Subject:** Remove and Inspect the District's Well No. 2 Pump and Motor

**Purpose:** *Secure services to remove and inspect Well No. 2's pump and motor located at the District's well site as part of Well No. 2's Well Rehab Project.*

**Recommendation:** *Authorize the General Manager to Proceed with the Work as Quoted by Tri County Pump Company for an Amount Not to Exceed \$15,440.00.*

**Fiscal Impact:** *The District's 2023 Capital Expense Budget appropriates \$200,000 for Well No. 2's Rehab Project. The 2023 year to date total for this expense category is \$0.00. The proposed cost for this work is \$15,440.00, which is within the Budget appropriation.*

## BACKGROUND

The District Groundwater Treatment Facility is supplied by three active wells (2, 3 and 5). As part of normal preventative maintenance recommended by the American Water Works Association (AWWA), pumps and motors have a recommended overhaul maintenance interval of 15 years. Well No. 2 is now due for overhaul maintenance.

## SUMMARY

As part of AWWA's recommendation for pumps and motors, District staff has identified that Well No. 2 is due for overhaul maintenance. As part of this maintenance, Well No. 2's pump and motor need to be removed and inspected for an overall evaluation of the existing pump and motor. In addition, Well No. 2 will also be video logged to inspect the integrity of the Well casing and perforations.

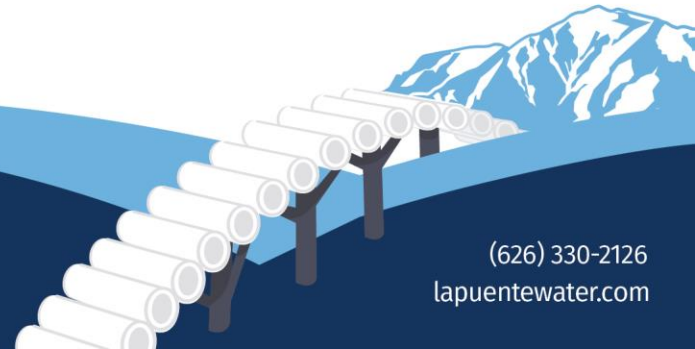
District staff contacted the District's preferred Well and pump contractor, Tri County Pump Company, for a proposal, enclosed as **Enclosure 1**, to remove the pump and motor to then be transported to their shop for disassembly and inspection.

## FISCAL IMPACT

The District's 2023 Capital Expense Budget appropriates \$200,000 for Well No. 2's Rehab Project. The 2023 year to date total for this expense category is \$0.00. The proposed cost for this work is \$15,440.00, which is within the Budget appropriation.

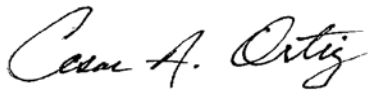
## RECOMMENDATION

Authorize the General Manager to Proceed with the Work as Quoted by Tri County Pump Company for an Amount Not to Exceed \$15,440.00.





Respectfully Submitted,



Cesar A. Ortiz

Water Treatment & Supply Superintendent

## ENCLOSURES

- Enclosure 1: Proposal from Tri County Pump Company



**TRI COUNTY PUMP COMPANY**  
**WATERWELL AND PUMP SERVICE**  
 241 SOUTH ARROWHEAD - SAN BERNARDINO, CA 92408  
 PHONE 909-888-7706 - FAX 909-888-3653  
 LICENSE # 744742

September 28, 2023

La Puente Valley County WD  
 112 N. First St.  
 La Puente, CA 91744

Quote Number: 092823-2DS

Attention: Mr. Cesar Ortiz

Subject: Well 2

In Response to your request for quotation, Tri County Pump Company is pleased to offer the following for your consideration. Please bear in mind that prior to removing, disassembly and inspection, it is impossible to give you a firm price quotation. An exact price quotation will be provided once the pump is pulled, disassembled and inspected. The following estimate is for removing Well 2 pump and motor, transporting to shop, disassembly and inspection.

Estimated Field Labor:

Travel to and from jobsite; Remove 300' of submersible pump and transport to TCP.	\$13,440.00
Travel to and from jobsite; Video log.	\$1,400.00

Estimated Shop Labor:

Disassemble, inspect and report.	\$600.00
----------------------------------	----------

Estimated Labor	\$15,440.00
Total Estimate	\$15,440.00

We appreciate this opportunity to be of service and look forward to working with you. We trust that this estimate will suffice for your needs, and should any additional information be required, please do not hesitate to contact us.

This estimate is valid for thirty (30) days from the above date, and subject to review thereafter.

Sincerely,



Dennis Skinner

Use PO # \_\_\_\_\_ Signed \_\_\_\_\_ Date: \_\_\_\_\_

Please fax this authorization to 909 888-3653 or email [dennis@tricountypump.net](mailto:dennis@tricountypump.net)

# Memo



**Date:** October 9, 2023  
**To:** Honorable Board of Directors  
**Subject:** Donation of Water for the Industry Hills Charity Pro Rodeo

## *Summary*

The District recently received a request for a donation of water for the upcoming Industry Hills Charity Pro Rodeo. This event is being held on Saturday and Sunday, October 14 and 15, 2023 at Industry Hills Expo Center.

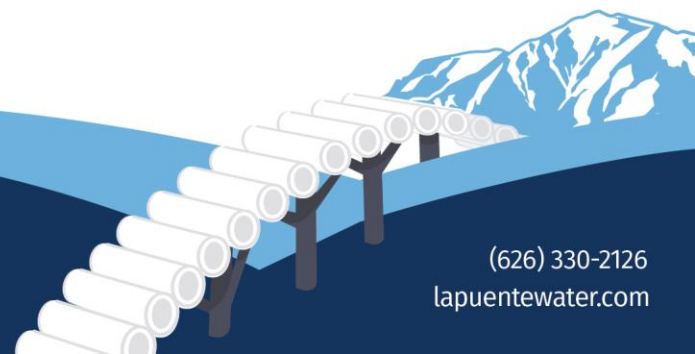
The District's Resolution 184 establishes a policy for sponsorship of community activities and recognizes the value and need for District sponsorship of community activities which are consistent with the mission of the District. In short, the policy states that participation in education and water conservation activities within its service area is for a public purpose and provides both direct and indirect benefits to the District.

Staff would like to further discuss donating water for this event at the upcoming Board of Directors meeting.

Thank you,

A handwritten signature in blue ink, appearing to read "Roy Frausto".

Roy Frausto  
General Manager



# Memo



**Date:** October 9, 2023  
**To:** Honorable Board of Directors  
**Subject:** Discussion Regarding a 9/80 Work Schedule

## Summary

The District is exploring the potential of moving towards a 9/80 work schedule. A 9/80 work schedule consists of employees working 80 hours over nine days within a two-week period, typically with an extra day off every other week, in our case, Fridays. The potential schedule would be as follows:

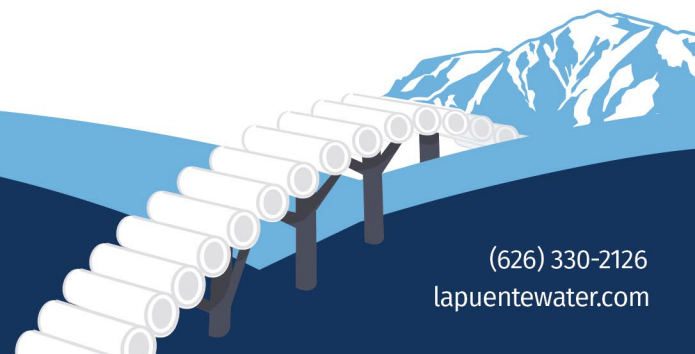
	MON	TUE	WED	THU	FRI	SAT	SUN
WEEK 1	7:00 am-4:30pm	7:00 am-4:30pm	7:00 am-4:30pm	7:00 am-4:30pm	7:00 am-3:30pm	-	-
WEEK 2	7:00 am-4:30pm	7:00 am-4:30pm	7:00 am-4:30pm	7:00 am-4:30pm	OFF	-	-

Staff would like to bring this topic to the Boards attention and discuss the feasibility of implementing this schedule.

Thank you,

A handwritten signature in blue ink, appearing to read "Roy Frausto".

Roy Frausto  
General Manager





**Item 9  
Operations &  
Maintenance Report**

# Memo



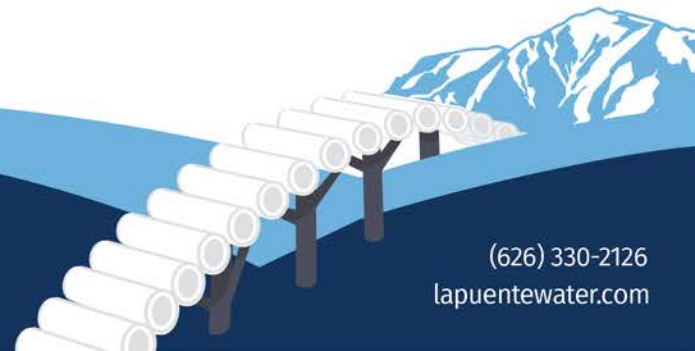
**Date:** October 9, 2023  
**To:** Honorable Board of Directors  
**From:** Paul Zampiello, Operations & Maintenance Superintendent  
**Subject:** Monthly Operations & Maintenance Superintendent's Report

The following report summarizes LPVCWD, IPU Waterworks, BPOU, and PVOU operational and compliance activities of September and since the last report to the Board. The report also includes the status of various projects for each system.

## DISTRIBUTION, SUPPLY AND PRODUCTION

- Monthly Water Production Summary – Total production from the LPVCWD Wellfield for the month of September was 314.33 AF, of which 186.09 AF was delivered to Suburban Water Systems. IPU Waterworks Well No. 5's production data was unavailable due to issues with the SGVWC's meter. The September Monthly Production Report is provided as **Attachment 1**.
- Well Water Levels and Pumping Rates – The latest static water level, pumping water level, and pumping rate for LPVCWD and CIWS are as shown in the table below.

Well	Static Water Level (Ft)			Pumping Water Level (Ft)			Drawdown (Ft)	Current GPM Pumping Rate	Specific Capacity (GPM/Ft)
	2022	2023	Difference Current - 2022 (%)	2022	2023	Difference Current - 2022 (%)			
LPVCWD 2	162	120	25.9%	193	149	22.8%	29	1,052	36.3
LPVCWD 3	164	125	23.8%	175	156	10.9%	31	988	31.9
LPVCWD 5	154	104	32.5%	174	125	28.2%	21	1,338	63.7
COI 5	115	84	27.0%	165	156	5.5%	72	1,377	19.1



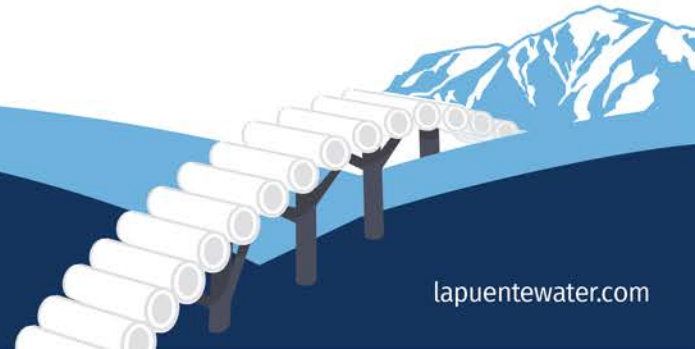
- Monthly Water Conservation – A summary of LPVCWD and IPU Waterworks usage for the past 6 months as compared to the previous Year is shown below.

### LPVCWD Monthly Water Consumption

Month	2022	2023	Difference Current-Previous Year (%)	Accumulative Difference (%)
April	121.02	105.03	-13.2%	-13.2%
May	140.36	117.13	-16.6%	-14.9%
June	143.96	123.84	-14.0%	-14.6%
July	154.20	157.80	2.3%	-10.4%
August	161.76	142.58	-11.9%	-10.7%
September	144.15	130.15	-9.7%	-10.5%

### IPU Waterworks Monthly Water Consumption

Month	2022	2023	Difference Current-Previous Year (%)	Accumulative Difference (%)
April	99.61	87.51	-12.1%	-12.1%
May	110.56	95.04	-14.0%	-13.1%
June	107.76	102.54	-4.8%	-10.3%
July	123.21	151.93	23.3%	-1.9%
August	124.26	116.41	-6.3%	-2.8%
September	111.51	104.64	-6.2%	-3.4%



## CAPITAL / OTHER PROJECTS

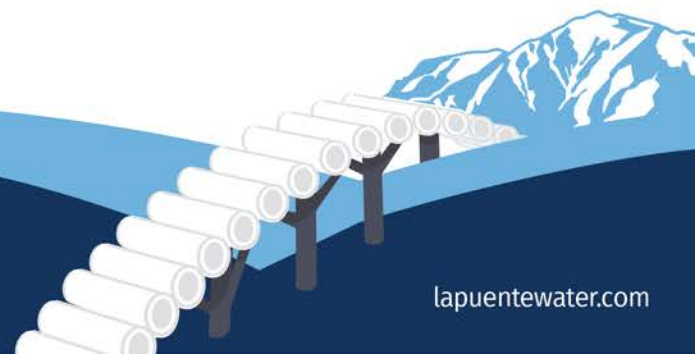
### 1. LPVCWD Recycled Water Project

Staff have finalized the LACSD site use permit. Field Staff completed the retrofit process for the recycled water meter serving the Homestead Museum, and the recycled water pump station and pipeline will be fully activated. Staff is also working with the customer at 333 Hacienda to prepare permit applications and retrofit the irrigation system for the property.

2. Distribution Leak Repairs & Maintenance – Field staff performed various replacements and leak repairs to the water distribution systems in September. They have repaired and replaced: 2 water service lines, 4 curb stop replacements, 3 meter replacements, and 5 meter box replacements.
3. LPVCWD Nitrate Treatment System – The contractor to complete the necessary construction work, including the installation of a flushing line for the brine pump system and the installation of pneumatic air lines for the new valves to complete the Nitrate system, Staff project team will resume testing in preparation for the loading of resin and DDW compliance testing.
4. Staff Safety Training – Field Staff attended a training course for trenching and excavation safety. This training included reviewing and discussing all safety standards and best practices related to any excavation to repair the water distribution system.

## DEVELOPMENT PROJECTS

1. LPVCWD New 34-Unit Mix-Used Apartment Building at 15861 Main Street – Staff was recently contacted by a new developer that the project will be moving forward, and the developer requested to begin the first phases of the District's new development process. Staff is currently working with the District's Engineer in performing the water system demand analysis. Once the analysis is complete, the developer will receive the "will-serve" letter outlining the report's findings and a water capacity analysis for the project.
2. LPVCWD New ADU Project at 16149 Abbey Street – Staff recently received a request from the property owner at 16149 Abbey St. to install a new 1-inch water service and meter to provide service to a new ADU project. Staff provided a cost estimate letter for water capacity fees and the requested construction for the new water service.
3. LPVCWD New ADU Project at 15702 Sierra Vista Ct – Staff recently received a deposit for water, capacity fees, and construction costs for a new water meter service to be installed at 15702 Sierra Vista Ct for a new ADU project. Field staff is scheduling the work necessary to install the new water service and 3/4-inch meter at the property location, and work is anticipated to be completed in the coming weeks.





# La Puente Valley County Water District

## PRODUCTION REPORT - SEPTEMBER 2023

LPVCWD PRODUCTION	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2023 YTD	2022
Well No. 2	134.04	121.44	141.96	123.68	130.85	112.51	121.95	141.15	139.75				1167.34	1411.60
Well No. 3	8.51	4.85	5.27	3.24	8.03	8.23	4.36	4.14	4.52				51.15	29.36
Well No. 5	155.66	157.36	169.65	160.99	170.50	191.99	186.19	182.30	170.07				1544.72	2304.99
Interconnections to LPVCWD	2.13	0.49	2.13	6.04	2.61	1.07	2.33	1.26	2.37				20.43	24.06
<b>Subtotal</b>	<b>300.35</b>	<b>284.13</b>	<b>319.02</b>	<b>293.95</b>	<b>312.00</b>	<b>313.80</b>	<b>314.83</b>	<b>328.86</b>	<b>316.70</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2783.63</b>	<b>3770.01</b>
Interconnections to SWS	196.42	190.17	222.24	185.93	194.85	189.96	157.01	184.57	186.09				1707.23	2168.86
Interconnections to COI	6.22	0.02	3.47	2.99	0.02	0.01	0.02	1.71	0.46				14.92	30.90
Interconnections to Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				0.00	0.00
<b>Subtotal</b>	<b>202.64</b>	<b>190.19</b>	<b>225.71</b>	<b>188.92</b>	<b>194.87</b>	<b>189.97</b>	<b>157.03</b>	<b>186.28</b>	<b>186.55</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1722.15</b>	<b>2199.76</b>
<b>Total Production for LPVCWD</b>	<b>97.71</b>	<b>93.94</b>	<b>93.31</b>	<b>105.03</b>	<b>117.13</b>	<b>123.84</b>	<b>157.80</b>	<b>142.58</b>	<b>130.15</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1061.48</b>	<b>1570.25</b>
<b>CIWS PRODUCTION</b>														<b>0.00</b>
<b>COI Well No. 5 To SGVWC B5</b>	163.02	156.23	160.18	159.68	159.77	163.39	180.09	176.21					1318.57	1957.32
<b>Interconnections to CIWS</b>														
SGVWC Salt Lake Ave	0.43	0.41	0.47	0.48	0.57	0.57	0.48	0.58	0.57				4.56	6.33
SGVWC Lomitas Ave	69.77	71.68	75.35	90.08	97.06	73.51	153.76	115.37	105.98				852.56	1209.58
SGVWC Workman Mill Rd	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00				0.01	0.06
Interconnections from LPVCWD	6.22	0.02	3.47	2.99	0.02	0.01	0.02	1.71	0.46				14.92	30.90
<b>Subtotal</b>	<b>76.42</b>	<b>72.11</b>	<b>79.29</b>	<b>93.55</b>	<b>97.65</b>	<b>74.09</b>	<b>154.26</b>	<b>117.67</b>	<b>107.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>872.05</b>	<b>1246.87</b>
Interconnections to LPVCWD	2.13	0.49	2.13	6.04	2.61	1.07	2.33	1.26	2.37				20.43	24.06
<b>Total Production for CIWS</b>	<b>74.29</b>	<b>71.62</b>	<b>77.16</b>	<b>87.51</b>	<b>95.04</b>	<b>73.02</b>	<b>151.93</b>	<b>116.41</b>	<b>104.64</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>851.62</b>	<b>1222.81</b>

\*COI Well No. 5's production data was unavailable due to issues with the SGVWC's meter.



**Item 10  
Treatment & Supply  
Report**

# Memo



To: Honorable Board of Directors  
 From: Cesar A. Ortiz, Water Treatment & Supply Superintendent  
 Date: October 9, 2023  
 Re: Monthly Water Treatment & Supply Superintendent Report

The following report summarizes LPVCWD, IPU Waterworks System, BPOU and PVOU-IZ & SZ operations, which includes the status of various projects for each system.

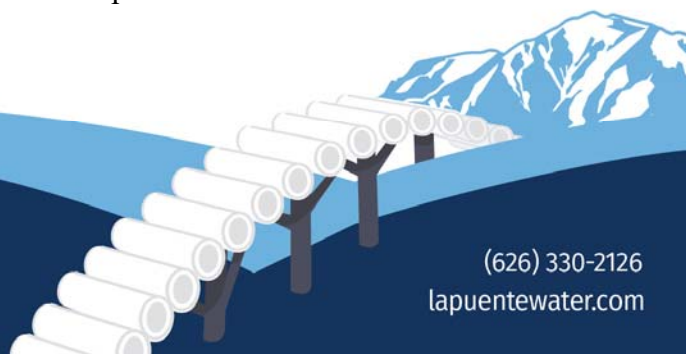
WATER QUALITY / COMPLIANCE

- **Distribution System Monitoring** – District Staff collected all required water quality samples from both LPVCWD & IPUWS distribution systems for the month; approximately **50** samples were collected. All results met State and Federal drinking water quality regulations.
- **Treatment Monitoring & Compliance** – All water quality compliance samples were collected from all the treatment processes and plant effluent, as required. Approximately **128** samples were collected.
- **Source Monitoring** – All water quality samples were collected from all the Wells, as required. Approximately **36** samples were collected. The table below summarizes LPVCWD Wells’ current water quality for constituents of concern.

Well Sampled	CTC	TCE	PCE	Perchlorate	1,4-Dioxane	NDMA	Nitrate
	MCL=6 ppb	MCL=5 ppb	MCL=5 ppb	MCL=6 ppb	NL=1 ppb	NL=10 ppt	MCL=10 ppm
LPVCWD 2	1.2	23	1.2	18	0.39	24	6.5
LPVCWD 3	ND	.61	ND	8.7	ND	ND	8.9
LPVCWD 5	ND	3.6	ND	11	0.12	3.7	8.5

ND – None Detected  
 NS – Not Sampled

- The Bi-monthly Nitrate Concentrations for SP-6 and SP-10 are provided as **Attachment 1**.



## OPERATIONAL UPDATES & PROJECTS

- 1) **BPOU Treatment Plant** – Nitrate Project is still under construction, going through some final checks and some programming updates. The treatment plant is normal operation flowing through the bypass.
  - **Repairs & Maintenance** – Staff have performed various weekly chemical calibrations, monthly analyzer cleanings and calibrations, SPIX pre-filter change-outs, daily treatment plant rounds and monthly reporting.
- 2) **PVOU-IZ Treatment Plant** – Staff continue to run the plant daily and complete daily rounds and maintenance. Programming issues are still being worked out by the group, consisting of the SCADA, Wigen-RO, SPI, Geosyntec, Stantec, Northrop Grumman and the LPVCWD teams.
  - **Maintenance Items** – PVOU IZ-2 & MZ-2 Wells have been pulled for inspection. MZ-2 Well pump and motor are being replaced and a new pump and motor have been ordered. IZ-2 Well has been Video Logged and Surveyed, then was brushed and bailed, and again video logged and surveyed again. We are currently waiting for the results of those surveys to discuss a path forward with Northrup Grumman.
- 3) **PVOU-SZ Treatment Plant** – Under Construction, most equipment has been delivered and has been installed and is in the process of being commissioned by each vendor. Electrical work is continuing by the electrical contractor – Frank's. RO membranes have been delivered on site, along with filter media. Wigen RO staff has been onsite programming the system. Trojan UV team has been on site commission their systems. LPVCWD staff has continued O&M maintenance oversight.
  - **Maintenance Items** – LPVCWD staff have begun to operate the plant and flush water through the different systems, as well as the EQ and Effluent tanks.
- 4) **IPUWS Well No. 5** – Between Tesco and Hunter Electric - The Well is running and supplying water to SGVWC's B-5 facility in Hand operation, at the request of SGVWC. All electrical repairs have been completed. In order to return the control of the well to Auto, control issues found in the Tesco panel need to be addressed. Currently, Tesco has completed the repairs to the PLC and Panel at their facility and is in the process of troubleshooting continuous voltage in the communications lines, along with Hunter Electric.

**SP-6 and SP-10  
Nitrate Concentrations  
EPA Method 353.2  
MCL = 10 mg/L**

Nitrate Concentrations August - September				
Date	SP-6	SP-10	Well(s)	Comments
8/1/2023	7.5	7.5	2 & 5	Weck Lab (353.2)
8/3/2023	7.5	7.6	2 & 5	Weck Lab (353.2)
8/7/2023	7.5	7.5	2 & 5	Weck Lab (353.2)
8/14/2023	7.8	7.8	2 & 5	Weck Lab (353.2)
8/17/2023	7.6	7.6	2 & 5	Weck Lab (353.2)
8/21/2023	7.7	7.7	2 & 5	Weck Lab (353.2)
8/24/2023	7.7	7.7	2 & 5	Weck Lab (353.2)
8/28/2023	7.6	7.7	2 & 5	Weck Lab (353.2)
8/31/2023	7.5	7.5	2 & 5	Weck Lab (353.2)
9/5/2023	7.7	7.7	2 & 5	Weck Lab (353.2)
9/11/2023	7.4	7.4	2 & 5	Weck Lab (353.2)
9/14/2023	7.2	7.2	2 & 5	Weck Lab (353.2)
9/18/2023	7.5	7.4	2 & 5	Weck Lab (353.2)
9/25/2023	8.0	8.0	2 & 5	Weck Lab (353.2)
9/29/2023	7.5	7.5	2 & 5	Weck Lab (353.2)

AVERAGE	7.6	7.6
MINIMUM	7.2	7.2
MAXIMUM	8.0	8.0

Notes:

All units reported in milligrams per Liter (mg/L)

MCL = Maximum Contaminant Level

N/A = Not Available (Lab Results)



**112 N. First St.  
La Puente, Ca 91744**

**Attachment 1**



**Item 11  
Administrative  
Report**

# Administrative Report

## October 9, 2023



### Board Communication

Open Enrollment

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### Public Communication & Outreach

District staff attended one (1) event.

- Evans Food Group Family Fun Day, 10/6
- 



### Website

Continuous updates

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### Social Media

Topic	Comments
Number of Instagram Posts	5
Number of Instagram Stories	5
Number of Instagram Followers	302
Post Related to Main Shutdowns	0
Number of LinkedIn Posts	4
Number of LinkedIn Followers	10
CET Program	1
CET Scholarship	0





# Memo



**Date:** October 9, 2023  
**To:** Honorable Board of Directors  
**Subject:** Open Enrollment 2024

Open Enrollment for the 2024 plan year will be held from **10/9/2023 to 10/23/2023**. We urge you to take some time to learn about your options to prepare yourself to make the very best choices for you and your family during Open Enrollment. This is the one time of year you can make changes to your benefits, unless you experience a documented mid-year qualifying event, such as marriage, birth, gain or loss of other group health coverage. If a mid-year qualifying event occurs, benefit changes must be completed within 31 days of the event. Otherwise, you will have to wait until the following Open Enrollment to enroll in or drop coverage for yourself or your dependents.

If you do not want to make any changes, no action is required on your part. If you would like to make changes, please contact Angelina Padilla for an enrollment form.

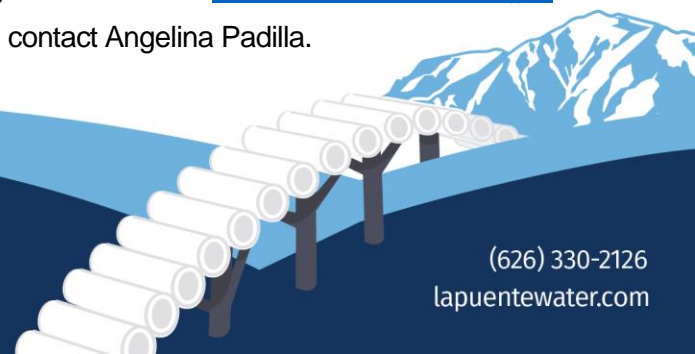
Members of Kaiser HMO, Anthem PPO, and Anthem HMO medical plans through ACWA JPIA are eligible for Modern Health. This mental health and well-being benefit through Modern Health makes mental healthcare accessible in a timely manner, with appointments typically available within 48 hours. Modern Health offers one-on-one therapy, coaching, live group sessions, meditations, and other educational content on your smart phone or tablet. This benefit is available to all employees and retirees enrolled in ACWA JPIA Anthem and Kaiser medical plans. Dependents are also eligible, regardless of enrollment. Learn more with this short [video](#). Register today at <https://my.joinmodernhealth.com>

All Anthem participants will receive a new Member ID Card in December for the 2024 plan year. There will be two enhancements to the Anthem PPO plans in 2024, see below:

- **Anthem's Carelon Rx** – Pharmacy benefits under the Anthem PPO plans are leaving MedImpact and returning to Anthem's internal Pharmacy Benefit Manager (PBM), known as Carelon Rx. The copay structure is the same, and the retail pharmacy network is extensive. The formulary list is similar, but some drugs may be covered at different copay amounts or may be excluded. Prescriptions currently covered under MedImpact will be grandfathered-in and covered for 90 days following the January 1, 2024 effective date. Prior authorizations and step therapy already completed will be provided to Carelon Rx for their records. Outreach letters will be sent to participants if certain medications have tier changes or are no longer covered. More information regarding this change in the prescription drug benefit will be sent by Carelon Rx to your home in late November and December.
- **Anthem Health Guide** – This enhanced customer service for PPO and CDHP participants will replace Anthem's traditional member services. Anthem Health Guides are trained in our medical plans and benefits and will be able to refer you to our various point solutions such as Carrum, Hinge, Modern Health, or Progyny along with other Anthem programs that might be helpful to you. The current member services phone number on the back of Anthem ID cards will be used for Anthem Health Guide.

If you ever need surgery in the future, please remember to check out the Carrum Health benefit. This optional surgery benefit for Anthem PPO participants provides a second opinion and, if surgery is needed, travel for you and a companion to a top surgeon at a world-class surgical facility. In 2024, Carrum is offering a \$250 incentive if you obtain a second opinion from them before moving forward with your surgery. Learn more at [carrumhealth.com/acwajpia](http://carrumhealth.com/acwajpia)

For more information about your benefits or open enrollment, please contact Angelina Padilla.







**Item 12**  
**General Manager**  
**Report**

# General Manager Report



**Date:** October 9, 2023  
**To:** Honorable Board of Directors  
**From:** Roy Frausto, General Manager  
**RE:** General Manager Report

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## GENERAL MANAGER REPORT TOPICS

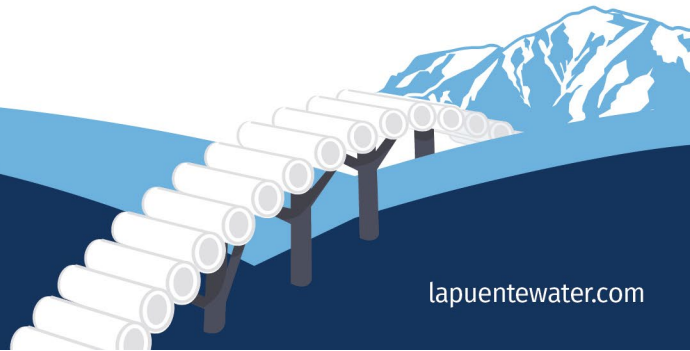
- Baldwin Park Key Well Elevation – 226.9 ft as of September 29, 2023.
- Main Basin Operation Safe Yield for 2023-24 set at 150,000 AF
- 2023 Rainfall (Puddingstone Dam) – The current year rainfall as of August 31, 2023, is 3.0.2 inches.
- 2024 BPOU Budget – Staff met with the CR's to discuss the proposed 2024 BPOU budget. The final 2024 O&M Budget was adopted by September 18, 2023.
- 2024 PVOU-IZ Budget – Staff developed the first draft of the 2024 PVOU-IZ budget and submitted it for review to Northrop on October 4, 2023.
- 2024 PVOU-SZ – Staff is working on developing a first draft of the 2024 PVOU-SZ budget and is planning to submit a copy to Northrop during mid October.
- CIWS Feasibility Study – Final treatment feasibility study has been completed by Stetson Engineers. CR's are still reviewing the document to provide comments.
- Recycled Water Project
  - The District's recycled water project is now active. The system is providing recycled water to the Homestead Museum.
  - Staff will continue to work on the remaining sites to retrofit their water services to recycled water services.

## STAFFING

- New Employees
  - Luis Serrano – FT Water System Maintenance
  - Alec Sanchez – FT Water System Maintenance

## GENERAL MANAGER ACTIVITIES

Meetings/Activity	Date
LPVCWD – Plant 128 Coordination Meeting	September 1
Management Weekly Meeting	September 4,11, 15,18, 25
LPCVWD Meeting with Cindy Byerrum	September 5
City of Industry Utility Outreach Meeting	September 6
PVOU – IZIR & SZ-SIR Weekly Progress Meeting	September 6, 13, 20, 27
Watermaster Board Meeting	September 6
COI, LPVCWD, RWD and WVWD Monthly Meeting	September 7
Project Update – PVOU	September 7
PWAG Board Meeting	September 7
Biweekly Public Outreach Meeting	September 12, 26
MNS Grant Meeting	September 12
LPVCWD & NG Check In	September 12, 26
Upper District Board Meeting	September 13
Producer Meeting	September 13
IPUC Meeting	September 14
BPOU Project Committee Meeting	September 14
San Gabriel Valley Public Affairs Network Luncheon	September 14
IZ-2 Upcoming Activities	September 15
Puente Basin Watermaster Meeting	September 19
PWAG Picnic	September 19
PVOU-IZ	September 19
IBC Executive Luncheon	September 21
Labor Summaries Meeting	September 22
SGVWA Legislative and Board Meeting	September 25
IPU Water Ops Meeting	September 27
PWAG Quarterly Meeting	September 27
SCWWAU Vendor Breakfast & Board Meeting	September 28
Quarterly Staff Luncheon	September 29





**Item 13**  
**Other Items**

# Upcoming Events

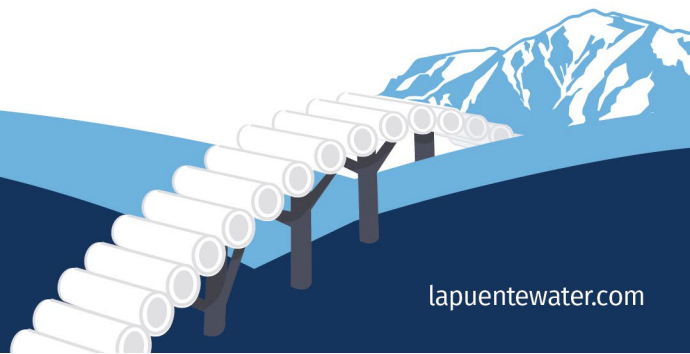


**Date:** October 9, 2023

**To:** Honorable Board of Directors

**RE:** Upcoming Board Approved Meetings and Conferences for 2023

Day/Date	Event	<u>Argudo</u>	<u>Barajas</u>	<u>Escalera</u>	<u>Hernandez</u>	<u>Roias</u>
October 23-26, 2023	AWWA CA-NV Annual Fall Conference 2023			X	X	X
November 28-30, 2023	Association of California Water Agencies (ACWA) Fall Conference 2023			X	X	X



# Trainings



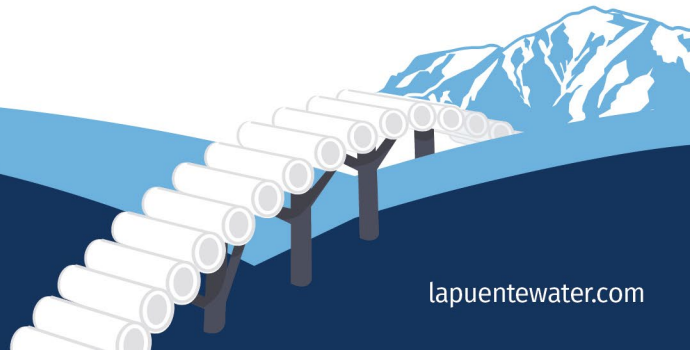
**Date:** October 9, 2023

**To:** Honorable Board of Directors

**RE:** Training Compliance

As Board of Directors, you must receive at least two hours of Ethics Training (AB1234) and Sexual Harassment Prevention Training (AB1825 AB1661 and AB2053) for any two years of service. The District will provide information on training available to meet the requirements.

Director	Ethics Training	Sexual Harassment Training
President Hernandez	Completed 12/1/2022	Completed 11/29/2022
Vice President Rojas	Completed 12/1/2022	Completed 11/29/2022
Director Escalera	Completed 12/1/2022	Completed 11/29/2022
Director Argudo	Completed 05/16/2023	Completed 10/20/2022
Director Barajas	Past due, last completed 05/18/2019	Past due, last completed 05/04/2020







# Main San Gabriel Basin WATERMASTER

OCTOBER 4, 2023

## REPORT OF THE WATERMASTER ENGINEER ON HYDROLOGIC CONDITIONS

### Baldwin Park Key Well (see attached graph)

- Located in the central portion of the San Gabriel Valley within the City of Baldwin Park and used as a general indication of water elevations throughout the San Gabriel Valley
- One vertical foot is equivalent to about 8,000 acre-feet of groundwater in the Main Basin
- On August 25, 2023, the Baldwin Park Key Well groundwater elevation was 227.7 feet.
- On September 22, 2023, the Baldwin Park Key Well groundwater elevation was 227.0 feet, no change from the prior week. **The historic low was 169.4 feet on November 21, 2018.**
  - ❖ A decrease of about 0.7 feet from the prior month.
  - ❖ About 49 feet higher than one year ago (represents 392,000 acre-feet). Includes an estimated 107,000 acre-feet of untreated imported water in cyclic storage accounts, which represents about 13 feet of groundwater elevation at the Key Well.
    - Producer Cyclic Storage – 55,000 AF
    - MWD Cyclic Storage (for UD RDA delivery) – 32,000 AF
    - Other Cyclic Storage – 20,000 AF

### Rainfall (see attached graphs)

- Data are readily available on a daily basis and are indicative of comparative amount of rainfall in the San Gabriel Valley (percent of average)
- Puddingstone Dam as of September 26, 2023
  - ❖ Average rainfall from July 1<sup>st</sup> through September 30<sup>th</sup> of each year is 0.40 inches.
  - ❖ Rainfall during July 1, 2023 through September 26, 2023 is 3.04 inches, which is 760 percent of average.
  - ❖ Rainfall during July 1, 2022 through June 30, 2023 was 28.06 inches, which was 155 percent of average.
- Los Angeles Civic Center as of September 26, 2023
  - ❖ Average rainfall from July 1<sup>st</sup> through September 30<sup>th</sup> of each year is 0.27 inches.
  - ❖ Rainfall during July 1, 2023 through September 26, 2023 is 3.02 inches which is 1,119 percent of average.
  - ❖ Rainfall during July 1, 2022 through June 30, 2023 was 28.40 inches, which was 188 percent of average.

**Reservoir Storage and Releases**

- There are three dams and reservoirs located along the San Gabriel River above San Gabriel Canyon. Their primary function is for flood control and also used to store watershed runoff for subsequent groundwater replenishment.
  - ❖ Cogswell Reservoir is located highest in the watershed and has a maximum storage capacity of 10,475 acre-feet.
  - ❖ San Gabriel Reservoir is located downstream of and receives releases from Cogswell Reservoir, and has a maximum storage capacity of 44,044 acre-feet.
  - ❖ Morris Reservoir is located downstream of and receives releases from San Gabriel Reservoir, and has a maximum storage capacity of 28,736 acre-feet. Releases from Morris Reservoir and San Gabriel Reservoir are used at local surface water treatment plants and used for groundwater replenishment.
  - ❖ Total storage capacity is 83,255 acre-feet.
  - ❖ The combined minimum pool behind Cogswell, San Gabriel and Morris Reservoirs is about 10,500 acre-feet.
  - ❖ Combined storage as of September 26, 2023 was 10,690 acre-feet (about 13 percent of capacity).
  - ❖ San Gabriel Reservoir inflow was 97 cfs and release was 94 cfs as of September 26, 2023.
  - ❖ Morris Reservoir inflow was 91 cfs and release was 20 cfs as of September 26, 2023.

**Untreated Imported Water Deliveries**

- Upper District
  - ❖ USG-3 is located in San Gabriel Canyon just below Morris Dam, it represents Upper District's primary point of delivery of untreated imported water for groundwater replenishment to the San Gabriel Valley. The typical delivery rate is about 190 cfs (or about 375 acre-feet per day).
  - ❖ During August 2023, Upper District delivered 6,857 acre-feet through USG-3.
  - ❖ During September 2023, Upper District delivered approximately 4,600 acre-feet through USG-3, as of September 26, 2023.
- Three Valleys District
  - ❖ During August 2023, Three Valleys District did not make deliveries through PM-26.
  - ❖ During September 2023, Three Valleys District does not plan to make deliveries through PM-26.
  - ❖ During August 2023, Three Valleys District did not make deliveries through USG-3 and to the San Gabriel Canyon.
  - ❖ During September 2023, Three Valleys District does not plan to make deliveries through USG-3 and to the San Gabriel Canyon.



- San Gabriel District
  - ❖ During August 2023, San Gabriel District delivered 797 acre-feet to the San Dimas Wash, 145 acre-feet to Big Dalton Wash, and 1,171 acre-feet to the San Gabriel Canyon.
  - ❖ During August 2023, San Gabriel District did not make deliveries to the San Gabriel River.
  - ❖ During September 2023, San Gabriel District plans to deliver about 1,900 acre-feet to the San Dimas Wash.
  - ❖ During September 2023, San Gabriel District does not plan to make deliveries to the San Gabriel Canyon and to the San Gabriel River.

✚ **Landfill Report**

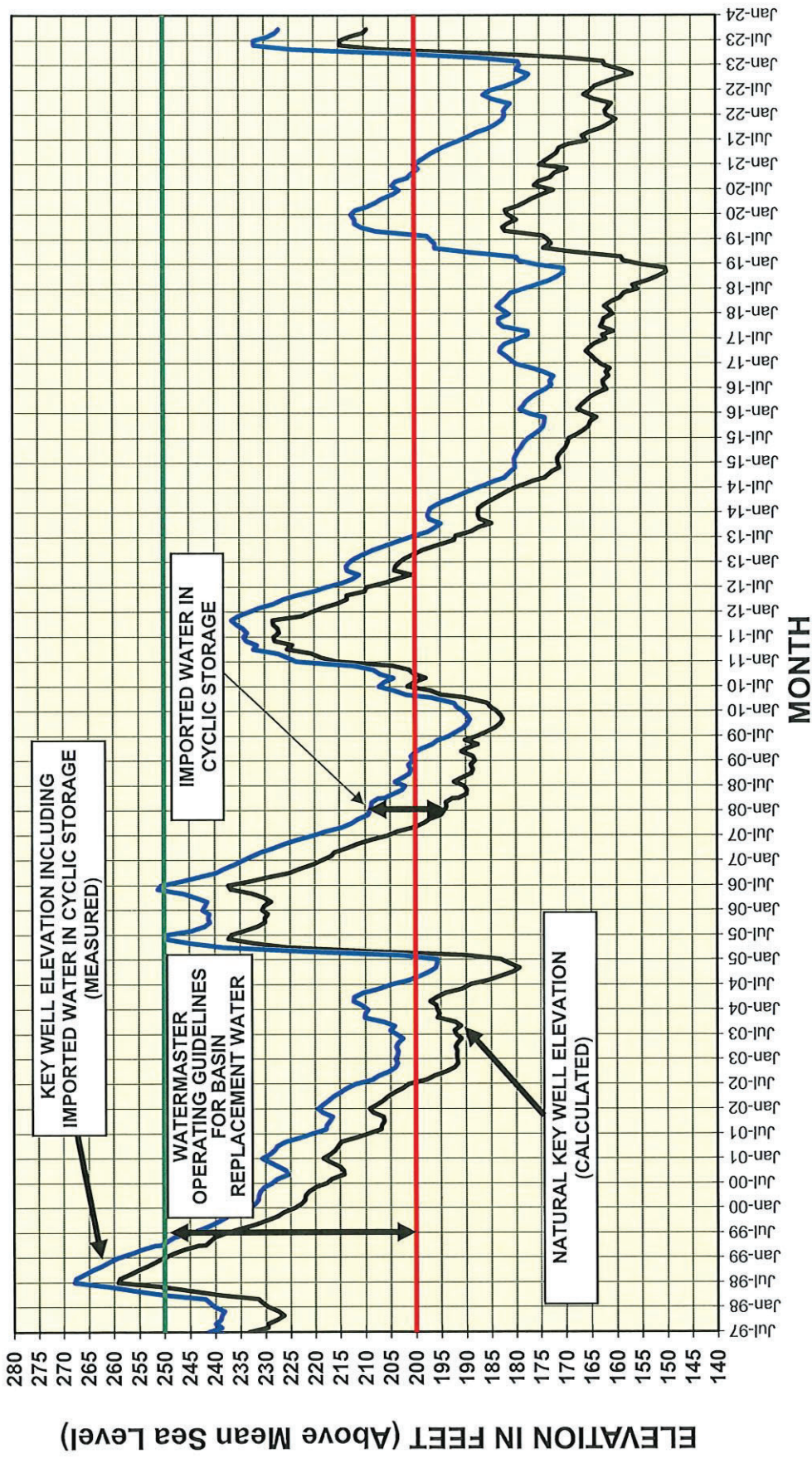
- Watermaster staff toured the following landfills during the month of September 2023:
  - ❖ Azusa Land Reclamation
  - ❖ Peck Road
- During the tour, Watermaster staff found that each landfill appeared to operate consistent with the conditions under each landfill's permit.

✚ **Water Quality**

- Water systems are required by the Division of Drinking Water (DDW) to collect water quality data from source wells and provide the results to DDW pursuant to Title 22 (Water quality data collected through Main San Gabriel Basin Watermaster's Basinwide Groundwater Quality Monitoring Program)
  - ❖ During September 2023, 21 wells were sampled under Title 22
  - ❖ During August 2023, 74 wells were sampled under Title 22
  - ❖ During August 2023, Stetson Engineers Inc. received no public notice of wells shut down due to contamination.
- DDW announced it will be proposing the regulations for hexavalent chromium Maximum Contaminant Level (MCL) of 10 part per billion (ppb) with a notice of a public hearing to receive public comments regarding the proposed regulations of the hexavalent chromium MCL.
  - ❖ DDW is proposing a compliance schedule based on system size:
    - Systems with more than 10,000 service connections would be required to comply with the MCL within 2 years of rule adoption.
    - Systems with 1,000 to 10,000 service connections would be required to comply with the MCL within 3 years of rule adoption.
    - Systems with less than 1,000 service connections would be required to comply with the MCL within 4 years of rule adoption.
- DDW announced, it has proposed revised notification level (NL) of 20 ppb and response levels of 200 ppb for manganese based on toxicological endpoints. The current NL for manganese is 500 ppb and the secondary MCL for manganese is 50 ppb.

- ❖ Manganese is a secondary standard and is sampled by the Producer as part of the triennial General Mineral / General Physicals (GM/GP) sampling. Watermaster does not sample for manganese.
  
- DDW has issued the notification level (NL) for perfluorohexane sulfonic acid (PFHxS) at 3 parts per trillion (ppt) and the response level at 20 ppt under the recommendation by The Office of Environmental Health Hazard Assessment (OEHHA).
  - ❖ Detections of PFHxS above 2 ppt have been found in the Main San Gabriel Basin.
  
- United States Environmental Protection Agency (EPA) has updated Health Advisories on Per- and Polyfluoroalkyl Substances (PFAS).
  - ❖ Interim Health Advisories
    - Perfluorooctanoic Acid (PFOA)
    - Perfluorooctane sulfonate (PFOS)
  - ❖ Final Health Advisories
    - GenX chemicals (PFOA replacement)
    - Perfluorobutane sulfonic acid (PFBS) (PFOS replacement)
  - ❖ For PFOA and PFOS, some negative health effects may occur at concentrations that are near zero and below our ability to detect at this time.
  - ❖ The lower the level of these chemicals in drinking water, the lower the risk to public health.
    - PFOA - Health Advisory Value - 0.004 ppt (Interim), Minimum Reporting Level – 4 ppt
    - PFOS - Health Advisory Value - 0.02 ppt (Interim), Minimum Reporting Level – 4 ppt
    - GenX Chemicals - Health Advisory Value - 10 ppt (Final), Minimum Reporting Level – 5 ppt
    - PFBS - Health Advisory Value – 2,000 ppt (Final), Minimum Reporting Level – 3 ppt

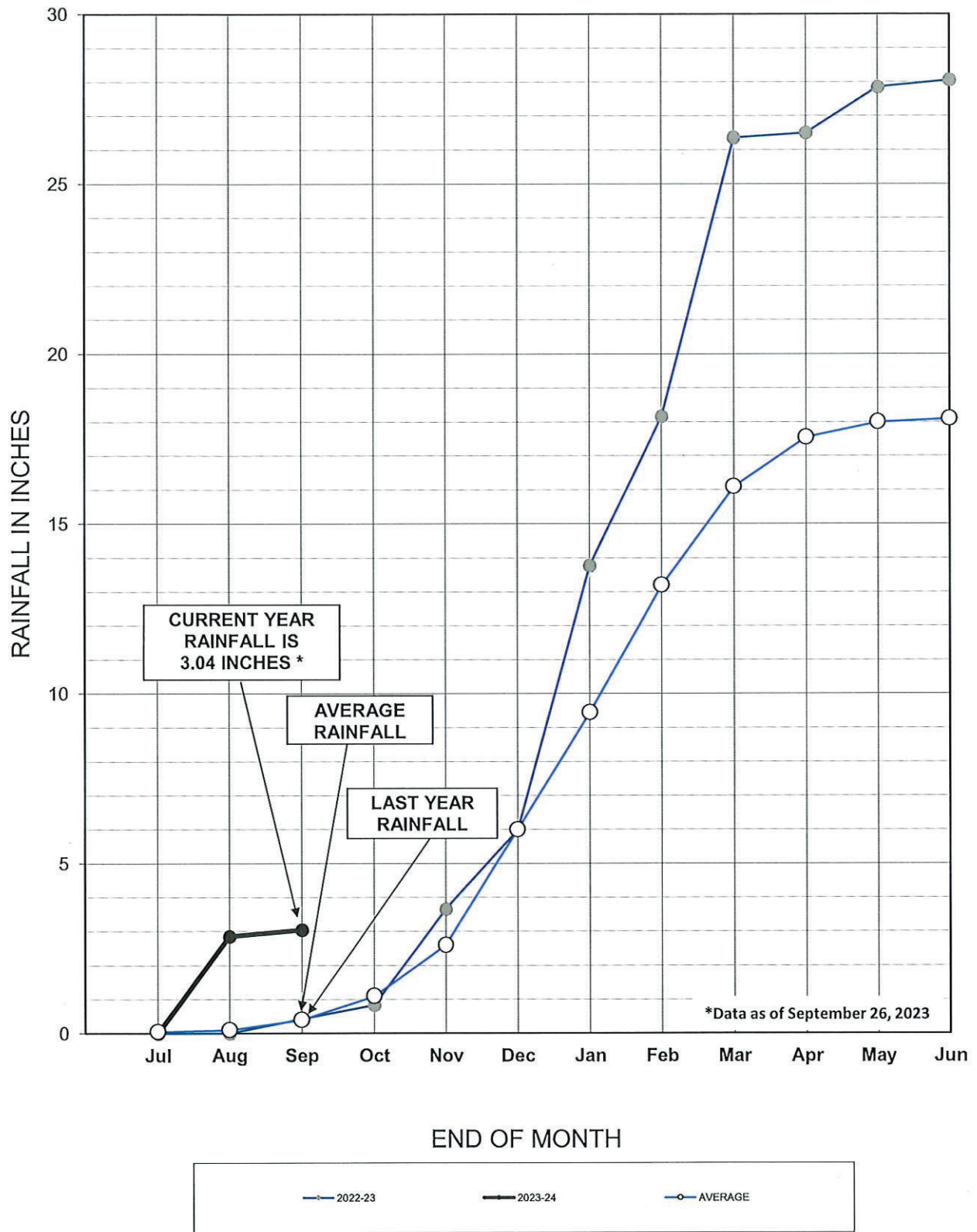




**MAIN SAN GABRIEL BASIN WATERMASTER**

**BALDWIN PARK KEY WELL  
GROUNDWATER ELEVATION**



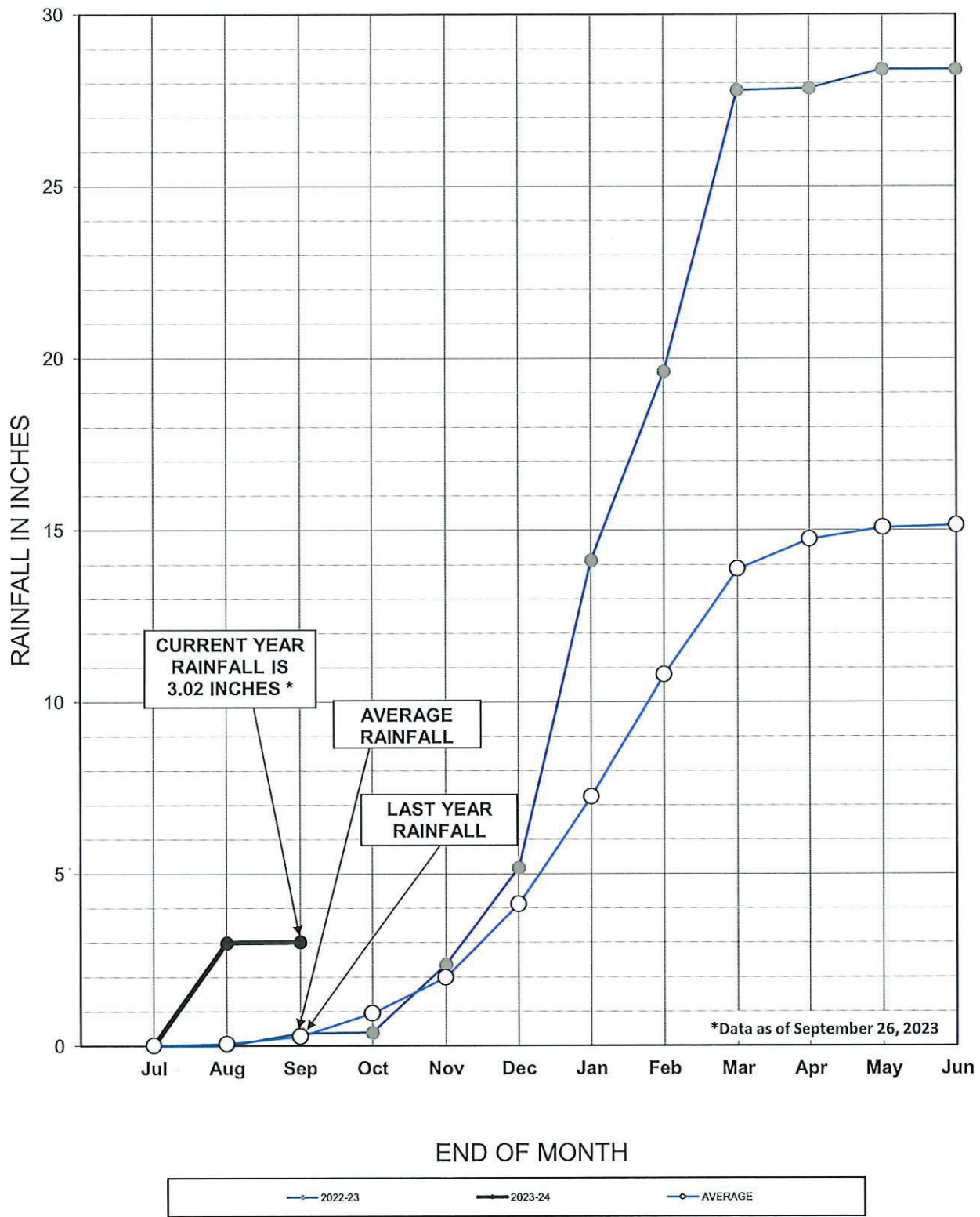


**STETSON ENGINEERS INC.**  
 Covina San Rafael Mesa, Arizona  
 WATER RESOURCE ENGINEERS

**MAIN SAN GABRIEL BASIN WATERMASTER**

**ACCUMULATED RAINFALL  
 AT PUDDINGSTONE DAM (STATION NO. 96-C)**





**STETSON ENGINEERS INC.**  
 Covina San Rafael Mesa, Arizona  
 WATER RESOURCE ENGINEERS

**MAIN SAN GABRIEL BASIN WATERMASTER**

**ACCUMULATED RAINFALL  
 AT LOS ANGELES CIVIC CENTER**