



AGENDA

**SPECIAL MEETING OF THE BOARD OF DIRECTORS
LA PUENTE VALLEY COUNTY WATER DISTRICT
112 N. FIRST STREET, LA PUENTE, CALIFORNIA
MONDAY, AUGUST 21, 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. ACTION / DISCUSSION ITEMS

A. Consideration of Notice of Proposed Adjustments in Water Rates and Charges

Recommendation: Approve the Notice of Proposed Adjustments to Water Rates and Charges and Direct Staff to Mail Notice to the Current Customers and Property Owners of Record Within the District's Boundaries

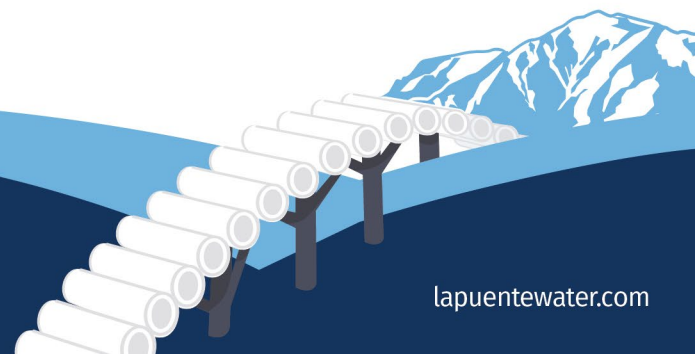
7. ADJOURNMENT

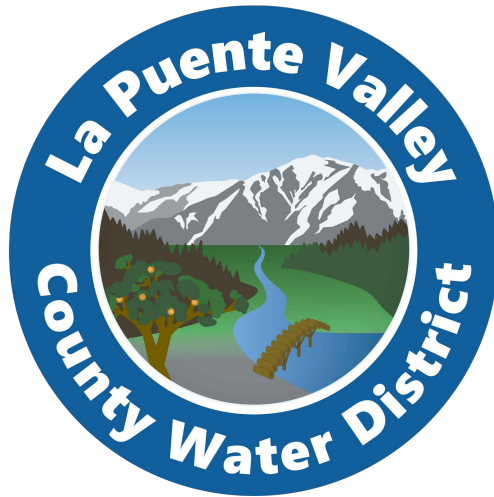
POSTED: Friday, August 18, 2023

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.





**Item 6
Action / Discussion
Items**

Memo



Date: August 21, 2023
To: Honorable Board of Directors
Subject: Notice of Water Rate Adjustments and Public Hearing on Water Rate Adjustments

SUMMARY

Enclosed for the Board's consideration is the draft Proposition 218 Notice of Proposed Adjustments to Water Rates and Charges. Staff drafted the notice and District Counsel has reviewed the notice to ensure it complies with applicable state law. In addition, Staff utilized graphic design services to design the notice to align with the District's branding.

If the Board approves this notice, staff will prepare and mail the notice to all customers and parcel owners by August 25, 2023, which is 45 days before the public hearing date of October 9, 2023. The notices must be mailed to all current customers and parcel owners of record within the District's boundaries. The notice has a statement in Spanish informing customers that the "mailer has important information regarding their water rates, and they should ask someone to translate it for them or contact our office for a copy in Spanish." Staff will make notices available in Spanish for any customers who request one. In addition, staff will post the notice in English and Spanish to the District's website.

RECOMMENDATION

Approve the Notice of Proposed Adjustments to Water Rates and Charges and Direct Staff to Mail the Notice to all Current Customers and Property Owners of Record within the District's Boundaries.

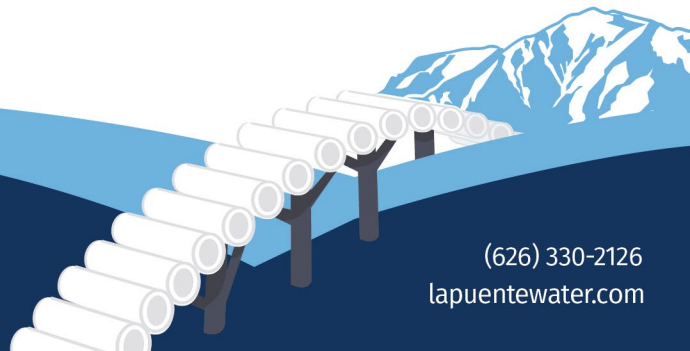
Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "G. Fu", is written over a light blue background.

General Manager
La Puente Valley County Water District

Enclosure

- Notice of Water Rate Adjustments and Public Hearing on Water Rate Adjustments





Notice of PUBLIC HEARING

Proposed Adjustments to Water Rates

Disponible En Español
Visite 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

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

Why are rate changes necessary?

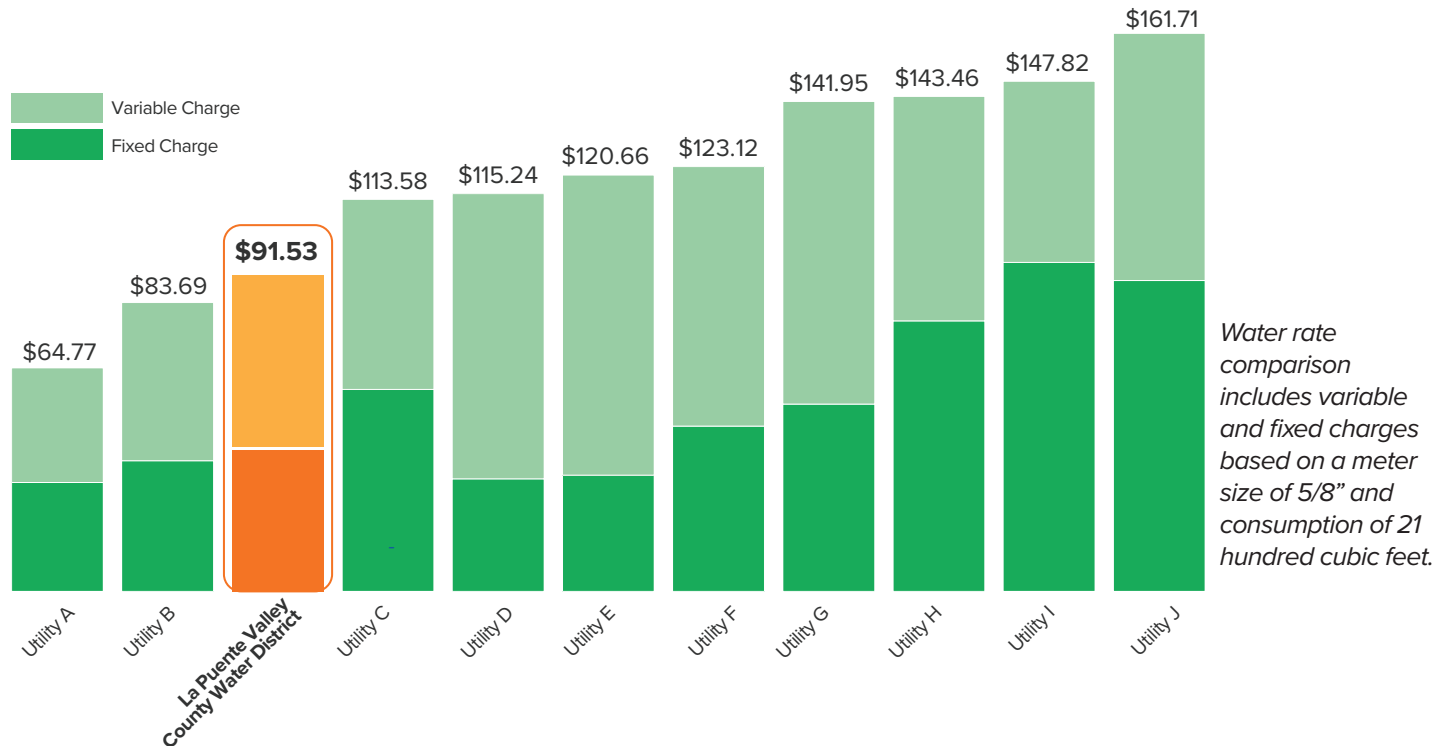
The District has considered numerous factors when reviewing a potential rate change, including the cost of operations and maintenance and securing reliable water supplies. LPVCWD hired an independent consultant to perform a cost-of-service study and determine the revenue required to maintain current 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

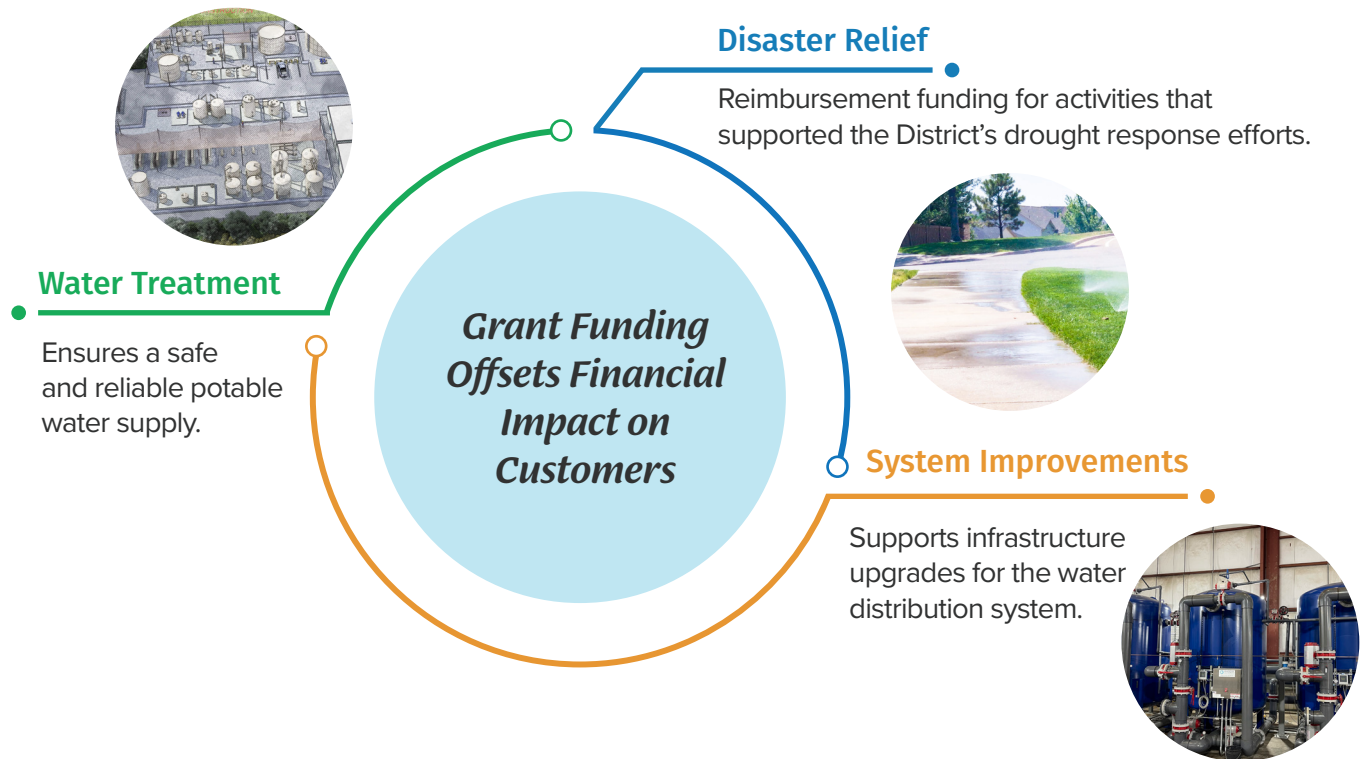
The District's current rates are well below similar water utilities in the region.



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.

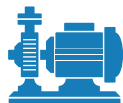
La Puente Valley County Water District has successfully secured \$1.275 million in alternate funding from federal grant sources.



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)

FIXED SERVICE CHARGES	CURRENT RATE	EFFECTIVE OCT 2023	EFFECTIVE OCT 2024	EFFECTIVE OCT 2025	EFFECTIVE OCT 2026	EFFECTIVE OCT 2027
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

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

TIER ONE	CURRENT RATE	EFFECTIVE OCT 2023	EFFECTIVE OCT 2024	EFFECTIVE OCT 2025	EFFECTIVE OCT 2026	EFFECTIVE OCT 2027
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

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
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

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
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

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
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

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
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

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).

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?

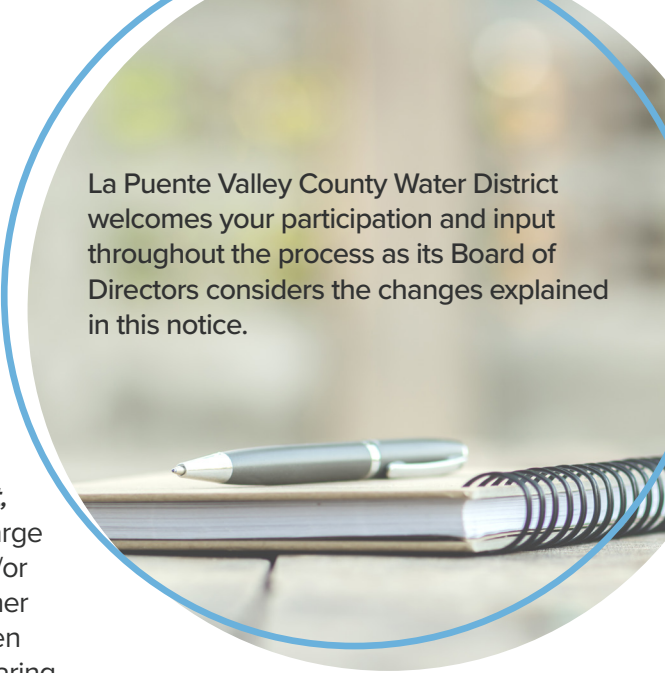
If you have questions or comments about LPVCWD's proposed rates, you can:

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. 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.

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.