

WALNUT VALLEY WATER DISTRICT

271 South Brea Canyon Road • Walnut, CA 91789-3002
(909) 595-7554 • (626) 964-6551
www.wvwd.com • Fax: (909) 444-5521



SPECIAL BOARD MEETING THURSDAY, SEPTEMBER 22, 2022 4:00 P.M.

Pursuant to the provisions of Government Code Section 54953(e), as amended by AB 361, any Board member and any member of the public who desires to participate in the open session items of this meeting may do so by accessing the Webex link below without otherwise complying with the Brown Act's teleconference requirements:

<https://walnutvalley.webex.com/meet/bmeeting>
(Computer and Telephone Audio Accessible)

Any member of the public wishing to make any comments to the Board may do so by accessing the above-referenced link where they may select the option to join via webcam or teleconference. The meeting Chair will acknowledge such individual(s) at the appropriate time in the meeting prior to making his or her comment. **Members of the public will be disconnected from the meeting prior to the Closed Session.**

Each item on the agenda shall be deemed to include any 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 during regular business hours at the District office, located at: 271 S. Brea Canyon Road, Walnut, CA.

1. Flag Salute
2. Roll Call: Dr. Hayakawa____ Mr. Hilden____ Ms. Kwong____ Ms. Lee____ Mr. Tang____
3. Public Comment President Tang

The Presiding Officer of the Board of Directors may impose reasonable limitations on public comments to assure an orderly and timely meeting.

A. Agenda Items - Any person desiring to address the Board of Directors on any Agenda item may do so at the time the item is considered on the Agenda by requesting the privilege of doing so at this time and stating the Agenda item to be addressed. At the time the item is discussed, those requesting to speak will be called to do so.

B. Non-Agenda Items - At this time, the public shall have an opportunity to comment on any non-agenda item relevant to the jurisdiction of the District. Reasonable time limits on each topic and on each speaker are imposed in accordance with Board policy.

4. Overview of Financial Plan and Rates (Information Only)
5. Other

Adjournment

I, Lucie Cazares, CMC, Walnut Valley Water District, do hereby certify, under penalty of perjury under the laws of the State of California that a full and correct copy of this agenda was posted pursuant to Government Code Section 54950 et. seq., at 271 S. Brea Canyon Road, Walnut, CA., and uploaded to the Walnut Valley Water District website: www.wvwd.com/board-meetings.

Date Posted: September 21, 2022

Lucie Cazares, CMC, Executive Secretary



OVERVIEW OF FINANCIAL
PLAN & RATES





FINANCIAL PLANING

- **Financial Sufficiency for the Short and Long-Term**

- Day-to-day operating expenses
- Anticipated capital expenditures

- **Preparation for the Future**

- Identify known facts and variables
- Anticipate unknown variables and evaluate associated risks

- **Tools for the District**

- Minimize rate fluctuations from year to year
- Develop and assess financial policies, budget goals and objectives

- **Reserve Policy**

- Formal Policy Approved by the Board
 - Operating Reserve
 - Replacement Reserve
 - Capital Reserve
 - Rate Stabilization





FINANCIAL PLANNING



OPERATIONS

17% of annual O&M,
excluding water purchases



REPLACEMENT

Target: 5 years of CIP,
Maximum 10 years of CIP



CAPITAL


Target 100% annual
funding, maximum 5
years



RATE STABILIZATION

Target 125% of debt
service, maximum 200%
debt service

DISTRICT FINANCIAL PROJECTIONS

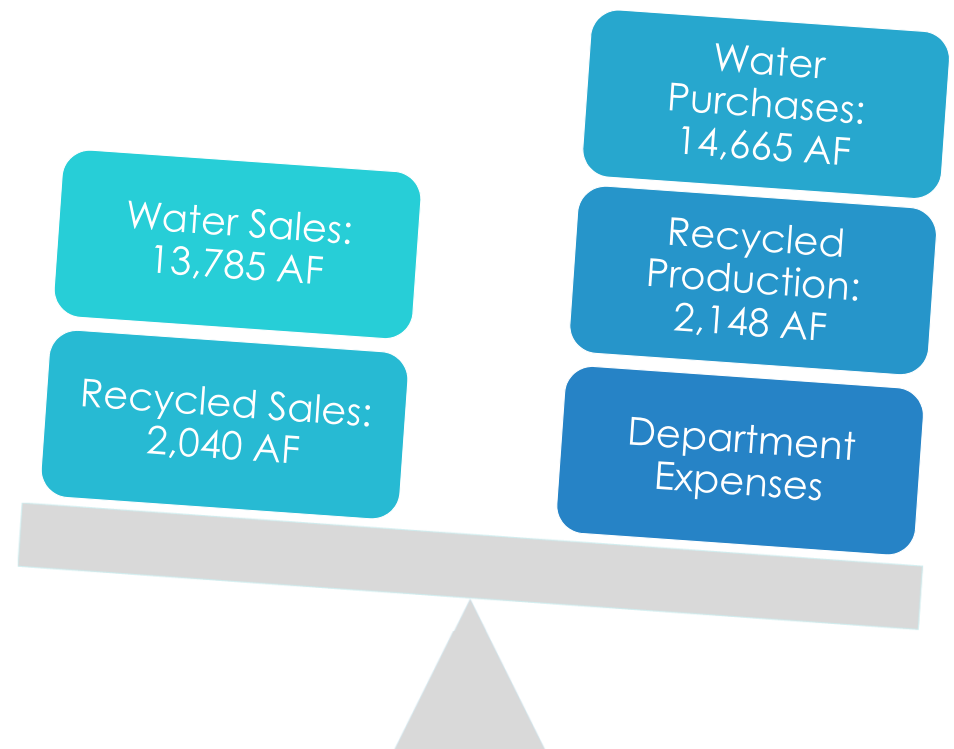
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- ✓ **Update 20 year Asset Refurbishment & Replacement Model**
 - ✓ **Update Reserve Balances**
 - ✓ **Review Purchased Water Costs**
 - Import water purchases
 - Fixed costs
 - MWD increase
 - ✓ **Review Water Sales Assumptions**
 - Demands
 - Tier allocation
 - ✓ **Cost of Service**
 - Potable
 - Recycled

DISTRICT FINANCIAL PROJECTIONS



REVENUES

EXPENSES





DISTRICT FINANCIAL PROJECTIONS

MWD RATES

Future rates

Legislation

AB 1668

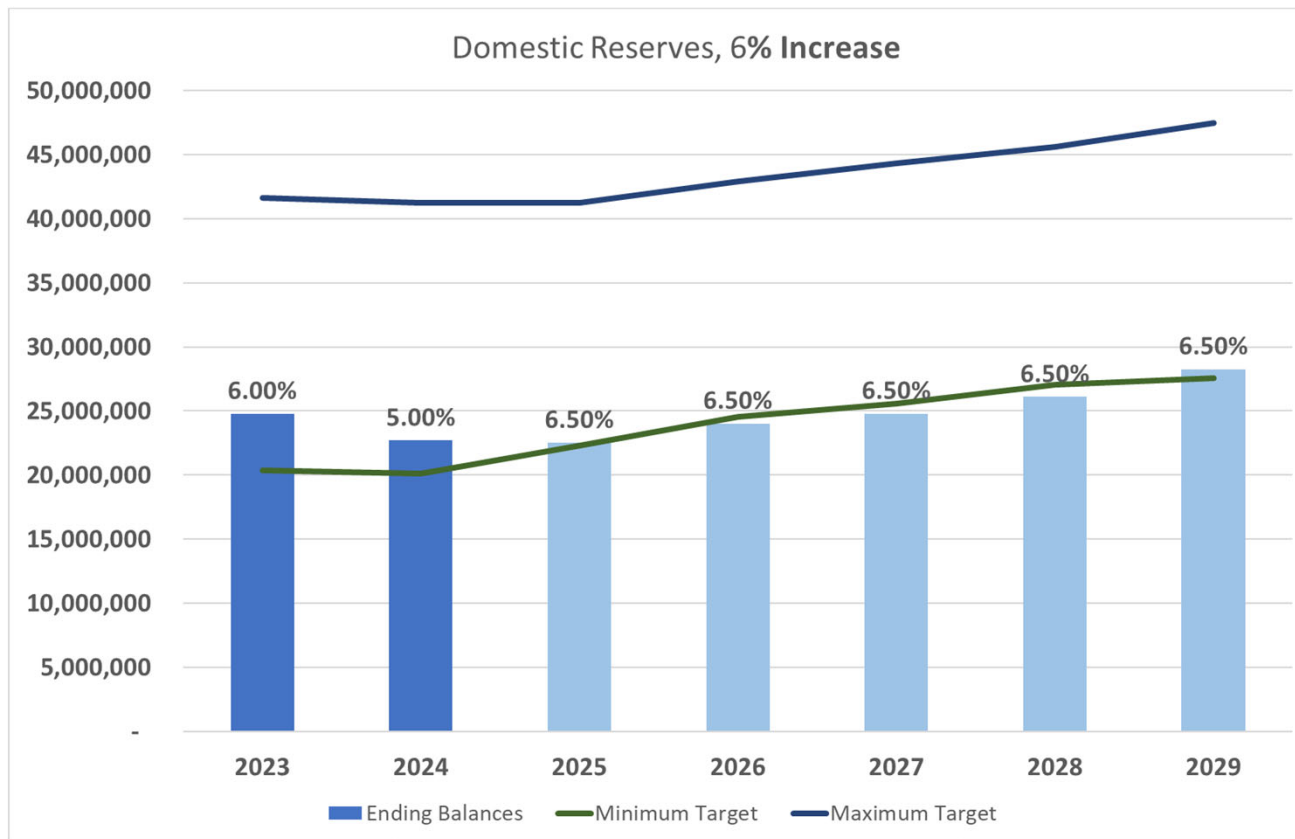
SB 606

SB 222

SB 1157



DISTRICT FINANCIAL PROJECTIONS



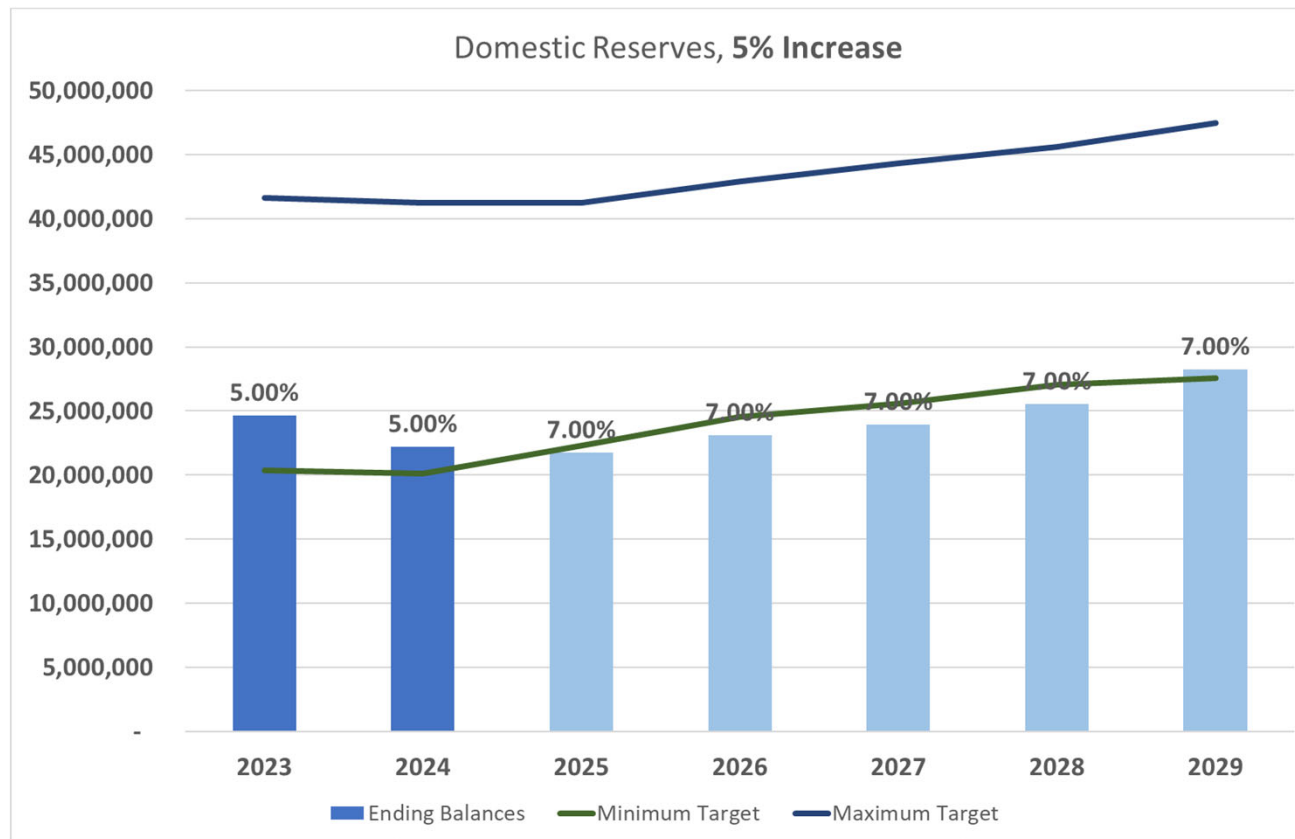
FY 2024
\$20.1M Minimum Reserve
\$22.7M Ending Reserve

FY 2029
\$27.6M Minimum Reserve
\$28.3M Ending Reserve



DISTRICT FINANCIAL PROJECTIONS

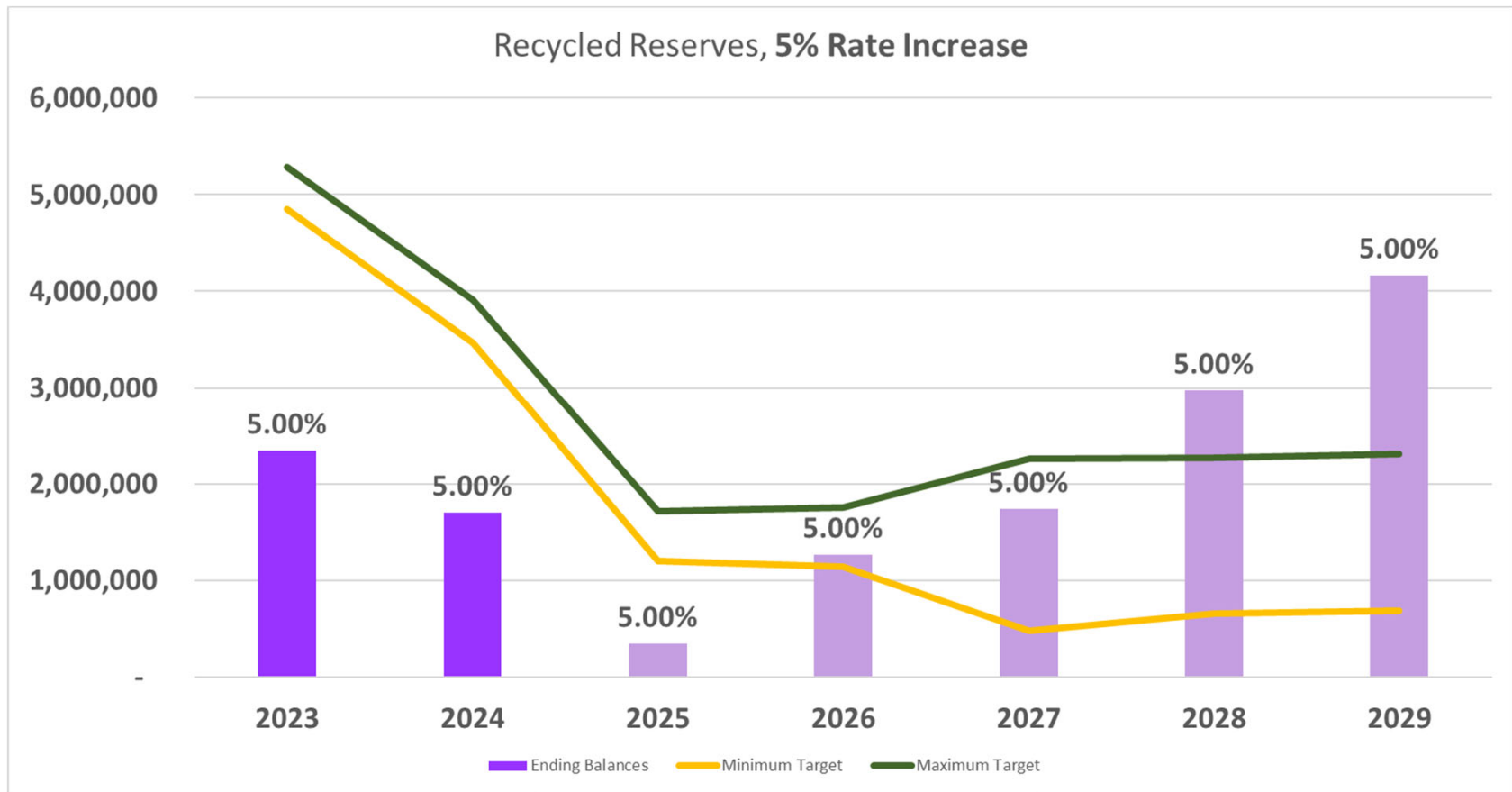
FY 2024
\$20.1M Minimum Reserve
\$22.2M Ending Reserve



FY 2029
\$27.6M Minimum Reserve
\$28.2M Ending Reserve



DISTRICT FINANCIAL PROJECTIONS





DISTRICT WATER RATES

Monthly Meter Charge			
Meter Size	Current	Alt . 1 (6%)	Alt. 2 (5%)
5/8" or 3/4"	22.58	23.94	23.71
1"	35.60	37.75	37.38
1 1/2"	68.16	72.28	71.57
2"	107.22	113.69	112.59
3"	211.42	224.18	222.00
4"	328.64	348.46	345.08
6"	654.24	693.69	686.96
8"	1,044.96	1,107.96	1,097.21
Commodity Rates			
	Current	Alt . 1 (6%)	Alt. 2 (5%)
Residential			
Tier I (0-9 units)	3.22	3.42	3.39
Tier II (10-40 units)	4.30	4.56	4.52
Tier III (41+ units)	4.94	5.24	5.19
Multi-Family	3.68	3.90	3.87
Non-Residential	3.90	4.13	4.10
Industrial	3.90	4.13	4.10
Recycled Commodity Rates			
	Current	5%	
Recycled	2.07	2.18	



DISTRICT WATER RATES

Pump Zone Charges			
	Current	Alt . 1 (6%)	Alt. 2 (5%)
Zone 1	-	-	-
Zone 2	0.27	0.30	0.29
Zone 3	0.49	0.53	0.52

Fire Protection Rates			
	Current	Alt . 1 (6%)	Alt. 2 (5%)
1"	9.94	10.54	10.44
1 1/2"	10.67	11.31	11.21
2"	11.93	12.66	12.53
4"	24.33	25.80	25.55
6"	52.50	55.67	55.13
8"	101.08	107.17	106.14
10"	174.15	184.66	182.86
Private Hydrant Rate	52.50	55.67	55.13



DISTRICT WATER RATES

Meter Size	Average Consumption (Residential)	Current	Alt . 1 (6%)	Monthly Difference	Annual Difference
5/8" or 3/4"	15.30	78.65	83.45	4.80	57.60
1"	28.42	148.09	157.09	9.00	108.00
1 1/2"	57.41	316.45	335.65	19.20	230.40
2"	73.88	436.87	463.36	26.49	317.88
Meter Size	Average Consumption (Residential)	Current	Alt. 2 (5%)	Monthly Difference	Annual Difference
5/8" or 3/4"	15.30	78.65	82.70	4.05	48.60
1"	28.42	148.09	155.67	7.58	90.96
1 1/2"	57.41	316.45	332.56	16.11	193.32
2"	73.88	436.87	459.06	22.19	266.28

DISTRICT FINANCIAL PROJECTIONS

Next Steps

- Perform other rate calculations based on Board recommendation
- Prepare and mail notices to Customers November 2022
- Effective Date of New Rates January 2023



Upcoming Changes To Your Water Rates

WVWD has approved rate increases effective February 1, 2022. Changes in your monthly water bill will be reflected in your March 2022 statement.

The Board of Directors approved a Rate Study in January of 2020. Since then, WVWD has worked to mitigate costs while meeting necessary investment in the pipes, pumps, and plants that keep clean water flowing to your home.




Visit www.wvwd.com/conservation for rebates and tips to save on your monthly water bill.

A Message to Our Valued Customers:
Notice of Rate Increase Effective February 1, 2022

Commodity Rates			
Residential	Current Charge (per unit)	Rate Study Proposed Rate	Approved Rate
Tier I (0-9 Units)	\$ 3.03	\$ 3.25	\$ 3.22
Tier II (10-40 Units)	\$ 4.05	\$ 4.34	\$ 4.30
Tier III (41+ Units)	\$ 4.66	\$ 4.99	\$ 4.94
Multi-Family	\$ 3.47	\$ 3.71	\$ 3.68
Non-Residential	\$ 3.67	\$ 3.93	\$ 3.90
Recycled	\$ 1.97	\$ 2.07	\$ 2.07

- One unit of water = 748 gallons of water
- Commodity rates cover the rate of purchased water imported from the District's wholesaler and costs to deliver drinking water directly to your tap.
- Recycled commodity rates were approved at a 5% increase.

Walnut Valley Water District
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A Message to Our Valued Customers:
Notice of Rate Increase Effective February 1, 2022

Meter Charge			
Meter Size	Current Charge	Rate Study Proposed Rate	Approved Rate
5/8" or 3/4"	\$ 21.30	\$ 22.80	\$ 22.58
1"	\$ 33.58	\$ 35.95	\$ 35.60
1 1/2"	\$ 64.30	\$ 68.83	\$ 68.16
2"	\$ 101.15	\$ 108.27	\$ 107.22
3"	\$ 199.45	\$ 213.50	\$ 211.42
4"	\$ 310.03	\$ 331.86	\$ 328.64
6"	\$ 617.20	\$ 660.65	\$ 654.24
8"	\$ 985.81	\$ 1,055.20	\$ 1,044.96

- Meter charges are used to cover expenses associated with billing, collection, service calls, meter reading, and regular maintenance.

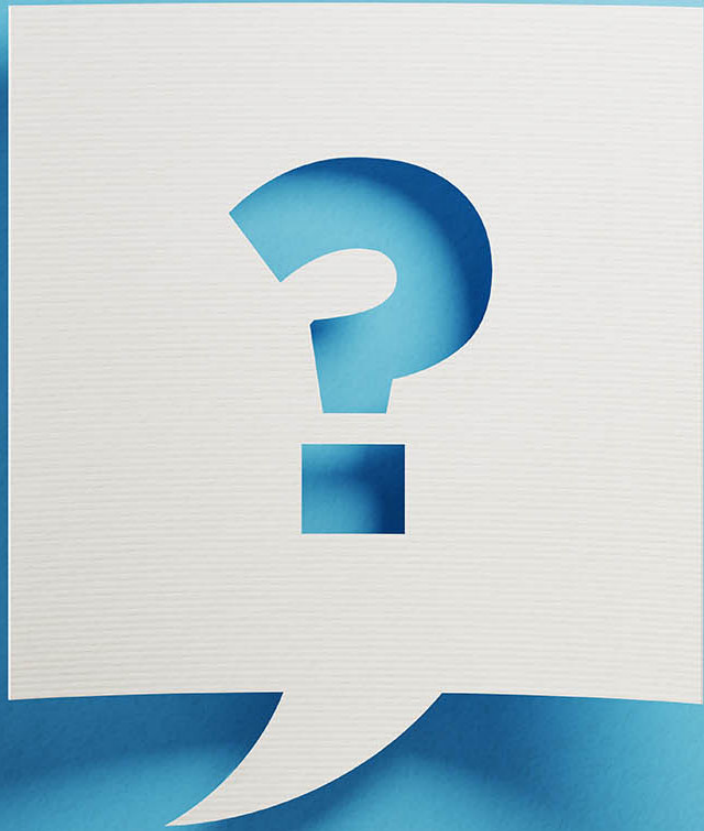
Pump Zone Charge			
Zone	Current Charge	Rate Study Proposed Rate	Approved Rate
Zone 1	\$ 0.00	\$ 0.00	\$ 0.00
Zone 2	\$ 0.25	\$ 0.28	\$ 0.27
Zone 3	\$ 0.46	\$ 0.50	\$ 0.49

- Your zone is listed on your monthly water bill.
- Pump zone charges cover the energy and maintenance costs to pump water to customers in higher elevation zones.

Fire Protection Rate			
Size	Current Charge	Rate Study Proposed Rate	Approved Rate
1"	\$ 9.37	\$ 10.03	\$ 9.94
1 1/2"	\$ 10.06	\$ 10.77	\$ 10.67
2"	\$ 11.25	\$ 12.05	\$ 11.93
4"	\$ 22.95	\$ 24.57	\$ 24.33
6"	\$ 49.52	\$ 53.01	\$ 52.50
8"	\$ 95.35	\$ 102.06	\$ 101.08
10"	\$ 164.29	\$ 175.86	\$ 174.15
Private Hydrant	\$ 49.52	\$ 53.01	\$ 52.50

- These charges do not apply to private customers.
- Based on connection size for private fire services and hydrants.

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QUESTIONS?

