

WALNUT VALLEY WATER DISTRICT

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SPECIAL BOARD MEETING THURSDAY, OCTOBER 20, 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. **Discussion, Consideration, and Action on Possible Water Rate Adjustment to be Effective January 1, 2023, with all Proposed Adjustment within the Parameters of the Previously Approved Rate Structure**
(1) Discussion (2) Action Taken

- 5. Consider Presenting a District Tile to Walnut City Council Member, Robert “Bob” Pacheco
 - (1) Discussion
 - (2) Action Taken

6. 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: October 19, 2022

Lucie Cazares, CMC, Executive Secretary

WVWD – Staff Report



TO: Board of Directors
FROM: Director of Finance
DATE: October 20, 2022
SUBJECT: Discussion, Consideration and Action on Possible Water Rate Adjustment, Effective January 1, 2023, with all Proposed Adjustments within the Parameters of the Previously Approved Rate Structure

Action/Discussion Fiscal Impact Resolution Information Only

Recommendation

That the Board of Directors approve an increase in the water rates, of approximately 6%, and an increase in the recycled commodity rate of approximately 5%, as shown in the attached Water Rate Sheet, to be effective January 1, 2023.

Background Information

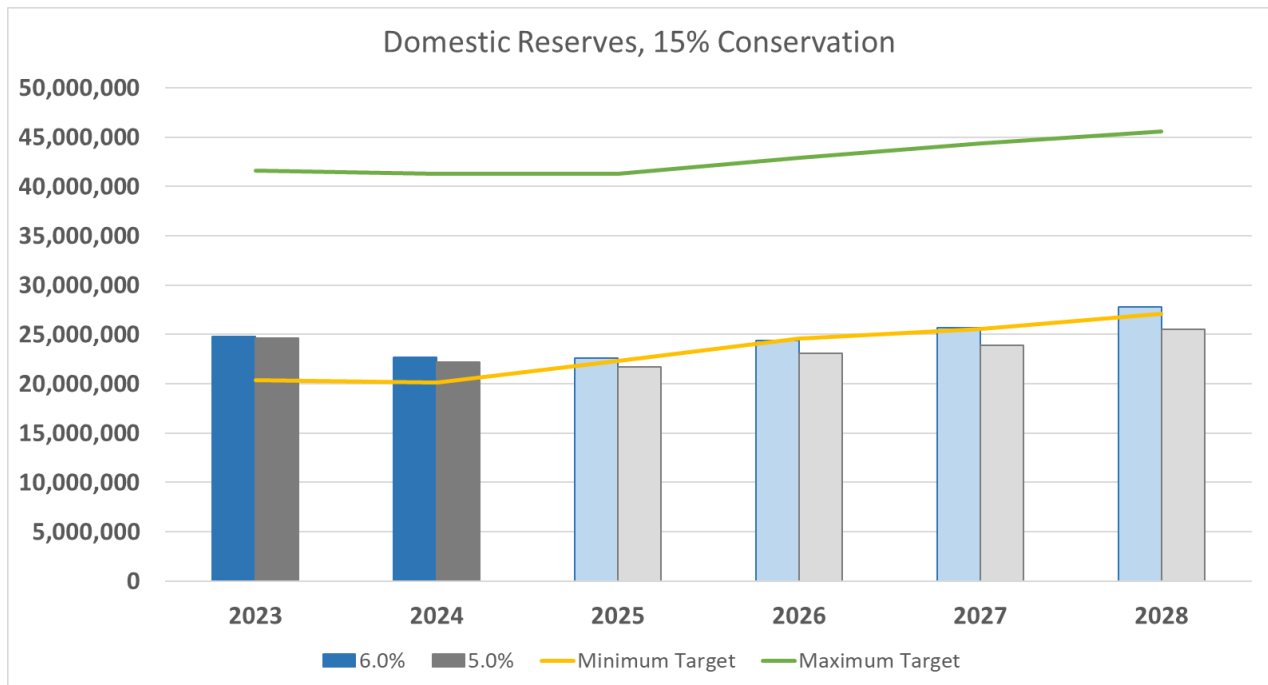
The underlying methodology for the District's rate structure is based on the cost-to-serve each of the District's user classes. This approach recognizes that the cost-to-serve each user class not only depends on the amount of water demanded but also the manner in which it is demanded, also known as 'peaking' or 'capacity' needs. In January 2020, the Board approved the Comprehensive Rate Study, and the schedule of projected rates for a 5-year period, commencing with fiscal year 19-20.

The Board and staff are conscious of the impact increasing water rates has on our customers, and the District remains committed to minimizing these impacts while still ensuring that appropriate funding is available to operate, maintain, and refurbish the water system. Staff evaluated other alternatives in an effort to minimize the financial impact, while still funding reserves at appropriate levels.

District staff is aware of external forces that could cause adjustments in revenue. One such external force is the state of California seeking voluntary conservation due to drought conditions throughout the state. Currently, the state is asking for a 15% voluntary reduction in water use. If the state seeks mandatory conservation, it will have a dramatic impact on revenues for the District. Another external force being placed on the District is compliance with AB 1668 and SB 606. By 2025, the District will be required to have customers reduce their indoor consumption from 55 gallons per person per day (gpd) to 52.5 gpd. Based on the direction given by the Board as well as external forces, staff has evaluated the following alternatives:

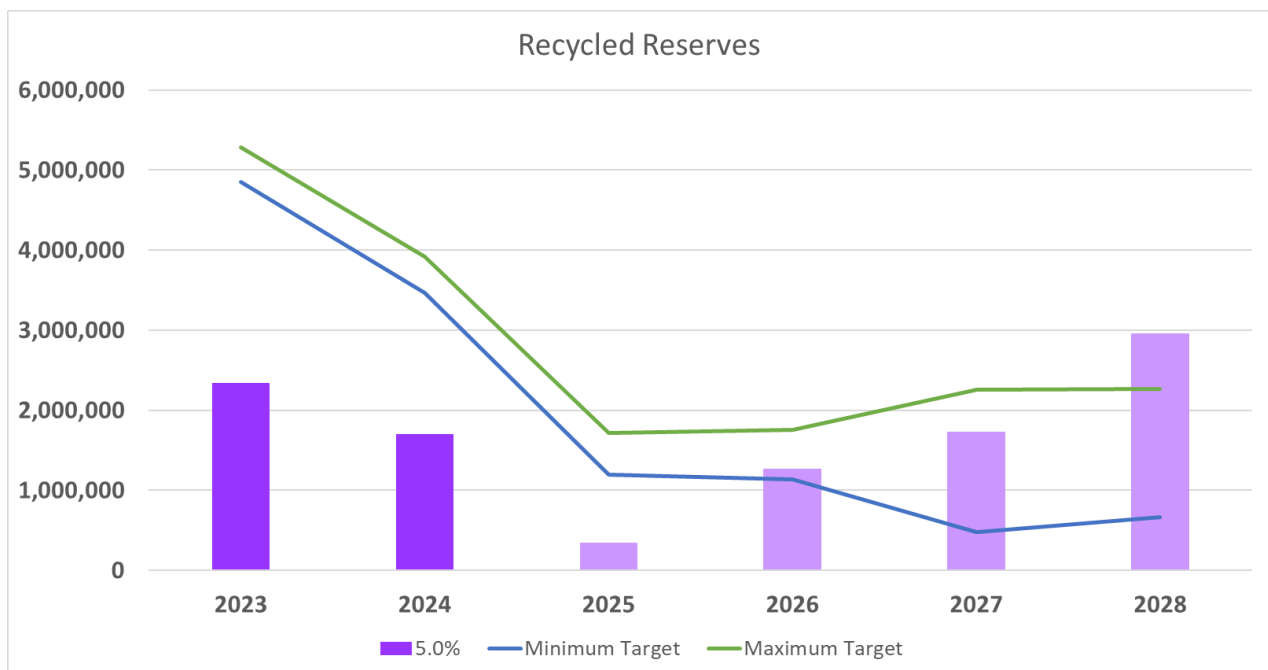
DOMESTIC WATER RATE ADJUSTMENT

6% rate increase for FY 22-23 and 5% for FY 23-24
5% rate increase for FY 22-23 and 5% for FY 23-24.



RECYCLED WATER RATE ADJUSTMENT

5% commodity rate adjustment,
6% meter charge adjustment for FY 22-23 and 5% for FY 23-24.



After reviewing the analysis of the rate increase alternatives, staff believes that a rate increase of 6% on the potable rates and a 5% increase on the recycled commodity rate provides stability in future rate increases to our customers and allows the District to continue to plan for and fund future system rehabilitation programs. In addition, given the uncertainties surrounding the pandemic and what actions the state may take relative to accumulated water bill debt by customers, the 6% increase alternative provides for potential future flexibility depending on future conditions.

Staff recommends that the Board of Directors approve an increase in the water rates, of approximately 6%, and an increase in the recycled commodity rate of approximately 5%, as shown in the attached Water Rate Sheet, to be effective January 1, 2023.

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	

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

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
DATE: October 20, 2022
SUBJECT: Consideration of Presenting a District Tile to Robert “Bob” Pacheco

Action/Discussion Fiscal Impact Resolution Information Only

Recommendation

Request the Board of Directors consider the presentation of a District tile to City Council Member Robert “Bob” Pacheco on the occasion of his retirement from public service.

Background

Mr. Pacheco will be honored for his 30 years of public service on October 26th prior to the Walnut City Council Meeting. President Tang requested this item be presented to the Board for approval to recognize Mr. Pacheco and his many accomplishment at the reception honoring him as he steps down from the City Council to spend more time with his family.

Mr. Bob Pacheco has been active in the Walnut community for more than 25 years and has served the residents of the City of Walnut in many capacities. Mr. Pacheco was originally elected to the City Council in 1996, where he served for two years, and was later appointed in 2013. Mr. Pacheco also served three terms in the California State Assembly. Pacheco has also served the local community as a leader in many local community organizations.

By way of background, in December of 2008, the Board adopted a District Certificate of Recognition, Conservation Basket, District Tile Policy, which includes provisions for presenting District tiles. The policy, states that the District will consider presenting tiles to outgoing elected officials after leaving public service with Board approval. At this time, staff recommends presenting a District tile to Mr. Pacheco in recognition to his public service and leadership to the Walnut community.

Attached for your information is the District’s Certificate of Recognition, Conservation Basket, District Tile policy.

WALNUT VALLEY WATER DISTRICT
Certificate of Recognition, Conservation Basket, District Tile Policy
Effective September 17, 2012

District Recognition

Recognition Type	Requested by	Eligibility	Final Approval
District Certificate (with a frame or presentation folder)	<p>Director or Staff</p> <p>Generally no limit on reasonable requests</p>	<p>The intent of this effort is to recognize volunteerism and worthy causes in our service area in a way that promotes the District's mission of customer service and water conservation.</p> <p>Electronically-scanned signatures of all five Board members should appear on each certificate.</p>	Board Member or General Manager
Conservation Basket	<p>The District will fulfill Director requests for conservation baskets up to a maximum of 35 (total for all divisions) baskets annually for organizations in the District's service area.</p> <p>Effective January 1, 2009, gift certificates and Martinellis will no longer be included in District conservation baskets.</p>	<p>The intent of this effort is to recognize volunteerism and worthy causes in our service area in a way that promotes the District's mission of customer service and water conservation.</p>	Director and/or Board of Directors
District Tile	The Board from time to time may designate recipients.	<p>Recipients will have performed in an outstanding manner in such public service related to the District's efforts to supply, conserve and/or serve the public in a beneficial manner by demonstrating leadership and/or a sustained commitment.</p> <p>The achievement will be at or near a stage of completion, so that its impact and degree of success can be fully appreciated.</p>	Board of Directors