



***AGENDA for a REGULAR***  
**CAPITAL IMPROVEMENT AND RATES**  
**STANDING COMMITTEE**  
**VALLEY COUNTY WATER DISTRICT**  
**14521 RAMONA BOULEVARD,**  
**BALDWIN PARK, CALIFORNIA**  
**THURSDAY, APRIL 12, 2012 AT 1:00 P.M.**

**COMMITTEE MEMBERS:**

Director Jonathan Contreras, Chairperson  
Director Armando Macias, Co-Chair  
Vice President Lenet Pacheco, Alternate

**ITEMS FOR DISCUSSION**

1. Water Service Rates Review - Consumption, Ready-to-Serve, and Capital Improvement Charges
  - a. Scenario 1 - \$9.5 Million Dollar Bond Issue FY2013
  - b. Scenario 2 - \$15.0 Million Dollar Bond Issue FY2013
  - c. Scenario 3 - Rate Stabilization Fund with \$15.0 Million Dollar Bond Issue FY2013
2. Customer Service Fees Review
3. Customer Service Deposits Review

**NEXT MEETING:**                      **To be determined.**

cc:                      Board of Directors  
                            E-Mail Distribution List

*In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, please contact the District at 626-338-7301. Requests must be made as early as possible and at least one full business day before the start of the meeting.*

## **Scenario 1**

**\$9.5 Million Dollar Bond Issue  
FY 2013**

**VALLEY COUNTY WATER DISTRICT**  
**Water Service Rates - Residential Customers**  
**Consumption, Ready-to-Serve, and Capital Improvement Charges**

<b>RATE SCENARIO ASSUMPTIONS:</b>	1	\$9.5 million dollar debt issue
	2	Discontinued MWD Replenishment Program
	3	Nominal population growth within District service area
	4	3% District expense increase per year

**RESIDENTIAL - CONSUMPTION CHARGES**

Tiered Rates	Current	Proposed				
	FY2009-FY 2012	2013	2014	2015	2016	2017
1 - 8 units	0.29	0.33	0.36	0.36	0.37	0.39
9 - 36 units	0.69	0.80	0.85	0.85	0.88	0.93
37 + units	1.15	1.33	1.42	1.42	1.47	1.54

**RESIDENTIAL - READY TO SERVE CHARGES**

Meter Size	Current	Proposed				
	FY2009-FY2012	2013	2014	2015	2016	2017
5/8"	15.20	17.56	18.78	18.78	19.44	20.42
3/4"	15.20	17.56	18.78	18.78	19.44	20.42
1"	25.38	29.32	31.36	31.36	32.46	34.08
1 1/2"	50.60	58.44	62.54	62.54	64.72	67.96
2"	81.00	93.56	100.10	100.10	103.60	108.78

**RESIDENTIAL - CAPITAL IMPROVEMENT CHARGES**

Meter Size	Current	Proposed				
	FY2009-FY2012	2013	2014	2015	2016	2017
5/8"	6.50	7.50	8.04	8.04	8.32	8.72
3/4"	9.76	11.28	12.06	12.06	12.48	13.10
1"	16.26	18.78	20.10	20.10	20.80	21.84
1 1/2"	32.50	37.54	40.16	40.16	41.58	43.64
2"	52.00	60.06	64.26	64.26	66.52	69.84

<b>TOTAL RATE ADJUSTMENT (% OF CHANGE)</b>	<b>15.5%</b>	<b>7.0%</b>	<b>0.0%</b>	<b>3.5%</b>	<b>5.0%</b>
--	--------------	-------------	-------------	-------------	-------------

**VALLEY COUNTY WATER DISTRICT**  
**Water Service Rates - Commercial Customers**  
**Consumption, Ready-to-Serve, and Capital Improvement Charges**

<b>RATE SCENARIO ASSUMPTIONS:</b>	1	\$9.5 million dollar debt issue
	2	Discontinued MWD Replenishment Program
	3	Nominal population growth within District service area
	4	3% District expense increase per year

**COMMERCIAL - CONSUMPTION CHARGES**

Tiered Rates	Current	Proposed				
	FY2009-FY 2012	2013	2014	2015	2016	2017
1 - 4 units	0.29	0.33	0.36	0.36	0.37	0.39
4 - 18 units	0.69	0.80	0.85	0.85	0.88	0.93
19 + units	1.15	1.33	1.42	1.42	1.47	1.54

**COMMERCIAL - READY TO SERVE CHARGES**

Meter Size	Current	Proposed				
	FY2009-FY2012	2013	2014	2015	2016	2017
5/8"	9.55	11.03	11.80	11.80	12.22	12.83
3/4"	9.55	11.03	11.80	11.80	12.22	12.83
1"	15.94	18.41	19.70	19.70	20.39	21.41
1 1/2"	31.79	36.72	39.29	39.29	40.66	42.70
2"	50.88	58.77	62.88	62.88	65.08	68.33
3"	95.45	110.24	117.96	117.96	122.09	128.20
4"	159.11	183.77	196.64	196.64	203.52	213.69
6"	318.14	367.45	393.17	393.17	406.93	427.28
8"	509.04	587.94	629.10	629.10	651.12	683.67

**COMMERCIAL- CAPITAL IMPROVEMENT CHARGES**

Meter Size	Current	Proposed				
	FY2009-FY2012	2013	2014	2015	2016	2017
5/8"	3.25	3.75	4.02	4.02	4.16	4.36
3/4"	4.88	5.64	6.03	6.03	6.24	6.55
1"	8.13	9.39	10.05	10.05	10.40	10.92
1 1/2"	16.25	18.77	20.08	20.08	20.79	21.82
2"	26.00	30.03	32.13	32.13	33.26	34.92
3"	48.75	56.31	60.25	60.25	62.36	65.47
4"	81.25	93.84	100.41	100.41	103.93	109.12
6"	162.50	187.69	20.83	20.83	207.85	218.25
8"	260.00	300.30	321.32	321.32	332.57	349.20

TOTAL RATE ADJUSTMENT (% OF CHANGE)

15.5%

7.0%

0.0%

3.5%

5.0%

**VALLEY COUNTY WATER DISTRICT**  
**Water Service Rates - Fire Protection Customers**  
**Consumption, Ready-to-Serve, and Capital Improvement Charges**

- RATE SCENARIO ASSUMPTIONS:**
- 1 \$9.5 million dollar debt issue
  - 2 Discontinued MWD Replenishment Program
  - 3 Nominal population growth within District service area
  - 4 3% District expense increase per year

**FIRE PROTECTION - CONSUMPTION CHARGES**

Tiered Rates	Current	Proposed				
	FY2009-FY 2012	2013	2014	2015	2016	2017
1 - 4 units	0.29	0.33	0.36	0.36	0.37	0.39
4 - 18 units	0.69	0.80	0.85	0.85	0.88	0.93
19 + units	1.15	1.33	1.42	1.42	1.47	1.54

**FIRE PROTECTION - READY TO SERVE CHARGES**

Meter Size	Current	Proposed				
	FY2009-FY2012	2013	2014	2015	2016	2017
4"	138.36	159.81	170.99	170.99	176.98	185.83
6"	276.64	319.52	341.89	341.89	353.85	371.54
8"	442.64	511.25	547.04	547.04	566.18	594.49
10"	636.36	735.00	786.45	786.45	813.97	854.67

<b>TOTAL RATE ADJUSTMENT (% OF CHANGE)</b>	<b>15.5%</b>	<b>7.0%</b>	<b>0.0%</b>	<b>3.5%</b>	<b>5.0%</b>
--	--------------	-------------	-------------	-------------	-------------

## **Scenario 2**

**\$15.0 Million Dollar Bond Issue  
FY 2013**

**VALLEY COUNTY WATER DISTRICT**  
**Water Service Rates - Residential Customers**  
**Consumption, Ready-to-Serve, and Capital Improvement Charges**

<b>RATE SCENARIO ASSUMPTIONS:</b>	1	\$15.0 million dollar debt issue
	2	Discontinued MWD Replenishment Program
	3	Nominal population growth within District service area
	4	3% District expense increase per year

**RESIDENTIAL - CONSUMPTION CHARGES**

Tiered Rates	Current	Proposed				
	FY2009-FY 2012	2013	2014	2015	2016	2017
1 - 8 units	0.29	0.34	0.35	0.36	0.37	0.41
9 - 36 units	0.69	0.82	0.84	0.86	0.89	0.98
37 + units	1.15	1.36	1.40	1.44	1.48	1.63

**RESIDENTIAL - READY TO SERVE CHARGES**

Meter Size	Current	Proposed				
	FY2009-FY2012	2013	2014	2015	2016	2017
5/8"	15.20	18.02	18.56	19.02	19.58	21.54
3/4"	15.20	18.02	18.56	19.02	19.58	21.54
1"	25.38	30.08	30.98	31.76	32.70	35.98
1 1/2"	50.60	59.96	61.76	63.30	65.20	71.72
2"	81.00	95.98	98.86	101.34	104.38	114.82

**RESIDENTIAL - CAPITAL IMPROVEMENT CHARGES**

Meter Size	Current	Proposed				
	FY2009-FY2012	2013	2014	2015	2016	2017
5/8"	6.50	7.70	7.94	8.14	8.38	9.22
3/4"	9.76	11.56	11.92	12.22	12.58	13.84
1"	16.26	19.26	19.84	20.34	20.96	23.04
1 1/2"	32.50	38.52	39.66	40.66	41.88	46.06
2"	52.00	61.62	63.46	65.06	67.00	73.70

<b>TOTAL RATE ADJUSTMENT (% OF CHANGE)</b>	<b>18.5%</b>	<b>3.0%</b>	<b>2.5%</b>	<b>3.0%</b>	<b>10.0%</b>
--	--------------	-------------	-------------	-------------	--------------

**VALLEY COUNTY WATER DISTRICT**  
**Water Service Rates - Commercial Customers**  
**Consumption, Ready-to-Serve, and Capital Improvement Charges**

<b>RATE SCENARIO ASSUMPTIONS:</b>	1	\$15.0 million dollar debt issue
	2	Discontinued MWD Replenishment Program
	3	Nominal population growth within District service area
	4	3% District expense increase per year

**COMMERCIAL - CONSUMPTION CHARGES**

Tiered Rates	Current	Proposed				
	FY2009-FY 2012	2013	2014	2015	2016	2017
1 - 4 units	0.29	0.34	0.35	0.36	0.37	0.41
4 - 18 units	0.69	0.82	0.84	0.86	0.89	0.98
19 + units	1.15	1.36	1.40	1.44	1.48	1.63

**COMMERCIAL - READY TO SERVE CHARGES**

Meter Size	Current	Proposed				
	FY2009-FY2012	2013	2014	2015	2016	2017
5/8"	9.55	11.32	11.66	11.95	12.31	13.54
3/4"	9.55	11.32	11.66	11.95	12.31	13.54
1"	15.94	18.89	19.46	19.94	20.54	22.59
1 1/2"	31.79	37.67	38.80	39.77	40.96	45.06
2"	50.88	60.29	62.10	63.65	65.56	72.12
3"	95.45	113.11	116.50	119.41	123.00	135.30
4"	159.11	188.55	194.20	199.06	205.03	225.53
6"	318.14	377.00	388.31	398.01	409.95	450.95
8"	509.04	603.21	621.31	636.84	655.95	721.54

**COMMERCIAL- CAPITAL IMPROVEMENT CHARGES**

Meter Size	Current	Proposed				
	FY2009-FY2012	2013	2014	2015	2016	2017
5/8"	3.25	3.85	3.97	4.07	4.19	4.61
3/4"	4.88	5.78	5.96	6.11	6.29	6.92
1"	8.13	9.63	9.92	10.17	10.48	11.52
1 1/2"	16.25	19.26	19.83	20.33	20.94	23.03
2"	26.00	30.81	31.73	32.53	33.50	36.85
3"	48.75	57.77	59.50	60.99	62.82	69.10
4"	81.25	96.28	99.17	101.65	104.70	115.17
6"	162.50	192.56	198.34	203.30	209.40	230.34
8"	260.00	308.10	317.34	325.28	335.03	368.54

**TOTAL RATE ADJUSTMENT (% OF CHANGE)****18.5%****3.0%****2.5%****3.0%****10.0%**



**VALLEY COUNTY WATER DISTRICT**  
**Water Service Rates - Fire Protection Customers**  
**Consumption, Ready-to-Serve, and Capital Improvement Charges**

<b>RATE SCENARIO ASSUMPTIONS:</b>	1	\$15.0 million dollar debt issue
	2	Discontinued MWD Replenishment Program
	3	Nominal population growth within District service area
	4	3% District expense increase per year

**FIRE PROTECTION - CONSUMPTION CHARGES**

Tiered Rates	Current	Proposed				
	FY2009-FY 2012	2013	2014	2015	2016	2017
1 - 4 units	0.29	0.34	0.35	0.36	0.37	0.41
4 - 18 units	0.69	0.82	0.84	0.86	0.89	0.98
19 + units	1.15	1.36	1.40	1.44	1.48	1.63

**FIRE PROTECTION - READY TO SERVE CHARGES**

Meter Size	Current	Proposed				
	FY2009-FY2012	2013	2014	2015	2016	2017
4"	138.36	163.96	168.88	173.10	178.29	196.12
6"	276.64	327.82	337.65	346.09	356.48	392.12
8"	442.64	524.53	540.26	553.77	570.38	627.42
10"	636.36	754.09	776.71	796.13	820.01	902.01

<b>TOTAL RATE ADJUSTMENT (% OF CHANGE)</b>	<b>18.5%</b>	<b>3.0%</b>	<b>2.5%</b>	<b>3.0%</b>	<b>10.0%</b>
--	--------------	-------------	-------------	-------------	--------------

## **Scenario 3**

Rate Stabilization Fund  
with  
\$15.0 Million Dollar Bond Issue  
FY 2013

**VALLEY COUNTY WATER DISTRICT**  
**Water Service Rates - Residential Customers**  
**Consumption, Ready-to-Serve, and Capital Improvement Charges**

<b>RATE SCENARIO ASSUMPTIONS:</b>	1	\$15.0 million dollar debt issue with use of a rate stabilization fund
	2	Discontinued MWD Replenishment Program
	3	Nominal population growth within District service area
	4	3% District expense increase per year

**RESIDENTIAL - CONSUMPTION CHARGES**

Tiered Rates	Current	Proposed				
	FY2009-FY 2012	2013	2014	2015	2016	2017
1 - 8 units	0.29	0.31	0.34	0.37	0.40	0.44
9 - 36 units	0.69	0.75	0.81	0.88	0.96	1.04
37 + units	1.15	1.25	1.35	1.47	1.59	1.73

**RESIDENTIAL - READY TO SERVE CHARGES**

Meter Size	Current	Proposed				
	FY2009-FY2012	2013	2014	2015	2016	2017
5/8"	15.20	16.50	17.90	19.42	21.06	22.86
3/4"	15.20	16.50	17.90	19.42	21.06	22.86
1"	25.38	27.54	29.88	32.42	35.18	38.16
1 1/2"	50.60	54.90	59.56	64.64	70.12	76.08
2"	81.00	87.88	95.36	103.46	112.26	121.80

**RESIDENTIAL - CAPITAL IMPROVEMENT CHARGES**

Meter Size	Current	Proposed				
	FY2009-FY2012	2013	2014	2015	2016	2017
5/8"	6.50	7.06	7.66	8.30	9.00	9.78
3/4"	9.76	10.58	11.48	12.46	13.52	14.68
1"	16.26	17.64	19.14	20.76	22.54	24.44
1 1/2"	32.50	35.26	38.26	41.52	45.04	48.86
2"	52.00	56.42	60.61	66.42	72.06	78.20

<b>TOTAL RATE ADJUSTMENT (% OF CHANGE)</b>	<b>8.5%</b>	<b>8.5%</b>	<b>8.5%</b>	<b>8.5%</b>	<b>8.5%</b>
--	-------------	-------------	-------------	-------------	-------------

**VALLEY COUNTY WATER DISTRICT**  
**Water Service Rates - Commercial Customers**  
**Consumption, Ready-to-Serve, and Capital Improvement Charges**

<b>RATE SCENARIO ASSUMPTIONS:</b>	1	\$15.0 million dollar debt issue with use of a rate stabilization fund
	2	Discontinued MWD Replenishment Program
	3	Nominal population growth within District service area
	4	3% District expense increase per year

**COMMERCIAL - CONSUMPTION CHARGES**

Tiered Rates	Current	Proposed				
	FY2009-FY 2012	2013	2014	2015	2016	2017
1 - 4 units	0.29	0.31	0.34	0.37	0.40	0.44
4 - 18 units	0.69	0.75	0.81	0.88	0.96	1.04
19 + units	1.15	1.25	1.35	1.47	1.59	1.73

**COMMERCIAL - READY TO SERVE CHARGES**

Meter Size	Current	Proposed				
	FY2009-FY2012	2013	2014	2015	2016	2017
5/8"	9.55	10.36	11.24	12.20	13.23	14.36
3/4"	9.55	10.36	11.24	12.20	13.23	14.36
1"	15.94	17.29	18.76	20.36	22.09	23.97
1 1/2"	31.79	34.49	37.42	40.61	44.06	47.80
2"	50.88	55.20	59.90	64.99	70.51	76.51
3"	95.45	103.56	112.37	121.92	132.28	143.52
4"	159.11	172.63	187.31	203.23	220.50	239.25
6"	318.14	345.18	374.52	406.36	440.90	478.37
8"	509.04	552.31	599.25	650.19	705.46	765.42

**COMMERCIAL- CAPITAL IMPROVEMENT CHARGES**

Meter Size	Current	Proposed				
	FY2009-FY2012	2013	2014	2015	2016	2017
5/8"	3.25	3.53	3.83	4.15	4.50	4.89
3/4"	4.88	5.29	5.74	6.23	6.76	7.34
1"	8.13	8.82	9.57	10.38	11.27	12.22
1 1/2"	16.25	17.63	19.13	20.76	22.52	24.43
2"	26.00	28.21	30.61	33.21	36.03	39.10
3"	48.75	52.89	57.39	62.27	67.56	73.30
4"	81.25	88.16	95.65	103.78	112.60	122.17
6"	162.50	176.31	191.30	207.56	225.20	244.34
8"	260.00	282.10	306.08	332.10	360.32	390.95

**TOTAL RATE ADJUSTMENT (% OF CHANGE)****8.5%****8.5%****8.5%****8.5%****8.5%**

**VALLEY COUNTY WATER DISTRICT**  
**Water Service Rates - Fire Protection Customers**  
**Consumption, Ready-to-Serve, and Capital Improvement Charges**

- RATE SCENARIO ASSUMPTIONS:**
- 1 \$15.0 million dollar debt issue with use of a rate stabilization fund
  - 2 Discontinued MWD Replenishment Program
  - 3 Nominal population growth within District service area
  - 4 3% District expense increase per year

**FIRE PROTECTION - CONSUMPTION CHARGES**

Tiered Rates	Current	Proposed				
	FY2009-FY 2012	2013	2014	2015	2016	2017
1 - 4 units	0.29	0.31	0.34	0.37	0.40	0.44
4 - 18 units	0.69	0.75	0.81	0.88	0.96	1.04
19 + units	1.15	1.25	1.35	1.47	1.59	1.73

**FIRE PROTECTION - READY TO SERVE CHARGES**

Meter Size	Current	Proposed				
	FY2009-FY2012	2013	2014	2015	2016	2017
4"	138.36	150.12	162.88	176.73	191.75	208.05
6"	276.64	300.15	325.67	353.35	383.38	415.97
8"	442.64	480.26	521.09	565.38	613.44	665.58
10"	636.36	690.45	749.14	812.82	881.91	956.87

<b>TOTAL RATE ADJUSTMENT (% OF CHANGE)</b>	<b>8.5%</b>	<b>8.5%</b>	<b>8.5%</b>	<b>8.5%</b>	<b>8.5%</b>
--	-------------	-------------	-------------	-------------	-------------



**The PFM Group**  
 Public Financial Management, Inc.  
 PFM Asset Management LLC  
 PFM Advisors

601 South Figueroa St.  
 Suite 4500  
 Los Angeles, CA 90017

213-489-4075  
 213-489-4085 fax  
 www.pfm.com

March 6, 2012

## Memorandum

**To:** Lynda Noniega, *General Manager, Valley County Water District*  
**From:** Craig Hoshijima, Public Financial Management, Inc.  
**Re:** LRFP Additional Scenarios

This memorandum describes two additional water rate scenarios for the Valley County Water District's ("District") Long Range Financial Plan ("LRFP"). The scenarios estimate the water rate impact of both a larger initial bond issue in FY12 and a "smoothing" of rate increases so that the annual changes are approximately the same each year.

### Scenario 1A: \$15 Million Debt Issue

This scenario assumes a \$15.0 million debt issuance in FY12 versus a \$9.5 million issue in the February 18, 2012 LRFP. The larger debt issue allows the District to maintain a \$9.0 to \$11.0 million cash balance. In order to maintain this target fund balance and achieve at least 1.3 times debt service coverage, the District would need to increase the service charges in FY13 by 18.5%. The projected annual rate increases (fixed, CIP, and consumption charges), and average residential monthly bill are shown in the following table from FY12 to FY16.

**Scenario 1A: Projected Water Rates (3/4" meter)**

	2012	2013	2014	2015	2016
<b>Average Residential Monthly Bill <sup>1</sup></b>	\$19.60	\$23.23	\$23.92	\$24.52	\$25.26
<b>% Change – Fixed, CIP, and Consumption Charges</b>		18.50%	3.00%	2.50%	3.00%

<sup>1</sup> – Based on 15 ccf consumption.

### Scenario 2A: \$15 Million Debt Issuance with "Smoothed" Rate Increases

The second scenario assumes a \$15.0 million debt issuance in FY12 and a "packaged" set of rate increases (i.e., the same annual change each year). However, in order for the District to avoid the 18.5% increase in Scenario 1A, and have a level series of annual water rate increases, the District would need to use a portion of its cash balance to provide sufficient debt service coverage (assuming the District is planning to issue debt and incorporate a debt service coverage requirement in its bond indenture). The use of cash balances to create debt service coverage is accomplished by creating a "rate stabilization fund." Any withdrawals from the fund would be recognized as revenues for the fiscal year and used in the debt service coverage calculation.\*

\* The District may also need to restrict the use of the withdrawals (e.g., promise to expend the funds on O&M) and exclude any future deposits to the fund from that year's revenues.

The projected water rate increases under Scenario 2A are shown in the following table. With the establishment of a rate stabilization fund, the District avoids large rate increases and is able to limit the annual increases to 8.5%.

**Scenario 2A: Projected Water Rates with Rate Stabilization Fund (3/4" meter)**

	2012	2013	2014	2015	2016
<b>Average Residential Monthly Bill <sup>1</sup></b>	\$19.60	\$21.27	\$23.07	\$25.03	\$27.16
<b>% Change – Fixed, CIP, and Consumption Charges</b>		8.50%	8.50%	8.50%	8.50%

<sup>1</sup> – Based on 15 ccf consumption.

The required withdrawals from the assumed rate stabilization fund are shown in the following table. In order for the District to achieve minimum debt service coverage given the \$15.0 million debt issue, transfers or withdrawals totaling \$795,000 must be made from the rate stabilization fund. The District would need to fund the rate stabilization fund in this amount and may not have access to it for other purposes.

**Net Revenue and Debt Service Coverage with Rate Stabilization Fund**

	2012	2013	2014	2015	2016
<b>Total Revenues</b>	\$6,133,624	\$7,041,213	\$7,575,420	\$8,176,413	\$8,843,551
<b>Total Expenses</b>	5,740,045	6,184,005	6,392,169	6,612,470	6,868,835
<b>Net Operating Revenues</b>	\$393,579	\$857,208	\$1,183,250	\$1,563,943	\$1,974,717
<b>Rate Stabilization Fund Transfer</b>	-	560,000	235,000	-	-
<b>Net Revenues</b>	\$393,579	\$1,417,208	\$1,418,250	\$1,563,943	\$1,974,717
<b>Debt Service</b>	-	1,089,734	1,089,734	1,089,734	1,089,734
<b>Debt Service Coverage</b>		<b>1.30</b>	<b>1.30</b>	<b>1.44</b>	<b>1.81</b>

Printouts of the Statement of Financial Position; Statement of Cash Flows; Statement of Revenues, Expenses, and Changes in Net Assets; Net Revenues; Source of Water Supply; and Water Rates associated with each scenario are attached.

We look forward to discussing this analysis with you at your convenience. If you have any questions, please feel free to call me at (213) 404-0079.

Attachments:

# **Customer Service Fees Review**



VALLEY COUNTY WATER DISTRICT  
MISCELLANEOUS CUSTOMER SERVICE FEES

PAGE	CURRENT		PROPOSED	
	Name of Fee	Amount	Name of Fee	Amount
SER-1	Utility Account Set-Up Fee	60.00	Utility Service Application Fee	65.00
SER-2	Delinquent Account - Late Bill	2.00	Second Notice Fee	2.00
SER-3	Delinquent Account - Tagging	15.00	Final Notice Fee	15.00
SER-4	Delinquent Account - Turn Off/On	15.00	Disconnection Notice Fee	25.00
	After-hours Service for Delinquent Accounts	10.00	<del>DELETE</del> After-hours Service for Delinquent Accounts	N/A
SER-5	Delinquent Account - Cut Lock	100.00	Cut Lock Fee	40.00
SER-6	Unauthorized Usage Penalty		Unauthorized Usage Fee	
	First Offense	75.00	First Offense	100.00
	Second Offense	150.00	Second Offense	200.00
	Subsequent Offense	300.00	Subsequent Offense	400.00
SER-7	Returned Check Fee	20.00	Returned Check Fee	40.00
	Construction Meter Use Charge		Construction Meter Usage Fees	
	Water Consumption	1.69 / ccf	Water Consumption	1.69 / ccf
	Water Meter Rental	13.00/week	Water Meter Rental	13.00 / week
SER-8	Fire Flow Charge	125.00	Fire Flow Test Fee	150.00
SER-9	Backflow Device Monitoring		Backflow Compliance Monitoring	
	Existing Devices	50.00	All Devices	15.00
	New Devices	90.00	<del>DELETE</del> New Devices	N/A
	Additional Devices	18.00	<del>DELETE</del> Additional Devices	N/A
SER-10	NEW FEE	N/A	Account History Request Fee	10.00
	Credit Evaluation Letter	10.00	<del>DELETE</del> Credit Evaluation Letter	N/A
	Will Serve Letter		<del>DELETE</del> Will Serve Letter	
	Residential	25.00	<del>DELETE</del> Residential	N/A
	Commercial/Industrial	40.00	<del>DELETE</del> Commercial/Industrial	N/A
	Water System Access Fee		<del>DELETE</del> Water System Access Fee	
	3/4"	1,995.00	<del>DELETE</del> 3/4"	N/A
	1"	3,325.00	<del>DELETE</del> 1"	N/A
	1 1/2"	6,650.00	<del>DELETE</del> 1 1/2"	N/A
	2"	10,640.00	<del>DELETE</del> 2"	N/A
	3"	19,950.00	<del>DELETE</del> 3"	N/A
	4"	33,250.00	<del>DELETE</del> 4"	N/A
	6"	66,500.00	<del>DELETE</del> 6"	N/A
	8"	106,400.00	<del>DELETE</del> 8"	N/A
	10"	152,950.00	<del>DELETE</del> 10"	N/A

**\*\*All of the revenue generated from these services total approximately 5% of the District's approved budget revenue.\*\***

**VALLEY COUNTY WATER DISTRICT  
Rates and Fees Adjustment**

**CURRENT NAME:** Utility Account Set-Up Fee  
**PROPOSED NAME:** Utility Application Fee

**DESCRIPTION:** Cost for the customer to initiate water service or change the name of an existing service at a residence or business served by the District. Also includes the set-up of service for construction meter rentals, new service installations, and fire flow services.

**CURRENT FEE:** \$60.00

COST OF SERVICE	Hours to Complete	Average Cost/Hour Including Benefits	Extended Cost
<b>Accounting Technician</b> Process application, cross-reference customer, verify ID, collect payment Enter service order, print service order, provide information to Customer Service Supervisor	0.25 0.25	52.58 52.58	13.15 13.15
<b>Customer Service Supervisor</b> Use of District utility truck Report to address, turn-on service, obtain meter read for billing purposes Complete service order in billing system, provide information to Accounting Technician	0.25 0.25 0.25	15.32 47.01 47.01	3.83 11.75 11.75
<b>Estimated Cost of Service</b>		<b>20%</b>	\$ <b>53.63</b>
<b>Overhead - Supplies, administrative review, potential salary increases</b>			<b>10.73</b>
<b>TOTAL ESTIMATED COST OF SERVICE</b>			\$ <b>64.35</b>

**PROPOSED FEE:** \$65.00

VALLEY COUNTY WATER DISTRICT  
Rates and Fees Adjustment

**CURRENT NAME:** Delinquent Account - Late Bill  
**PROPOSED NAME:** Second Notice Fee

**DESCRIPTION:** Once payment has not been received in response to the initial billing statement (after approximately 15 days), the District processes second notices and sends the customer a second billing statement with the additional second notice fee.

**CURRENT FEE:** \$2.00

COST OF SERVICE	Hours to Complete	Average Cost/Hour Including Benefits or Cost of Service	Average Count for Batch Processing	Extended Cost
<b>Accounting Technician</b> Process second notices, review batch, prepare file for transfer to InfoSend for distribution Upload file to InfoSend website, approve proof from InfoSend	0.50 0.50	52.58 52.58	887 887	0.03 0.03
<b>InfoSend</b> Billing statement material, printing, distribution and postage services		0.99		0.99
<b>Estimated Cost of Service</b>				\$ 1.05
<b>Overhead - Supplies, administrative review, potential salary increases</b>			20%	\$ 0.21
<b>TOTAL ESTIMATED COST OF SERVICE</b>				\$ 1.26

**PROPOSED FEE:** \$2.00  
No Change

**VALLEY COUNTY WATER DISTRICT**  
Rates and Fees Adjustment

**CURRENT NAME:** Delinquent Account - Tagging  
**PROPOSED NAME:** Final Notice Fee

**DESCRIPTION:** Once payment has not been received in response to the second notice billing statement (after approximately 15 additional days), the District processes final notices and hangs a door notice at the customer's residence or business with the additional final notice fee.

**CURRENT FEE:** \$15.00

COST OF SERVICE	Hours to Complete	Average Cost/Hour Including Benefits or Cost of Service	Average Count for Batch Processing	Extended Cost
<b>Accounting Technician</b> Process final notices, review batch, collate final notices to list Prepare final notices for supervisor review	2.00 2.00	52.58 52.58	114 114	0.92 0.92
<b>Accounting Supervisor</b> Review final notices for accuracy Review customer payment history for same-day payment Prepare final notices for Customer Service Supervisor distribution	2.00 2.00 2.00	63.73 63.73 63.73	114 114 114	1.12 1.12 1.12
<b>Customer Service Supervisor / Utility Service Worker - Meter Reader</b> Hang final notices at customer's residence or business Use of District utility truck Hang final notices at customer's residence or business Use of District utility truck	5.00 5.00 5.00 5.00	47.01 15.32 59.11 15.32	114 114 114 114	2.06 0.67 2.59 0.67
<b>Estimated Cost of Service</b> <b>Overhead - Supplies, administrative review, potential salary increases</b> <b>TOTAL ESTIMATED COST OF SERVICE</b>			<b>20%</b>	<b>\$ 10.53</b> <b>2.11</b> <b>\$ 12.63</b>

**PROPOSED FEE:** \$15.00  
No change

VALLEY COUNTY WATER DISTRICT  
Rates and Fees Adjustment

**CURRENT NAME:** Delinquent Account - Turn Off/On  
**PROPOSED NAME:** Disconnection Notice Fee

**DESCRIPTION:** Once payment has not been received in response to the final notice door hanger (after approximately 2 additional days), the District processes disconnection notices and disconnects water service at the service address with the additional disconnection notice fee.

**CURRENT FEE:** \$15.00

COST OF SERVICE	Hours to Complete	Average Cost/Hour Including Benefits or Cost of Service	Average Count for Batch Processing	Extended Cost
<b>Accounting Technician</b> Process disconnection notices, review batch, collate disconnection notices to list Prepare disconnection notices for supervisor review	0.50 0.50	52.58 52.58	19 19	1.38 1.38
<b>Accounting Supervisor</b> Review disconnection notices for accuracy Review customer payment history for same-day payment Add service deposits for accounts without a current service deposit Prepare disconnection notices for Customer Service Supervisor distribution	0.25 0.25 0.50 0.25	63.73 63.73 63.73 63.73	19 19 19 19	0.84 0.84 1.68 0.84
<b>Customer Service Supervisor / Utility Service Worker - Meter Reader</b> Turn off customer's water service and hang door notice Reconnect customer's water service as payment is received Use of District utility truck Turn off customer's water service and hang door notice Reconnect customer's water service as payment is received Use of District utility truck	1.00 1.00 1.00 1.00 1.00 1.00	47.01 47.01 15.32 59.11 59.11 15.32	19 19 19 19 19 19	2.47 2.47 0.81 3.11 3.11 0.81
<b>Estimated Cost of Service</b> <b>Overhead - Supplies, administrative review, potential salary increases</b>				\$ 19.74 \$ 3.95
<b>TOTAL ESTIMATED COST OF SERVICE</b>			<b>20%</b>	<b>\$ 23.69</b>

**PROPOSED FEE:** \$25.00

VALLEY COUNTY WATER DISTRICT  
Rates and Fees Adjustment

CURRENT NAME: Delinquent Account - Cut Lock  
PROPOSED NAME: Cut Lock Fee

DESCRIPTION: Fee charged if the pad lock is cut and/or removed by the customer, or the customer's representatives, without the District's authorization.

CURRENT FEE: \$100.00

COST OF SERVICE	Hours to Complete	Average Cost/Hour Including Benefits or Cost of Service	Extended Cost
<b>Robert Skeels, Inc</b> Replacement of damaged master pad lock		7.00	7.00
<b>Customer Service Supervisor / Utility Service Worker - Meter Reader</b> Replace damaged lock and disconnect customer's water service	0.25	47.01	11.75
Assess service for any damages to District property	0.25	47.01	11.75
Use of District utility truck	0.25	15.32	3.83
<b>Estimated Cost of Service</b>			<b>\$ 34.34</b>
<b>Overhead - Supplies, administrative review, potential salary increases</b>		<b>20%</b>	<b>6.87</b>
<b>TOTAL ESTIMATED COST OF SERVICE</b>			<b>\$ 41.20</b>

PROPOSED FEE: \$40.00

VALLEY COUNTY WATER DISTRICT  
Rates and Fees Adjustment

CURRENT NAME: Unauthorized Usage Penalty  
PROPOSED NAME: Unauthorized Usage Fee

DESCRIPTION: Fee charged if the water service is connected by the customer, or the customer's representatives, without the District's authorization.

CURRENT FEE: First \$75.00  
Second \$150.00  
Subsequent \$300.00

COST OF SERVICE	Hours to Complete	Average Cost/Hour Including Benefits or Cost of Service	Extended Cost
<b>Accounting Technician</b> Review billing ledgers, account status, and prior service orders Prepare information for supervisor review	0.25 0.25	52.58 52.58	13.15 13.15
<b>Accounting Supervisor</b> Review cut lock information, prepare disconnection notice, process fee adjustments	0.50	63.73	31.87
<b>Customer Service Supervisor / Utility Service Worker - Meter Reader</b> Disconnect customer's water service and hang door notice Reconnect customer's water service as payment is received Use of District utility truck	0.25 0.25 0.25	47.01 47.01 15.32	11.75 11.75 3.83
<b>Estimated Cost of Service</b>			\$ 85.49
<b>Overhead - Supplies, administrative review, potential salary increases</b>		20%	17.10
<b>TOTAL ESTIMATED COST OF SERVICE</b>			\$ 102.59

PROPOSED FEE: First \$100.00  
Second \$200.00  
Subsequent \$400.00

**VALLEY COUNTY WATER DISTRICT**  
Rates and Fees Adjustment

**CURRENT NAME:** Returned Check Fee  
**PROPOSED NAME:** Returned Check Fee

**DESCRIPTION:** Fee charged if a customer's check remitted to the District as payment for water services is returned from the financial institution as unpaid.

**CURRENT FEE:** \$20.00

COST OF SERVICE	Hours to Complete	Average Cost/Hour Including Benefits or Cost of Service	Extended Cost
<b>Accounting Supervisor / Accounting Technician</b> Process returned check, prepare adjustment with additional fees, prepare notification	0.25	52.58	13.15
<b>Customer Service Supervisor</b> Hang notice at customer's residence or business Use of District utility truck	0.25 0.25	47.01 15.32	11.75 3.83
<b>SCE Federal Credit Union</b> Returned check fee	1.00	5.00	5.00
<b>Estimated Cost of Service</b>			<b>33.73</b>
<b>Overhead - Supplies, administrative review, potential salary increases</b>		<b>20%</b>	<b>6.75</b>
<b>TOTAL ESTIMATED COST OF SERVICE</b>			<b>40.47</b>

**PROPOSED FEE:** \$40.00



VALLEY COUNTY WATER DISTRICT  
Rates and Fees Adjustment

CURRENT NAME: Fire Flow Charge  
 PROPOSED NAME: Fire Flow Test Fee

DESCRIPTION: Fee charged for a customer requested fire hydrant flow test

CURRENT FEE: \$125.00

COST OF SERVICE	Hours to Complete	Average Cost/Hour Including Benefits or Cost of Service	AF	Extended Cost
<b>Water Quality Specialist</b> Report to hydrant location, test fire hydrant, record variable data Calculate fire hydrant flow, complete test report, prepare customer correspondence Use of District utility truck	0.50 0.50 0.50	62.65 62.65 15.32		31.33 31.33 7.66
<b>Utility Service Worker</b> Report to hydrant location, test fire hydrant, record variable data Use of District utility truck	0.50 0.50	58.78 15.32		29.39 7.66
<b>Water Usage</b> Average test of 4 minutes at 2,500 gallons per minute (gpm) = 0.0310 acre feet (AF)		526.00	0.0310	16.31
<b>Estimated Cost of Service</b> Overhead - Supplies, administrative review, potential salary increases			20%	123.67 24.73
<b>TOTAL ESTIMATED COST OF SERVICE</b>				<b>148.40</b>

PROPOSED FEE: \$150.00

VALLEY COUNTY WATER DISTRICT  
Rates and Fees Adjustment

CURRENT NAME: Backflow Device Monitoring  
PROPOSED NAME: Backflow Compliance Monitoring

DESCRIPTION: Cost for the District to notify the customer and/or owner of the backflow device of their requirement to test the device on an annual basis.

CURRENT FEE: \$50.00 (Existing)  
\$90.00 (New)

COST OF SERVICE	Annual Hours to Complete	Average Cost/Hour Including Benefits or Cost of Service	Average Count for Batch Processing	Extended Cost
Water Quality Specialist Send first notices, send second notices, monitor account compliance	150.00	62.65	795	11.82
Postage Distribution and postage		0.50		0.50
Estimated Cost of Service				\$ 12.32
Overhead - Supplies, administrative review, potential salary increases			20%	\$ 2.46
<b>TOTAL ESTIMATED COST OF SERVICE</b>				<b>\$ 14.78</b>

PROPOSED FEE: \$15.00

VALLEY COUNTY WATER DISTRICT  
Rates and Fees Adjustment

CURRENT NAME: N/A  
PROPOSED NAME: Account History Request Fee

DESCRIPTION: Fee charged for a customer requested re-print of their utility account history or utility account statements.

CURRENT FEE: N/A

COST OF SERVICE	Hours to Complete	Average Cost/Hour Including Benefits or Cost of Service	Extended Cost
Accounting Technician Print customer requested information	0.15	52.58	7.89
Estimated Cost of Service Overhead - Supplies, administrative review, potential salary increases		20%	7.89 1.58
<b>TOTAL ESTIMATED COST OF SERVICE</b>			<b>9.46</b>

PROPOSED FEE: \$10.00

# **Customer Service Deposits Review**

VALLEY COUNTY WATER DISTRICT  
MISCELLANEOUS CUSTOMER SERVICE DEPOSITS

PAGE	CURRENT		PROPOSED	
	Name of Deposit	Amount	Name of Deposit	Amount
DEP-1	<b>Residential Services</b>		<b>Residential Services</b>	
	5/8" or 3/4"	58.00	5/8" or 3/4"	92.00
	1"	94.00	1"	164.00
	1 1/2"	130.00	1 1/2"	315.00
	2"	181.00	2"	508.00
DEP-1	<b>Commercial Services</b>		<b>Commercial Services</b>	
	5/8" or 3/4"	58.00	5/8" or 3/4"	204.00
	1"	94.00	1"	254.00
	1 1/2"	130.00	1 1/2"	366.00
	2"	181.00	2"	512.00
	3"	360.00	3"	672.00
	4"	537.00	4"	1,176.00
	6"	1,252.00	6"	1,756.00
	8"	-	8"	2,443.00
DEP-1	<b>Fire Protection Services</b>		<b>Fire Protection Services</b>	
	4"	126.00	4"	285.00
	6"	251.00	6"	570.00
	8"	359.00	8"	912.00
	10	537.00	10	1,311.00
DEP-2	<b>Delinquent Account - Meter Tampering</b>	Actual Cost	<b>Meter Tampering Deposit**</b>	200.00
			**Applied to actual cost of repair**	
DEP-3	<b>Contractor Hydrant Meter Deposit</b>	970.00	<b>Construction Meter Use Deposit</b>	1,475.00
DEP-4	<b>Water Meter Test</b>	185.00	<b>Meter Accuracy Test Deposit</b>	

VALLEY COUNTY WATER DISTRICT  
Rates and Fees Adjustment

CURRENT NAME: New Delinquent Utility Account Deposit  
PROPOSED NAME: Service Deposit

DESCRIPTION: Applied to an account when the customer requests water service at a business or residence or when a service is disconnected for non-payment.

RESIDENTIAL SERVICES - BI-MONTHLY BILLING (2-MONTHS)

Meter Size	Current Deposit	Average Consumption	Average Consumption Charge	Ready to Serve Charge	Capital Improvement Charge	Utility Tax	Total Average Bill	Proposed Service Deposit (x 2 Cycles)
5/8" OR 3/4"	58.00	33	19.57	15.20	9.76	1.34	45.87	\$ 92.00
1"	94.00	50	37.74	25.38	16.26	2.38	81.76	\$ 164.00
1 1/2"	130.00	78	69.94	50.60	32.50	4.59	157.63	\$ 315.00
2"	181.00	116	113.64	81.00	52.00	7.40	254.04	\$ 508.00

COMMERCIAL SERVICES - MONTHLY BILLING (1-MONTH)

Meter Size	Current Deposit	Average Consumption	Average Consumption Charge	Ready to Serve Charge	Capital Improvement Charge	Utility Tax	Total Average Bill	Proposed Service Deposit (x 2 Cycles)
5/8" OR 3/4"	58.00	82	84.42	9.55	4.88	2.97	101.82	\$ 204.00
1"	94.00	95	99.37	15.94	8.13	3.70	127.14	\$ 254.00
1 1/2"	130.00	121	129.27	31.97	16.25	5.32	182.81	\$ 366.00
2"	181.00	158	171.82	50.88	26.00	7.46	256.16	\$ 512.00
3"	360.00	167	182.17	95.45	48.75	9.79	336.16	\$ 672.00
4"	537.00	296	330.52	159.11	81.25	17.13	588.01	\$ 1,176.00
6"	1,252.00	332	371.92	318.14	162.50	25.58	878.14	\$ 1,756.00
8"	-	371	416.77	509.04	260.00	35.57	1,221.38	\$ 2,443.00

FIRE PROTECTION SERVICES - MONTHLY BILLING (1-MONTH)

Meter Size	Current Deposit	Average Consumption	Average Consumption Charge	Ready to Serve Charge	Capital Improvement Charge	Utility Tax	Total Average Bill	Proposed Service Deposit (x 2 Cycles)
4"	126.00	-	-	138.36	-	4.15	142.51	\$ 285.00
6"	251.00	-	-	276.64	-	8.30	284.94	\$ 570.00
8"	359.00	-	-	442.64	-	13.28	455.92	\$ 912.00
10"	537.00	-	-	636.36	-	19.09	655.45	\$ 1,311.00

**VALLEY COUNTY WATER DISTRICT**  
**Rates and Fees Adjustment**

**CURRENT NAME:** Delinquent Account - Meter Tampering  
**PROPOSED NAME:** Meter Tampering Deposit

**DESCRIPTION:** Deposit collected from the customer if the water service is tampered with and the Customer Service Supervisor determines that repairs are necessary; the deposit collected will be applied to the actual costs of the repair; customer will be billed or refunded for the difference in actual cost

**CURRENT DEPOSIT:** N/A

COST OF SERVICE	Average Cost/Hour Including Benefits or Cost of Service	Extended Cost
Distribution & Service Maintenance	155.00	155.00

**PROPOSED DEPOSIT:** \$200.00

VALLEY COUNTY WATER DISTRICT  
Rates and Fees-Adjustment

**CURRENT NAME:** Contractor Hydrant Meter Deposit  
**PROPOSED NAME:** Construction Meter Use Deposit

**DESCRIPTION:** Applied to an account when the customer/contractor requests a temporary construction meter for water service from a District fire hydrant.

CONSTRUCTION METER SERVICES - MONTHLY BILLING (1-MONTH)

Meter Size	Current Deposit	Average Consumption	Average Consumption Charge (\$1.69)	Ready to Serve Charge (\$13.00/wk)	Total Average Bill	Replacement Meter	Proposed Service Deposit (x 2 Cycles)
Construction	970.00	250	422.50	65.00	487.50	500.00	\$ 1,475.00



VALLEY COUNTY WATER DISTRICT  
Rates and Fees Adjustment

**CURRENT NAME:** Water Meter Test  
**PROPOSED NAME:** Meter Accuracy Test Deposit

**DESCRIPTION:** Applied to an account when the customer requests an accuracy test of the service meter. If the test shows that the meter is inaccurate, the deposit will be refunded to the customer. If the test shows that the meter is accurate, the deposit will not be refunded.

**CURRENT FEE:** \$185.00

COST OF SERVICE	Hours to Complete	Average Cost/Hour Including Benefits or Cost of Service	Extended Cost
<b>Accounting Technician</b> Process deposit and print service order for Customer Service Supervisor	0.25	52.58	13.15
<b>Customer Service Supervisor</b> Use of District utility truck	1.00	15.32	15.32
Report to address, pull meter and replace with a temporary meter, send meter for testing	0.50	47.01	23.51
Report to address, pull temporary meter and replace with original or new water meter	0.50	47.01	23.51
<b>McCall's Meters, Inc</b> Cost to test meter and provide test results		75.00	75.00
<b>Estimated Cost of Service</b>			\$ 150.48
<b>Overhead - Supplies, administrative review, potential salary increases</b>		20%	\$ 30.10
<b>TOTAL ESTIMATED COST OF SERVICE</b>			\$ 180.57

**PROPOSED FEE:** \$185.00