

## Explanation of Proposed Water Rate Increases

The Lee Lake Water District is proposing an increase for providing water service to your property and other properties serviced by the District.

**The District is not proposing an increase in the Water Meter Service Charge, Pumping Charge or Sewer Service Charge.**

The proposed rates were calculated based on budget analysis and discussion by District staff and the Board of Directors to cover the ever increasing cost of water procurement and delivery.

The District cannot continue to absorb the current and proposed future Metropolitan Water District wholesale water rate increases without major impacts to customer service and planning of long term capital projects for water delivery reliability and safety.

Each customer will experience varying water bill increases depending on the customer type and usage (single family residential bills are different than commercial bills, for example).

If you have questions about the proposed water rates and charges, or wholesale water rates please call (951) 277-1414 or visit [www.llwd.org](http://www.llwd.org) for additional information.

**Lee Lake Water District**  
22646 Temescal Canyon Road  
Corona, CA 92883



## Notice of Public Hearing on Water Rate Increases

**August 27, 2013  
8:30 A.M.**

**LLWD Board Room  
22646 Temescal Canyon Road  
Corona, CA 92883**

### Notice of Public Hearing

Notice of Public Hearing in Conformance with Article XIIIID of the California State Constitution and the Proposition 218 Omnibus Implementation Act

In compliance with Article XIIIID of the California State Constitution and the Proposition 218 Omnibus Implementation Act, the Lee Lake Water District is hereby notifying all affected property owners of the proposed change in water rates and charges effective August 27, 2013.

### Public Hearing Information

The District's Board of Directors will conduct a public hearing on the proposed water rate increases. The hearing will be held on August 27, 2013 at 8:30 A.M., in the Board Room at 22646 Temescal Canyon Road, Corona, CA 92883. At the time of the public hearing the Board of Directors will hear and consider all protests and objections concerning these matters and will consider and may adopt the amount set forth as the proposed increased rates.

Property owners may submit WRITTEN protests against the proposed fees and charges either in advance of the hearing or at the hearing. A protest must state that the owner is opposed to the rate, identify the property involved by assessor parcel number or address, and include an original signature of the owner. One written protest per parcel - email protests will not be accepted. Any such protest should be addressed to the Lee Lake Water District, 22646 Temescal Canyon Road, Corona, CA 92883. If written protests are submitted by a majority of the parcels identified by the District as receiving water service, the fees or fee will not become effective. If a majority of property owners do not submit written protests against the fees, fee or charges, upon adoption by the Board, they will become effective.

## Metropolitan Water District delivers Southern California another wholesale water rate increase

### Wholesale Water Rate Increase

The **Metropolitan Water District of Southern California** (MWD), Lee Lake Water District's wholesale water supplier, has announced an increase in wholesale water rates of approximately five percent, effective January 1, 2014, on top of prior wholesale water rate increases of nineteen percent from January 2011 to January 2014. This is in addition to MWD's restructured Readiness to Serve Charge (RTS) that was Zero in 2011 and is over \$157,000 in 2013. Lee Lake Water District's total wholesale water cost has increased almost \$600,000 since the last Retail Price increase in July 2011 by Lee Lake Water District to its customers.

### Proposed Water Commodity Rates

Through budget cuts and cost saving measures, the District has been able to **hold our fixed costs stable since 2009 and therefore we are not requesting an increase in the Water Meter Service Charge, Sewer Service Charge, or Electrical Pumping Charges.** But due to the increase in wholesale water rates and RTS charge by MWD, rate increases and RTS charge pass through are necessary.

Residential Water Commodity Rate in Units* * a Unit of water is 748 Gallons	Current Rate	Proposed Rate
Tier I Units 0 to 5 (Lifeline Base)	\$1.85	\$2.07
Tier II Units 6 to 15	\$2.02	\$2.26
Tier III Units 16 to 30	\$2.37	\$2.65
Tier IV Units 31 to 45	\$3.15	\$3.52
Tier V Units 46 and above	\$4.28	\$4.78
Irrigation Water Commodity Rate in Units* * a Unit of water is 748 Gallons	Current Rate	Proposed Rate
Irrigation Tier I Units 0 to 40	\$2.37	\$2.65
Irrigation Tier II Units 41 and above	\$3.22	\$3.60
Commercial Water Commodity Rate in Units* * a Unit of water is 748 Gallons	Current Rate	Proposed Rate
Commercial	\$2.37	\$2.65
Recycled Water Commodity Rate in Units* * a Unit of water is 748 Gallons	Current Rate	Proposed Rate
Commercial and Irrigation	\$1.54	\$1.69
Metropolitan Water District Readiness to Serve Charge	Current Rate	Proposed Rate
Monthly Charge	\$0	\$3.88

### Residential Lifeline Base Tier I

The District will continue to sell the first 5 units of water or 3,740 gallons at our cost as a lifeline and incentive to conserve water. Tier I provides for most of the water used inside the house for domestic use such as showers, toilets and dishwashers. For those of you that use only 5 CCF per month, your water commodity charge will increase by \$1.10 per month.

### Residential Tiers II, III, IV and V

Customers in our District have embraced conservation and the 2012 average single family home usage has dropped to approximately 22 units of water per month for use inside and outside the home. **Tier I** and **Tier II** water rates shown on the table represent inside water use and conservation based irrigation for landscaping. **Tier III** rates represent irrigation that can be reduced with increased conservation. **Tier IV** and **Tier V** rates identify wasteful irrigation usage and therefore are priced to deter waste and encourage conservation.

Under the existing conservation based tiered rate structure, the average monthly single family home water and sewer bill that includes a **Meter Service charge, Water Commodity charge for 22 Units** and **Sewer Service charge** will increase by \$5.46 per month or approximately 5.34%.

### Irrigation Tiers I and II

Irrigation Tiers are set to encourage conservation and conversion to Recycled Water where available. These rates apply to most common area landscaping.

### Commercial

The Commercial commodity rate represents water used strictly for domestic use and not irrigation and is set to encourage business' to utilize cost effective conservation practices.

### Metropolitan Water District Readiness to Serve Fee

MWD's Board continues to pass charges on to the retail agencies in order to generate revenue that is lost with decreasing water sales. The LLWD must absorb these increases and cut other operational costs or sacrifice long term maintenance and capital improvements that are vital to the District's future. We believe that the District has diligently cut its cost to the point where additional cost cutting would be detrimental to the service life of our infrastructure. We propose to separate the MWD RTS fees and charge them as a pass through. If these fees are lower in the future the District will lower the cost to our customers. All customers will incur a new RTS charge of \$3.88 per month.



# Adopted Water Rates & Charges

Historical Water Rates

MWD water year is January 1 to December 31

Effective January 1st

	2012	2013	2014
<u>Tier 1 Supply Rate</u> (\$/AF)	\$106	\$140	\$148
<u>Delta Supply Surcharge</u> (\$/AF)	\$58	*	*
<u>Tier 2 Supply Rate</u> (\$/AF)	\$290	\$290	\$290
<u>System Access Rate</u> (\$/AF)	\$217	\$223	\$243
<u>Water Stewardship Rate</u> (\$/AF)	\$43	\$41	\$41
<u>System Power Rate</u> (\$/AF)	\$136	\$189	\$161
Full Service Untreated Volumetric Cost (\$/AF)			
Tier 1	\$560	\$593	\$593
Tier 2	\$686	\$743	\$735
<u>Replenishment Water Rate: untreated</u> (\$/AF)	\$442	**	**
<u>Interim Agricultural Water Program: untreated</u> (\$/AF)	\$537	***	***
<u>Treatment Surcharge</u> (\$/AF)	\$234	\$254	\$297
Full Service Treated Volumetric Cost (\$/AF)			
Tier 1	\$794	\$847	\$890
Tier 2	\$920	\$997	\$1,032
<u>Treated Replenishment Water Rate</u> (\$/AF)	\$651	**	**
<u>Treated Interim Agricultural Water Program</u> (\$/AF)	\$765	***	***
<u>Readiness-to-Serve Charge</u> (millions of dollars)	\$146	\$142	\$166
<u>Capacity Charge</u> (\$/cfs)	\$7,400	\$6,400	\$8,600

Lee Lake Water District's wholesale cost of water is a blend of Tier I and Tier II water at approximately \$900/ AF or \$2.07/ CCF

The District pays approximately \$200,000 in pass through charges.

- \* The Delta Supply Surcharge will be suspended after 2012
- \*\* Discussions on the replenishment program are continuing with the Member Agencies
- \*\*\* The Interim Agricultural Water Program will be discontinued after 2012

## Definitions

**Tier 1 Supply Rate** - recovers the of cost of maintaining a reliable amount of supply.

**Delta Supply Surcharge** - reflects the additional supply costs that Metropolitan faces along with other costs due to the pumping restrictions on the State Water Project.

**Tier 2 Supply Rate** - set at Metropolitan's cost of developing additional supply to encourage efficient use of local resources.

**System Access Rate** – recovers a portion of the costs associated with the delivery of supplies.

**System Power Rate** – recovers Metropolitan's power costs for pumping supplies to Southern California.

**Water Stewardship Rate** – recovers the cost of Metropolitan's financial commitment to conservation, water recycling, groundwater clean-up and other local resource management programs.

**Replenishment Water Rate** – a discounted rate for surplus system supplies available for the purpose of replenishing local storage.

**Treated Replenishment Water Rate** – a discounted rate for surplus system supplies available for the purpose of replenishing

local storage.

**Interim Agricultural Water Rate** – discounted rate for surplus system supplies available for the purpose of growing agricultural, horticultural, or floricultural products.

**Treated Interim Agricultural Water Program Rate** – discounted rate for surplus system supplies available for the purpose of growing agricultural, horticultural, or floricultural products.

**Treatment Surcharge** – recovers the costs of treating imported water.

**Readiness-to-Serve Charge** - a fixed charge that recovers the cost of the portion of system capacity that is on standby to provide emergency service and operational flexibility.

**Capacity Charge** – the capacity charge recovers the cost of providing peak capacity within the distribution system.

Page updated: April 19, 2012

# at a Glance



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

## ORGANIZATION

**Authority:** The Metropolitan Water District Act  
(California Statutes 1927)

**Incorporated:** Dec. 6, 1928

**First Board Meeting:** Dec. 29, 1928

**Mission:** To provide Metropolitan's service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way

**Water Sources:** Colorado River and California State Water Project

**Service Area:** About 5,200 square miles in Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura counties

**Population Served:** Approximately 19 million

**Member Agencies:** 26

**Founding Cities (December 1928):** Anaheim, Beverly Hills, Burbank, Colton\*, Glendale, Los Angeles, Pasadena, San Bernardino\*, San Marino, Santa Ana and Santa Monica

\*Withdrew in 1931

**Subsequent Member Agency Cities:** Cities of Fullerton (joined 1931), Long Beach (1931), Torrance (1931), Compton (1931), and San Fernando (1971)

**Municipal Water Districts:** West Basin MWD (1948), Inland Empire Utilities Agency (1950), Three Valleys MWD (1950), Eastern MWD (1951), MWD of Orange County (1951), Foothill MWD (1953), Central Basin MWD (1954), Western MWD (1954), Calleguas MWD (1960), Las Virgenes MWD (1960), and Upper San Gabriel Valley MWD (1963)

**County Water Authority:** San Diego (1946)

## GOVERNANCE

**Board of Directors:** 37. Each member agency is entitled to at least one director; additional directors are based on the agency's assessed valuation. Board meetings are generally held on the second Tuesday of each month. Check [www.mwdh2o.com](http://www.mwdh2o.com) for meeting times and agendas.

## FACILITIES

**Colorado River Aqueduct:** 242 miles from Lake Havasu to Lake Mathews, Riverside

**Construction:** Began 1933, completed 1939; CRA and regional distribution system operational 1941

**Capacity:** 1.3 million acre-feet<sup>†</sup> annually



Whitsett Intake Pumping Plant

**Pumping Plants (east to west):**

Whitsett Intake (lift 291 ft.);

Gene (303 ft.);

Iron Mountain (144 ft.);

Eagle Mountain (438 ft.);

Julian Hinds (441 ft.);

Total lift 1,617 feet

**Siphons:** 144, totaling 29 miles

**Tunnels:** 29, totaling 92 miles

**Canals:** 63 miles

**Conduit and Pipeline:** 58 miles

<sup>†</sup>Acre-foot = 325,851 gallons

**Design Capacity:** 1,605 cubic feet per second

**Water Treatment Plants:** Joseph Jensen, Granada Hills (capacity 750 million gallons per day); Robert A. Skinner, Winchester (630 mgd); F.E. Weymouth, La Verne (520 mgd); Robert B. Diemer, Yorba Linda (520 mgd); and Henry J. Mills, Riverside (220 mgd)

**Reservoirs:** Diamond Valley Lake, Hemet, capacity 810,000 AF;



Diamond Valley Lake

Lake Mathews, Riverside, 182,000 AF; Lake Skinner, Winchester, 44,000 AF; Copper Basin, Gene, 24,200 AF; Gene Wash, Gene, 6,300 AF; Live Oak, La Verne, 2,500 AF; Garvey, Monterey Park, 1,600 AF; Palos Verdes, Rolling Hills, 1,100 AF; and Orange County, Brea, 212 AF

**Total Reservoir Storage Capacity:** 1,072,000 AF

**Distribution System:** 819 miles of pipelines and tunnels; about 400 connections to member agencies

**Hydroelectric Plants:** 16; nameplate capacity 131 megawatts

## SUPPLY, DELIVERIES AND SALES

**Average Daily Delivery:**

5,300 AF (5-year avg.)

**Record Daily Delivery:**

9,872 AF on June 28, 1994

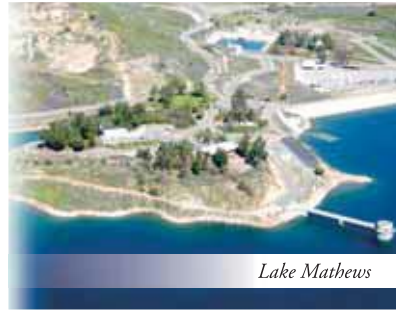
**Record Annual Sales:**

2.5 million AF in 1990

**Unit Price:** Effective Jan.

1, 2013, full-service rates are \$890 per AF for treated water, and \$593 per AF for untreated water.

**Projected Sales:** 1.7 MAF for FY 2012/13 and 2013/14



Lake Mathews

## FINANCE AND ADMINISTRATION

**Water Revenue Bond Ratings:** Standard & Poor's AAA; Moody's Aa1; Fitch AA+

**Budget:** July 1, 2012 – June 30, 2013: \$1.496 billion

July 1, 2013 – June 30, 2014: \$1.571 billion

**Capital Projects:** \$257.3 million (FY 2012/13)

\$294.6 million (FY 2013/14)

**Employees:** 1,780 budgeted regular employees



Weymouth Treatment Plant

**Fund Sources:** Water rates and charges, 77%; bond proceeds, 10%; taxes and annexations, 5%; fund withdrawals, 5%; hydroelectric sales and miscellaneous income, 2%; interest income, 1%.

**Uses of Funds:** State Water project payments, 33%; operations & maintenance, 21%; debt service, 19%;

construction, 15%; fund deposits, 6%; demand management programs, 3%; supply programs, 2%; and Colorado River power, 2%.



### THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

700 N. Alameda St., Los Angeles, CA 90012  
P.O. Box 54153, Los Angeles, CA 90054-0153  
(213) 217-6000 or (800) CALL MWD

[www.dvlake.com](http://www.dvlake.com)  
[www.bewaterwise.com](http://www.bewaterwise.com)  
[www.mwdh2o.com](http://www.mwdh2o.com)

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