



Valencia Water Company  
 24631 Avenue Rockefeller  
 Valencia, CA 91355  
 (661) 294-0828

**NOTICE OF SPECIAL MEETING OF THE BOARD OF DIRECTORS**

On November 14, 2017, the Board of Directors of the Valencia Water Company (“VWC” or “Board”) will hold a special meeting open to the public to consider adoption of new water rates. The public meeting will be held at 6:00 pm at Valencia High School Multi-Purpose Room, 27801 N. Dickason Drive, Valencia, California.

You are receiving this notice because you are the owner or legal occupant of real property that receives water service from VWC that is the subject of the proposed rate changes. At the public meeting, the Board will consider the recommendation to modify water rates on January 1, 2018, with subsequent increases on January 1, 2019, and January 1, 2020.

**a. Water Rate Changes**

Shown in the tables below are the proposed rate changes. Under the proposed rates, the tiers currently in place for residential and irrigation customers would be reconfigured into a single rate. All general metered customers will pay the same quantity rate for each unit of water used, while untreated / recycled customers will continue to have a separate rate. For residential and dedicated irrigation customers, VWC will continue to provide your WaterSMART Allocation on your monthly water bill. WaterSMART Allocation information enables you to quickly compare monthly water use to an efficiency target based on your indoor and outdoor water needs.

**Table 1 - Current and Proposed Commodity Charge, \$/Ccf**

**Current Rates**

|  |        |         |
|--|--------|---------|
| General Metered Service, per Ccf             |        | \$1.635 |
| Residential General Metered Service, per Ccf | Tier 1 | \$1.373 |
|  | Tier 2 | \$1.635 |
|  | Tier 3 | \$2.044 |
|  | Tier 4 | \$2.657 |
|  | Tier 5 | \$3.454 |
| Dedicated Irrigation Meters (DIM), per Ccf   | Tier 1 | \$1.373 |
|  | Tier 2 | \$1.635 |
|  | Tier 3 | \$1.799 |
|  | Tier 4 | \$2.068 |
|  | Tier 5 | \$2.585 |
| Untreated/Recycled Service, Per Ccf          |        | \$1.373 |

**Proposed Rates**

|                                     | 2018    | 2019    | 2020    |
|-------------------------------------|---------|---------|---------|
| General Metered Service, per Ccf**  | \$1.744 | \$1.762 | \$1.637 |
| Untreated/Recycled Service, Per Ccf | \$1.465 | \$1.480 | \$1.375 |

\*\* Includes all customer classes except Untreated / Recycled

In addition to the quantity rates shown in Table 1, monthly service charges based on meter size will continue to be included on customer bills. The proposed monthly service charges are shown in Table 2.

**Table 2 - Current and Proposed Monthly Service Charge**

|  | Present    |            |            |            |
|--|------------|------------|------------|------------|
|  | Rates      | 2018       | 2019       | 2020       |
| <b>GENERAL METERED SERVICE</b>               |            |            |            |            |
| For 5/8 x 3/4-inch meter                     | \$10.70    | \$11.46    | \$13.26    | \$16.81    |
| For 3/4-inch meter                           | \$16.00    | \$17.19    | \$19.89    | \$25.22    |
| For 1-inch meter                             | \$26.70    | \$28.66    | \$33.15    | \$42.03    |
| For 1-1/2-inch meter                         | \$53.40    | \$57.31    | \$66.30    | \$84.06    |
| For 2-inch meter                             | \$85.40    | \$91.70    | \$106.08   | \$134.50   |
| For 3-inch meter                             | \$160.10   | \$171.94   | \$198.90   | \$252.19   |
| For 4-inch meter                             | \$266.90   | \$286.56   | \$331.50   | \$420.31   |
| For 6-inch meter                             | \$533.70   | \$573.13   | \$663.00   | \$840.63   |
| For 8-inch meter                             | \$854.00   | \$917.00   | \$1,060.80 | \$1,345.00 |
| For 10-inch meter                            | \$1,227.60 | \$1,318.19 | \$1,524.90 | \$1,933.44 |
| For 12-inch meter                            | \$1,761.30 | \$1,891.31 | \$2,187.90 | \$2,774.07 |
| For 14-inch meter                            | \$2,401.80 | \$2,579.06 | \$2,983.50 | \$3,782.82 |
| <b>PRIVATE FIRE PROTECTION SERVICE</b>       |            |            |            |            |
| For each 2 inch diameter service connection  | \$22.30    | \$7.06     | \$7.52     | \$8.36     |
| For each 4 inch diameter service connection  | \$32.30    | \$14.12    | \$15.04    | \$16.72    |
| For each 6 inch diameter service connection  | \$46.10    | \$21.18    | \$22.56    | \$25.08    |
| For each 8 inch diameter service connection  | \$61.50    | \$28.24    | \$30.08    | \$33.44    |
| For each 10 inch diameter service connection | \$126.90   | \$35.30    | \$37.60    | \$41.80    |
| For each 12 inch diameter service connection | \$183.80   | \$42.36    | \$45.12    | \$50.16    |
| For each 14 inch diameter service connection | \$249.90   | \$49.42    | \$52.64    | \$58.52    |

The existing Low-Income Ratepayer Assistance (LIRA) Program will be discontinued on January 1, 2018. Existing LIRA customers currently receive a discount of 50% of the monthly service charge for the applicable meter size.

Table 3 reflects proposed new fees and proposed increases to existing fees.

**Table 3 Miscellaneous Fees**

|                        | Present | Proposed |         |         |
|------------------------|---------|----------|---------|---------|
|                        | Rates   | 2018     | 2019    | 2020    |
| Late Fee               | N/A     | \$10.00  | \$10.00 | \$10.00 |
| Returned Payment Fee   | \$15.00 | \$30.00  | \$33.00 | \$35.00 |
| Termination Notice Fee | N/A     | \$25.00  | \$25.00 | \$25.00 |

VWC charges these rates to its water customers in order to fund the costs of providing safe and reliable water service. The proposed service charges were calculated by VWC to allocate applicable costs among users according to the increased cost to VWC of providing service to that user. The increase in the level of rates is designed to produce an increase in annual revenues of \$1,723,000 (6.3%) in 2018, \$1,831,000 (6.3%) in 2019, and \$1,947,000 (6.3%) in 2020. These increases are intended to fully recover operating and capital expenses.

**b. Pass-Through Payments**

VWC will automatically adjust its fees to pass-through the adopted increases or decreases in the rates established by its water and power providers. VWC will, on an annual basis on January 1, assess its costs to purchase water and power and, if necessary, conduct a rate adjustment to either pass-through any increases or refund or credit any decreases, beyond the assumed rate of increase for wholesale water or power included in VWC's projected future costs of providing water service. You will be notified of such adjustments by mail in your monthly bill at least 30 days prior to when an adjustment will take place.

**c. You Can Provide Comments or Objections to the Proposed Rate Adjustment**

At the public meeting, the Board will consider all oral and written testimony regarding the proposal. You may also submit written comments or objections to the rate proposal. Written comments or objections must be signed by a customer or property owner, and must include the street address or assessor's parcel number of the property for which the comment or objection is submitted. Written comments or objections may be mailed to VWC's office at the address below, and must arrive prior to the date and time of the special meeting of the Board to be considered:

Valencia Water Company  
General Manager  
24631 Avenue Rockefeller  
Valencia, CA 91355

**d. For Further Information and to Obtain a Copy of Relevant Documents**

Documentation regarding the proposed rate change is available to the public for inspection and copying at VWC's offices located at 24631 Avenue Rockefeller, Valencia, CA 91355. Customers and interested parties wishing to inspect or copy documents may do so during normal business hours or make an appointment by calling (661) 294-0828. Documents regarding the proposed rate change will also be available on VWC's website, at [www.valenciawater.com](http://www.valenciawater.com).