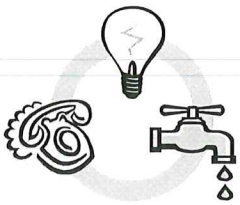
# *INDUSTRY PUBLIC UTILITIES COMMISSION*
## CITY OF INDUSTRY

REGULAR MEETING AGENDA
APRIL 14, 2022 8:30 A.M.

President Cory C. Moss
Commissioner Michael Greubel
Commissioner Cathy Marcucci
Commissioner Mark D. Radecki
Commissioner Newell W. Ruggles



*Location: City Council Chamber, 15651 Mayor Dave Way, City of Industry, California*

***Addressing the Commission:***

***NOTICE OF TELEPHONIC MEETING:***

- ***Pursuant to AB 361 (Government Code Section 54953(e)), this meeting will be held in person and telephonically. Members of the public can attend the hybrid meeting and offer public comments either in person or telephonically, by calling the following conference call number: 657-204-3264, then entering the following Conference ID: 878 254 360#. Pursuant to the Governor's Executive Order, and in compliance with the Americans with Disabilities Act, if you need special assistance to participate in the IPUC meeting (including assisted listening devices), please contact the City Clerk's Office at (626) 333-2211 by 5:00 p.m. on Tuesday, March 8, 2022, to ensure that reasonable arrangements can be made to provide accessibility to the meeting.***

- ***Agenda Items:*** *Members of the public may address the Industry Public Utilities Commission on any matter listed on the Agenda. In order to conduct a timely meeting, there will be a three-minute time limit per person for any matter listed on the Agenda.*

- ***Public Comments (Non-Agenda Items Only):*** *Anyone wishing to address the IPUC on an item not on the Agenda may do so during the "Public Comments" period. In order to conduct a timely meeting, there will be a three-minute time limit per person for the Public Comments portion of the Agenda. State law prohibits the IPUC from taking action on a specific item unless it appears on the posted Agenda.*

***Agendas and other writings:***

- *In compliance with Government Code Section 54957.5(b), staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 Mayor Dave Way, City of Industry, California, at the office of the Secretary of the IPUC during regular business hours, Monday through Thursday, 8:00 a.m. to 5:00 p.m., Fridays 8:00 a.m. to 4:00 pm. City Hall doors are closed between 12:00 p.m. to 1:00 p.m. each day. Any person with a question concerning any agenda item may call the City Clerk's Office at (626) 333-2211.*

1. Call to Order

2. Flag Salute

3. Roll Call

4. Public Comments

5. **CONSENT CALENDAR**

All matters listed under the Consent Calendar are considered to be routine and will be enacted by one vote. There will be no separate discussion of these items unless members of the Industry Public Utilities Commission (IPUC) request specific items be removed from the Consent Calendar for separate action.

5.1 Consideration of the Register of Demands for March 24, 2022

*RECOMMENDED ACTION: Ratify the Register of Demands.*

5.2 Consideration of the Register of Demands for April 14, 2022

*RECOMMENDED ACTION: Approve the Register of Demands and authorize the appropriate IPUC officials to pay the bills.*

5.3 Consideration of the minutes of the December 21, 2021 special meeting

*RECOMMENDED ACTION: Approve as submitted.*

5.4 Consideration of Resolution No. IPUC 2022-08 – A RESOLUTION OF THE INDUSTRY PUBLIC UTILITIES COMMISSION CONTINUING THE AUTHORIZATION OF REMOTE TELECONFERENCE MEETINGS PURSUANT TO AB 361

*RECOMMENDED ACTION: Adopt Resolution No. IPUC 2022-08.*

5.5 Consideration of matters related to the Automatic Meter Reading project:

a. Consideration of a Professional Services Agreement with IPKeys Power Partners, Inc., for the implementation of Meter Data Management system for the Automatic Meter Reading project, in an amount not to exceed $168,267.00 (MP 02-05 #16)

b. Consideration of a Master Products and Services Agreement with Sensus USA Inc., for the implementation of the Automated Metering Infrastructure System for the Automatic Meter Reading project in an amount not to exceed $581,086.59 (MP 02-05 #16)

*RECOMMENDED ACTION: Approve the Agreements.*

6. **BOARD MATTERS**

6.1 Consideration of Resolution No. IPUC 2022-07 - A RESOLUTION OF THE INDUSTRY PUBLIC UTILITIES COMMISSION ESTABLISHING A WATER CAPACITY FEE, AND ADOPTING A NOTICE OF EXEMPTION REGARDING SAME

*RECOMMENDED ACTION: Adopt Resolution No. IPUC 2022-07 and Notice of Exemption Regarding the Same*

6.2 Report from the General Manager for the La Puente Valley County Water District regarding the Industry Public Utilities Water Operations

*RECOMMENDED ACTION: Receive and file the report.*

7. **PUBLIC UTILITIES DIRECTOR COMMENTS**

8. **AB 1234 REPORTS**

9. **COMMISSIONER COMMUNICATIONS**

10. Adjournment. The next regular Industry Public Utilities Commission Meeting is Thursday, May 12, 2022, at 8:30 a.m.

*INDUSTRY PUBLIC UTILITIES COMMISSION*

ITEM NO. 5.1

# INDUSTRY PUBLIC UTILITIES COMMISSION

AUTHORIZATION FOR PAYMENT OF BILLS

Board Meeting March 24, 2022

| FUND | DESCRIPTION | DISBURSEMENTS |
|---|---|---|
| 161 | IPUC - ELECTRIC | 216,857.96 |
| TOTAL ALL FUNDS | | 216,857.96 |

| BANK | DESCRIPTION | DISBURSEMENTS |
|---|---|---|
| WFBK | IPUC ELECTRIC WELLS FARGO CHK | 216,857.96 |

**APPROVED PER CITY MANAGER**

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# Industry Public Utilities Commission

## Wells Fargo Electric - Wire Transfers

## March 24, 2022

| Check | Date | | | Payee Name | Check Amount |
|---|---|---|---|---|---|
| **IPUCELEC.WF.CHK - IPUC Electric Wells Fargo CHK** | | | | | |
| **WT119** | 01/31/2022 | | | **CALIFORNIA DEPT OF TAX AND FEE** | $779.00 |
| | Invoice | Date | Description | Amount | |
| | AMEND-OCT-DEC 21 | 01/31/2022 | AMENDED ENERGY SURCHARGE TAX (OCT-DEC | $779.00 | |
| **WT120** | 02/28/2022 | | | **INDUSTRY PUBLIC UTILITIES** | $9,915.62 |
| | Invoice | Date | Description | Amount | |
| | 2/28/2022 | 02/28/2022 | TRANSFER-PUBLIC BENEFIT CHARGES FOR JAN 2022 | $9,915.62 | |

| Checks | Status | Count | Transaction Amount |
|---|---|---|---|
| | **Total** | **2** | **$10,694.62** |

# Industry Public Utilities Commission
## Wells Fargo - Electric
## March 24, 2022

| Check | Date | Payee Name | Check Amount |
|---|---|---|---|

**IPUCELEC.WF.CHK - IPUC Electric Wells Fargo CHK**

| Check | Date | Payee Name | Check Amount |
|---|---|---|---|
| 10967 | 03/09/2022 | FRONTIER | $1,626.91 |

| Invoice | Date | Description | Amount |
|---|---|---|---|
| 2022-00001535 | 02/19/2022 | 02/19-03/18/22 SVC - EM 21438 BAKER PKWY BLDG 25 | $65.88 |
| 2022-00001536 | 02/28/2022 | 02/28-03/27/22 SVC - EM 179 S GRAND AVE | $40.86 |
| 2022-00001537 | 02/28/2022 | 02/28-03/27/22 SVC - EM 21700 BAKER PKWY BLDG 23 | $56.83 |
| 2022-00001538 | 02/28/2022 | 02/28-03/27/22 SVC - EM 21912 GARCIA LN | $74.83 |
| 2022-00001539 | 03/01/2022 | 03/01-03/31/22 SVC - VARIOUS GENERATOR SITES | $1,388.51 |

| Check | Date | Payee Name | Check Amount |
|---|---|---|---|
| 10968 | 03/09/2022 | NEXTERA ENERGY MARKETING, LLC | $124,588.80 |

| Invoice | Date | Description | Amount |
|---|---|---|---|
| 698008 | 03/02/2022 | WHOLESALE USE - FEB 2022 | $124,588.80 |

| Check | Date | Payee Name | Check Amount |
|---|---|---|---|
| 10969 | 03/09/2022 | SOUTHERN CALIFORNIA EDISON | $8,547.19 |

| Invoice | Date | Description | Amount |
|---|---|---|---|
| 2022-00001533 | 03/02/2022 | 02/01-02/28/22 SVC - 208 S WADDINGHAM WAY | $8,504.75 |
| 2022-00001534 | 03/02/2022 | 02/01-02/28/22 SVC - VARIOUS SITES | $42.44 |

| Check | Date | Payee Name | Check Amount |
|---|---|---|---|
| 10970 | 03/16/2022 | FRONTIER | $117.48 |

| Invoice | Date | Description | Amount |
|---|---|---|---|
| 2022-00001555 | 03/01/2022 | 03/01-03/31/22 SVC - GS 21700 VALLEY BLVD | $60.65 |
| 2022-00001556 | 03/01/2022 | 03/01-03/31/22 SVC - GS 21650 VALLEY BLVD | $56.83 |

| Check | Date | Payee Name | Check Amount |
|---|---|---|---|
| 10971 | 03/24/2022 | ASTRUM UTILITY SERVICES, LLC | $15,800.00 |

| Invoice | Date | Description | Amount |
|---|---|---|---|
| 022201 | 02/28/2022 | CONSULTING FOR IPUC - FEBRUARY 2022 | $15,800.00 |

# Industry Public Utilities Commission
## Wells Fargo - Electric
## March 24, 2022

| Check | Date | | | Payee Name | Check Amount |
|---|---|---|---|---|---|
| IPUCELEC.WF.CHK - IPUC Electric Wells Fargo CHK | | | | | |
| 10972 | 03/24/2022 | | | BRAUN BLAISING SMITH WYNNE, P.C. | $408.00 |
| | Invoice | Date | Description | Amount | |
| | 20251 | 03/03/2022 | LEGAL SVC FOR IPUC | $408.00 | |
| 10973 | 03/24/2022 | | | COUNTY OF LA - DEPT OF AGRICULTL | $812.21 |
| | Invoice | Date | Description | Amount | |
| | 221237A | 02/17/2022 | WEED ABATEMENT - WADDINGHAM STATION | $812.21 | |
| 10974 | 03/24/2022 | | | ENCO UTILITY SERVICES | $2,500.00 |
| | Invoice | Date | Description | Amount | |
| | IPUC-2022-44621 | 03/01/2022 | CUSTOMER ACCT SVC - FEB 2022 | $2,500.00 | |
| 10975 | 03/24/2022 | | | NV5, INC. | $1,360.00 |
| | Invoice | Date | Description | Amount | |
| | 256467 | 02/25/2022 | ON-CALL ELEC ENG SVC - JAN 2022 | $1,360.00 | |
| 10976 | 03/24/2022 | | | PACIFIC UTILITY INSTALLATION | $50,368.00 |
| | Invoice | Date | Description | Amount | |
| | 25443 | 02/28/2022 | UTILITY OPERATIONS & SVCS | $32,773.00 | |
| | 25445 | 02/28/2022 | UTILITY OPERATIONS & SVCS | $5,665.00 | |
| | 25453 | 02/28/2022 | SUBSTATION MAINT | $2,235.00 | |
| | 25454 | 02/28/2022 | SUBSTATION MAINT | $415.00 | |
| | 25455 | 02/28/2022 | SUBSTATION MAINT | $4,200.00 | |
| | 25444 | 02/28/2022 | UTILITY OPERATIONS & SVCS | $5,080.00 | |

# Industry Public Utilities Commission
## Wells Fargo - Electric
## March 24, 2022

| Check | Date | | | Payee Name | Check Amount |
|---|---|---|---|---|---|
| IPUCELEC.WF.CHK - IPUC Electric Wells Fargo CHK | | | | | |
| 10977 | 03/24/2022 | | | UNDERGROUND SERVICE ALERT OF S | $34.75 |
| | Invoice | Date | Description | Amount | |
| | 220220162 | 03/01/2022 | DIG ALERTS | $34.75 | |

| Checks | Status | Count | Transaction Amount |
|---|---|---|---|
| | Total | 11 | $206,163.34 |

*INDUSTRY PUBLIC UTILITIES COMMISSION*

ITEM NO. 5.2

# INDUSTRY PUBLIC UTILITIES COMMISSION

AUTHORIZATION FOR PAYMENT OF BILLS

Board Meeting April 14, 2022

| FUND | DESCRIPTION | DISBURSEMENTS |
|---|---|---|
| 122 | IPU-ELECTRIC CAPITAL IMPROVEMENT | 3,740.00 |
| 123 | IPU-WATER CAPITAL IMPROVEMENT | 18,140.00 |
| 161 | IPUC ELECTRIC FUND | 124,498.47 |
| 560 | IPUC WATER FUND | 71,872.12 |
| TOTAL ALL FUNDS | | 218,250.59 |

| BANK | DESCRIPTION | DISBURSEMENTS |
|---|---|---|
| IPUCELEC.WF | IPUC ELECTRIC WELLS FARGO CKING | 128,238.47 |
| IPUC.CHK | IPUC WATER BOFA CKING | 90,012.12 |
| TOTAL ALL BANKS | | 218,250.59 |

**APPROVED PER CITY MANAGER**

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# Industry Public Utilities Commission
# Wells Fargo - Electric
# April 13, 2022

| Check | Date | | Payee Name | Check Amount |
|---|---|---|---|---|
| **IPUCELEC.WF.CHK - IPUC Electric Wells Fargo CHK** | | | | |
| **10978** | 03/24/2022 | | **CALPINE ENERGY SOLUTIONS, LLC** | $83,210.58 |
| | Invoice | Date | Description | Amount |
| | 220770016063195 | 03/18/2022 | WHOLESALE USE - FEB 2022 | $83,210.58 |
| **10979** | 03/24/2022 | | **FRONTIER** | $1,494.27 |
| | Invoice | Date | Description | Amount |
| | 2022-00001658 | 03/10/2022 | 03/10-04/09/22 SVC - EM 21508 BAKER PKWY BLDG 22 | $56.83 |
| | 2022-00001659 | 03/10/2022 | 03/10-04/09/22 SVC - EM 21808 GARCIA LN | $74.83 |
| | 2022-00001660 | 03/07/2022 | 03/07-04/06/22 SVC - GS 408 BREA CYN RD | $33.27 |
| | 2022-00001661 | 03/10/2022 | 03/10-04/09/22 SVC - GS 747 S ANAHEIM PUENTE RD | $181.01 |
| | 2022-00001662 | 03/04/2022 | 03/04-04/03/22 SVC - EM 21858 GARCIA LN | $74.83 |
| | 2022-00001663 | 03/04/2022 | 03/04-04/03/22 SVC - GS 21620 VALLEY BLVD | $60.65 |
| | 2022-00001690 | 03/10/2022 | 03/10-04/09/22 SVC - GS 21640 VALLEY BLVD | $65.88 |
| | 2022-00001691 | 03/09/2022 | 03/09-04/08/22 SVC - EM 208 S WADDINGHAM WAY | $946.97 |
| **10980** | 03/24/2022 | | **SOUTHERN CALIFORNIA EDISON** | $11,154.88 |
| | Invoice | Date | Description | Amount |
| | 7501381182 | 03/17/2022 | 02/01-02/28/22 SVC - 133 N AZUSA AVE | $1,860.71 |
| | 7501381183 | 03/17/2022 | 02/01-02/28/22 SVC - 208 S WADDINGHAM WAY | $8,266.71 |
| | 7501381172 | 03/17/2022 | 02/01-02/28/22 SVC - 745 ANAHEIM-PUENTE RD | $1,027.46 |
| **10981** | 03/30/2022 | | **FRONTIER** | $288.23 |
| | Invoice | Date | Description | Amount |
| | 2022-00001695 | 03/19/2022 | 03/19-04/18/22 SVC - EM 21438 BAKER PKWY BLDG 25 | $47.78 |
| | 2022-00001696 | 03/19/2022 | 03/19-04/18/22 SVC - EM 21415 BAKER PKWY | $56.83 |
| | 2022-00001698 | 03/19/2022 | 02/19-04/12/22 SVC - GS 21660 VALLEY BLVD | $183.62 |

# Industry Public Utilities Commission
# Wells Fargo - Electric
# April 13, 2022

| Check | Date | | | Payee Name | Check Amount |
|---|---|---|---|---|---|
| **IPUCELEC.WF.CHK - IPUC Electric Wells Fargo CHK** | | | | | |
| **10982** | 04/06/2022 | | | **FRONTIER** | $117.48 |
| | Invoice | Date | Description | Amount | |
| | 2022-00001734 | 03/22/2022 | 03/22-04/21/22 SVC - GS 21858 VALLEY BLVD | $60.65 | |
| | 2022-00001735 | 03/22/2022 | 03/22-04/21/22 SVC - EM 21733 BAKER PKWY BLDG 21 | $56.83 | |
| **10983** | 04/14/2022 | | | **CNC ENGINEERING** | $28,360.00 |
| | Invoice | Date | Description | Amount | |
| | 504953 | 03/31/2022 | AUTOMATIC METER READING | $3,740.00 | |
| | 504954 | 03/31/2022 | REMOTE MONITORING - WADDINGHAM SUBSTATION | $1,460.00 | |
| | 504955 | 03/31/2022 | CITY ELECTRICAL FACILITIES | $23,160.00 | |
| **10984** | 04/14/2022 | | | **COUNTY OF LA - DEPT OF AGRICULTL** | $2,746.03 |
| | Invoice | Date | Description | Amount | |
| | 221409A | 03/17/2022 | WEED/PEST CONTROL - WADDINGHAM STATION | $2,746.03 | |
| **10985** | 04/14/2022 | | | **SOUTHERN CALIFORNIA EDISON** | $867.00 |
| | Invoice | Date | Description | Amount | |
| | 2022-00001709 | 03/30/2022 | EXPANSION REQUEST FOR DISTRIBUTION SERVICES I | $867.00 | |

| Checks | Status | Count | Transaction Amount |
|---|---|---|---|
| | **Total** | **8** | **$128,238.47** |

# Industry Public Utilities Commission
## Bank of America - Water
## April 13, 2022

| Check | Date | | | Payee Name | Check Amount |
|---|---|---|---|---|---|
| **IPUC.CHK - IPUC Water BofA Checking** | | | | | |
| **40576** | 03/24/2022 | | 03/31/2022 | **SOUTHERN CALIFORNIA EDISON** | $15,368.25 |
| | Invoice | Date | Description | Amount | |
| | 2022-00001646 | 03/04/2022 | 01/31-03/01/22 SVC - 1991 WORKMAN MILL U | $15,368.25 | |
| **40577** | 03/30/2022 | | | **ROWLAND WATER DISTRICT** | $52,428.87 |
| | Invoice | Date | Description | Amount | |
| | I-02282022-A | 02/28/2022 | CONTRACT SVC - FEB 2022 | $51,076.07 | |
| | I-02282022-B | 02/28/2022 | CONTRACT SVC - FEB 2022 | $1,352.80 | |
| **40578** | 04/14/2022 | | | **CNC ENGINEERING** | $20,615.00 |
| | Invoice | Date | Description | Amount | |
| | 504956 | 03/31/2022 | 4TH AVE & TRAILSIDE WATERLINE IMPROVEMENTS | $7,805.00 | |
| | 504957 | 03/31/2022 | LOMITAS GENERATOR | $10,335.00 | |
| | 504958 | 03/31/2022 | CIWS MANAGEMENT & OPERATION - PUENTE BASIN W | $2,475.00 | |
| **40579** | 04/14/2022 | | | **INDUSTRY PUBLIC UTILITIES COMMIS** | $1,600.00 |
| | Invoice | Date | Description | Amount | |
| | APR-22 | 03/22/2022 | REPLENISH PAYROLL ACCOUNT FOR APRIL 2022 | $1,600.00 | |

| Checks | Status | Count | Transaction Amount |
|---|---|---|---|
| | **Total** | **4** | **$90,012.12** |

*INDUSTRY PUBLIC UTILITIES COMMISSION*

ITEM NO. 5.3

## CALL TO ORDER

The Special Meeting of the Industry Public Utilities Commission of the City of Industry, California, was called to order by Commissioner Marcucci at 8:30 a.m., in the City of Industry Council Chamber, 15651 Mayor Dave Way, California and telephonically using Conference Call Number 657-204-3264, Conference ID: 950 297 907#.

## FLAG SALUTE

The flag salute was led by Commissioner Marcucci.

## ROLL CALL

PRESENT: Michael Greubel, Commissioner
Cathy Marcucci, Commissioner
Mark D. Radecki, Commissioner
Newell W. Ruggles, Commissioner

ABSENT: Cory C. Moss, President

STAFF PRESENT: Josh Nelson, Public Utilities Director; Bing Hyun, Assistant City Manager; James M. Casso, General Counsel; Bianca Sparks, Assistant General Counsel; and Julie Robles, Secretary.

## PUBLIC COMMENTS

There were none.

## CONSENT CALENDAR

### 5.1 CONSIDERATION OF THE REGISTER OF DEMANDS FOR NOVEMBER 25, 2021 AND DECEMBER 9, 2021

*RECOMMENDED ACTION:* *Ratify the Register of Demands.*

### 5.2 CONSIDERATION OF THE MINUTES OF THE SEPTEMBER 23, 2021, REGULAR MEETING AND NOVEMBER 18, 2021 SPECIAL MEETING

*RECOMMENDED ACTION:* *Approve as submitted.*

**5.3 CONSIDERATION OF CHANGE ORDER NOS. 1 THROUGH 4, IN THE AMOUNT OF $66,972.68 AND NOTICE OF COMPLETION FOR CONTRACT NO. IPU-0008, 3RD AVENUE, STARHILL LANE, DON JULIAN ROAD, AND BASETDALE AVENUE WATERLINE IMPROVEMENTS, TO T.E. ROBERTS, INC., (CIP-WU-P-19-057-B)**

*RECOMMENDED ACTION: Approve Change Order Nos. 1 through 4. Authorize the President to execute the Change Orders and authorize the Contract Deputy IPU Engineer to execute the Notice of Completion.*

MOTION BY COMMISSIONER RUGGLES, AND SECOND BY COMMISSIONER MARCUCCI TO APPROVE THE CONSENT CALENDAR AS SUBMITTED. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

| | | |
|---|---|---|
| AYES: | COMMISSIONERS: | GREUBEL, MARCUCCI, RADECKI, RUGGLES |
| NOES: | COMMISSIONERS: | NONE |
| ABSENT: | COMMISSIONERS: | P/MOSS |
| ABSTAIN: | COMMISSIONERS: | NONE |

**BOARD MATTERS**

**6.1 CONSIDERATION OF RESOLUTION NO. IPUC 2021-10 - A RESOLUTION OF THE INDUSTRY PUBLIC UTILITIES COMMISSION CONTINUING THE AUTHORIZATION OF REMOTE TELECONFERENCE MEETINGS PURSUNT TO AB 361**

*RECOMMENDED ACTION: Adopt Resolution No. IPUC 2021-10, authorizing the continuance of remote teleconferencing meetings pursuant to AB 361.*

Public Utilities Director, Josh Nelson provided a staff report and was available to answer any questions.

MOTION BY COMMISSIONER GREUBEL, AND SECOND BY COMMISSIONER RADECKI TO ADOPT RESOLUTION NO. IPUC 2021-10, AUTHORIZING THE CONTINUANCE OF REMOTE TELECONFERENCING MEETINGS PURSUANT TO AB 361. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

| | | |
|---|---|---|
| AYES: | COMMISSIONERS: | GREUBEL, MARCUCCI, RADECKI, RUGGLES |
| NOES: | COMMISSIONERS: | NONE |
| ABSENT: | COMMISSIONERS: | P/MOSS |
| ABSTAIN: | COMMISSIONERS: | NONE |

**6.2 CONSIDERATION OF RESOLUTION IPUC 2021-11 DECLARING WATER USE EFFICIENCY PRACTICES AND WATER CONSERVATION MEASURES FOR USERS, AND ADOPTING A NOTICE OF EXEMPTION REGARDING SAME**

*RECOMMENDED ACTION:* *Adopt Resolution No. IPUC 2021-11.*

Roy Frausto, General Manager of the La Puente Valley County Water District, provided a staff report summarizing the proposed new water use efficiency practices and water conservation measures and was available to answer any questions.

MOTION BY COMMISSIONER RADECKI, AND SECOND BY COMMISSIONER RUGGLES TO ADOPT RESOLUTION NO. IPUC 2021-11. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

| | | |
|---|---|---|
| AYES: | COMMISSIONERS: | GREUBEL, MARCUCCI, RADECKI, RUGGLES |
| NOES: | COMMISSIONERS: | NONE |
| ABSENT: | COMMISSIONERS: | P/MOSS |
| ABSTAIN: | COMMISSIONERS: | NONE |

**6.3 REPORT FROM THE GENERAL MANAGER FOR THE LA PUENTE VALLEY COUNTY WATER DISTRICT REGARDING THE INDUSTRY PUBLIC UTILITIES WATER OPERATIONS**

*RECOMMENDED ACTION:* *Receive and file the report.*

Roy Frausto, General Manager of the La Puente Valley County Water District, provided a staff report and was available to answer any questions.

MOTION BY COMMISSIONER GREUBEL, AND SECOND BY COMMISSIONER RUGGLES TO RECEIVE AND FILE THE REPORT. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

| | | |
|---|---|---|
| AYES: | COMMISSIONERS: | GREUBEL, MARCUCCI, RADECKI, RUGGLES |
| NOES: | COMMISSIONERS: | NONE |
| ABSENT: | COMMISSIONERS: | P/MOSS |
| ABSTAIN: | COMMISSIONERS: | NONE |

**PUBLIC UTILITIES DIRECTOR REPORTS**

There were none.

**AB 1234 REPORTS**

There were none.

**COMMISSIONER COMMUNICATIONS**

There were none.

**ADJOURNMENT**

There being no further business, the Industry Public Utilities Commission adjourned at 8:50 a.m.

_____
CATHY MARCUCCI
COMMISSIONER

_____
JULIE ROBLES
SECRETARY

*INDUSTRY PUBLIC UTILITIES COMMISSION*

ITEM NO. 5.4

# RESOLUTION NO. IPUC 2022-08

## A RESOLUTION OF THE INDUSTRY PUBLIC UTILITIES COMMISSION CONTINUING THE AUTHORIZATION OF REMOTE TELECONFERENCE MEETINGS PURSUANT TO AB 361

## RECITALS

**WHEREAS,** the Industry Public Utilities Commission ("IPUC") is committed to preserving and encouraging public access and participation in its meetings; and

**WHEREAS,** all meetings of the IPUC are open and public, as required by the Ralph M. Brown Act (Gov. Code §§54950 – 54963) ("Brown Act"), so that any member of the public may attend, participate, and observe the IPUC conduct its business; and

**WHEREAS,** in March 2020 as a response to the ongoing COVID-19 pandemic, Governor Newsom issued Executive Orders N-25-20 and N-29-20. These orders suspended certain elements of the Brown Act and specifically allowed for legislative bodies as defined by the Brown Act to hold their meetings entirely electronically with no physical meeting place. On June 11, 2021, Governor Newsom issued Executive Order N-08-21, which provided that the provisions in Executive Order N-29-20 suspending certain elements of the Brown Act would continue to apply through September 30, 2021; and

**WHEREAS,** on September 16, 2021 Governor Newsom signed AB 361, which added subsection (e) to Government Code §54953 of the Brown Act, and makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code §54953(b)(3), subject to the existence of certain conditions; and

**WHEREAS,** one of the conditions required is that a state of emergency has been declared by the Governor pursuant to Government Code §8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code §8558; and

**WHEREAS,** it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

**WHEREAS,** in March 2020, in response to the spread of COVID-19 in the State of California, the Governor Proclaimed a State of Emergency pursuant to Government Code §8625, and issued a number of executive orders aimed at containing the COVID-19 virus, and the County of Los Angeles through various Orders of the Los Angeles County Health Officer, continues to impose or recommend measures to promote social distancing; and

**WHEREAS,** Los Angeles County officials have recommended measures to promote social distancing, and strongly recommend masks for all regardless of vaccination status in an effort to slow the transmission of COVID-19 throughout the State and Los Angeles County; and

**WHEREAS,** the IPUC is concerned about the health and safety of all individuals of the public who attend public meetings; and

**WHEREAS,** as a consequence of the continued state of emergency, the IPUC Board adopted Resolution No. IPUC 2021-08 on October 14, 2021, Resolution No. IPUC 2021-09 on November 13, 2021, Resolution No. IPUC 2021-10 on December 13, 2021, Resolution No. IPUC 2022-01 on January 12, 2022, Resolution No. IPUC 2022-02 on February 11, 2022, and Resolution No. IPUC 2022-05 on March 13, 2022, finding and determining that the IPUC would continue to conduct its meetings without compliance with Government Code §54953(b)(3), as authorized by Government Code §54953(e), and that the IPUC would continue to comply with the requirements to provide the public with access to all public meetings as prescribed in §54953(e)(2); and

**WHEREAS,** pursuant to the provisions of AB 361, the IPUC Board hereby finds and determines that the findings set forth in Resolution No. IPUC 2022-05 remain, and that it is thereby necessary to continue to conduct its meetings without compliance with Government Code §54953(b)(3), as authorized by Government Code §54953(e).

**NOW, THEREFORE, THE INDUSTRY PUBLIC UTILITIES COMMISSION DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:**

**SECTION 1:** All of the facts set forth in the Recitals are true and correct, and are incorporated herein by reference.

**SECTION 2:** The IPUC hereby considers the existing conditions of the state of emergency, local officials in Los Angeles County have recommended or imposed measures to promote social distancing in connection with COVID-19. Based on these facts, findings, and determinations, the IPUC authorizes staff to conduct remote teleconference meetings of the IPUC, under the provisions of Government Code §54953(e).

**SECTION 3:** The Public Utilities Director is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution and AB 361, including continuing to conduct open and public meetings in accordance with the Brown Act.

**SECTION 4:** This Resolution shall take effect April 12, 2022, and shall be effective until the earlier of May 12, 2022, or such time as the Industry Public Utilities Commission adopts a subsequent resolution in accordance with Government Code §54953(e)(3) to extend the time during which the IPUC may continue to meet by teleconference.

**PASSED, APPROVED AND ADOPTED** by the Industry Public Utilities Commission at a regular meeting held on April 14, 2022, by the following vote:

| | |
|---|---|
| AYES: | COMMISSIONER: |
| NOES: | COMMISSIONER: |
| ABSTAIN: | COMMISSIONER: |
| ABSENT: | COMMISSIONER: |

_____
Cory C. Moss, President

**ATTEST:**

_____
Julie Gutierrez-Robles, Secretary

*INDUSTRY PUBLIC UTILITIES COMMISSION*

ITEM NO. 5.5

# INDUSTRY PUBLIC UTILITIES COMMISSION

## MEMORANDUM

**TO:** Honorable President Moss and Commissioners

**FROM:** Joshua Nelson, Public Utilities Director

**STAFF:** Dev Birla, Operations Manager, CNC Engineering

**DATE:** April 14, 2022

**SUBJECT:** Consideration of a Professional Services Agreement with IPKeys Power Partners, Inc., for the implementation of Meter Data Management system for the Automatic Meter Reading project, in an amount not to exceed $168,267.00 (MP 02-05 #16)

Consideration of a Master Products and Services Agreement with Sensus USA Inc., for the implementation of the Automated Metering Infrastructure System for the Automatic Meter Reading project in an amount not to exceed $581,086.59 (MP 02-05 #16)

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**Background:**

On March 14, 2019, the Industry Public Utilities Commission ("IPUC") approved a Professional Services Agreement ("Agreement") with the Western Power Project Advisors, LLC ("WPPA") for the engineering services related to smart electrical meters and automated meter reading ("AMR"). The scope of work included conducting an analysis of existing meters in detail, assessing customers' current and future metering needs, and providing a roadmap for the transition from the existing electric meters to smart electric meters. This will eliminate the monthly manual meter reading to AMR via a wireless communication network, as used by other electrical utilities in the Southern California area. WPPA submitted the final report in June of 2020, and the recommendations in the report were accepted by the Commission, and Staff proceeded with the implementation of AMR.

In the City's municipal code, Section 3.52.030 "Public Projects – Defined" A.3., identifies public projects for a publicly owned utility to include only the construction, erection, improvement or repair of dams, reservoirs, power plants and electrical transmission lines of 230,000-Volts or higher. Staff has determined that the transition to electric smart meters and AMR does not constitute a public project. Additionally, Staff proceeded to work on a request for proposals ("RFP") process in lieu of the traditional bid process for public projects.

On November 12, 2020, the IPUC approved an Agreement with WPPA for the engineering services to develop an RFP, develop an overview of the high level functional specification of AMR for solicitation of proposals by Staff, support evaluations of the proposals and provide a recommendation for the selection of the vendor for AMR. Staff issued the RFP on May 13, 2021, to seven companies and three attended the job walk on June 2, 2021. The same three companies submitted proposals on July 15, 2021: Sensus USA Inc. ("Sensus"), which does business in California as Sensus Metering Systems, Inc., IPKeys Power Partners, Inc. ("IPKeys") and Vision Metering LLC ("Vision Metering").

**Discussion:**

All three proposals were evaluated and summarized as below:

- Sensus' proposal covered the complete AMR system which includes automated metering infrastructure ("AMI") and meter data management ("MDM") systems. The scope of work includes: furnish and deliver 200 smart electric meters, furnish and install six base stations within the IPU-served territory, two different options of MDMs, all related hardware and software, engineering support for design of wireless communication network and integration of AMI system with MDM system and ENCO Billing system during the implementation of project.

- IPKeys submitted a proposal for the MDM system only. The scope of work addressed in the proposal covers the MDM Software and various system interfaces, event management and other value-added modules, project implementation and support in integration with the AMI system and ENCO Billing system, training and maintenance support for five years.

- Vision Metering submitted the proposal for smart electric meters and related AMI parts only. The scope of work covered in the proposal includes furnishing smart electric meters and the related AMI system, such as gateways within the City.

Replacement of the existing meters with smart electric meters was excluded from the RFP and will be done by the IPU's contractor.

All three companies were invited for presentations and interviews both in person and/or via Microsoft TEAMS on October 14, 2021, hosted by Staff and WPPA. Only two of companies Sensus and IPKeys attended, and Vision Metering declined to attend. After the interviews, Staff followed up with clarification questions to both companies to fully understand their proposals, complete the evaluations and recommendation for the award.

Sensus is a leader in the utility industry to provide AMI systems and its proposal meets most of the requirements of the RFP, and will adhere to the best practices of applicable National Institute of Standards and Technology ("NIST") framework for cyber security. Sensus has the experience in providing AMI systems to other electrical utilities such as Azusa Light and Water. But none of the two options offered for MDM system is acceptable. Sensus' Analytics option does not meet the RFP's requirement to comply with time-of-use rate and Energyworx option in collaboration with other company called

TRC is too expansive for the small IPU system. On the other hand, IPKeys proposal for MDM system meets all the RFP requirements, and is cost-effective.

IPKeys' proposal for the MDM system meets the requirements of the RFP and will adhere to the best practices of applicable National Institute of Standards and Technology ("NIST") Framework for cyber security and is a cost-effective solution. IPKeys has the expertise and experience in providing MDM systems to other electrical utilities and Staff recommends selecting IP Keys for this work.

Although Staff desired one company to furnish and implement the complete AMR system, Staff does not believe there is any risk in splitting the award of AMR among two companies, except requiring additional coordination and oversight during the implementation. After considering all these factors, Staff concluded that the best option was to award AMR among two companies: AMI system to Sensus and MDM system to IPKeys. Staff recommends approving a Professional Services Agreement with IPKeys for the implementation of the MDM system in an amount not to exceed $168,267.00. Staff also recommends approving the Master Products and Services Agreement with Sensus for the implementation of AMI system in the amount of $528,260.54 plus an additional ten percent for unforeseen conditions that may require additional time, for a total contract cost of $581,086.59.

**Fiscal Impact:**

The fiscal impact is $168,267.00 for IPKeys and $581,086.59 for Sensus. In the adopted Fiscal Year 2021-2022 Capital Improvement Project budget, $125,000.00 was approved for this project (Account No. 122-718-5130) (MP 02-05 #16). It is anticipated that $125,000.00 will cover the services rendered prior to the current fiscal year ending June 30, 2022, and no appropriations are required at this time. The remaining amount of these Agreements will be budgeted and get approval from the IPUC in the fiscal year 2022-2023 CIP Budget.

**Recommendations:**

Staff recommends that the IPUC approve the Professional Services Agreement with IPKeys Power Partners, Inc and Master Products and Services Agreement with Sensus USA Inc.

**Exhibits:**

A. Professional Services Agreement with IPKeys Power Partners, Inc., dated April 14, 2022
B. Master Products and Service Agreement with Sensus USA Inc., dated April 14, 2022

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JN/DB:jf

# EXHIBIT A

Professional Services Agreement with IPKeys Power Partners, Inc., dated April 14, 2022

[A handout will be distributed at the meeting]

**EXHIBIT B**

Master Products and Services Agreement with Sensus USA Inc., dated April 14, 2022

[A handout will be distributed at the meeting]

*INDUSTRY PUBLIC UTILITIES COMMISSION*

ITEM NO. 6.1

# Staff Report

To: Josh Nelson, City Manager

From: Roy Frausto, General Manager

Date: April 14, 2022

Subject: Consideration of Resolution No. IPUC 2022-07, a Resolution of the Industry Public Utilities Commission Establishing a Water Capacity Fee, and Adopting a Notice of Exemption Regarding Same

---

**Purpose -** *Establish* Water *Capacity Fees to ensure new system users or existing users requiring increased system capacity pay their fair share of costs associated with the water facilities required to serve them.*

**Recommendation -** *Adopt Resolution No. IPUC 2022-07, and Notice of Exemption regarding the same*

**Fiscal Impact -** *A separate capital facilities fund will be established to account for all revenues received and will not be commingled with other IPU funds. The deposit and use of these funds will be reported annually and will only be used to increase system capacity.*

***Background***

Water capacity fees are established to ensure new system users or existing users requiring increased system capacity pay their fair share of costs associated with the water facilities required to serve them. Capacity fees are one-time fees, collected as a condition of establishing a new connection to IPU's water system. The purpose of these fees is to pay for development's share of costs of existing and/or new water facilities. These fees are designed to be proportional to the demand placed on the system by the new connections. The recommended capacity fees for IPU do not exceed the estimated reasonable costs of providing the facilities for which they are collected and are of proportional benefit to the property being charged.

***Discussion***

The IPU does not have an existing water capacity fee. In March 2019, the IPUC authorized work proposed by Raftelis Financial Consulting, Inc. (Raftelis) to complete a Water Capacity Fee Study for the IPU water system. This fee would ensure that all new connections (excluding new connections for fire suppression purposes), to the IPU's existing water system, would not be unfairly benefitted by previous investments in infrastructure utilized to provide water service. In effect, with these fees, new connections will be required to "buy-in" to the existing water system.

The buy-in method rests on the premise that new customers are entitled to service at the same price as existing customers. Under this approach, new customers pay only an amount equal to their share of the current system value, either using the original cost or replacement cost as the valuation basis and often subtracting depreciation. This net investment, or value of the system, is then divided by the current system demand (measured in equivalent meters or flow) to determine the buy-in cost per equivalent unit. For purposes of calculating the IPU's proposed capacity fee, the Replacement Cost Less Depreciation (RCLD) method was utilized.

The first step in determining the buy-in capacity fee is to determine the value of the existing system. As mentioned, there are several methods to determine the current value of assets. RCLD is most commonly used to value the system since it is believed to best reflect the system's value as it is in today's dollars and acknowledges that assets are not new. IPU provided Fiscal Year 2019 (FY) fixed asset records which included original costs. Raftelis estimated replacement cost by adjusting the original costs to reflect the cost of constructing a similar asset today. This was achieved by escalating the original construction costs by a construction cost index. The second step in calculating the buy-in water capacity fee is to determine the system demand or equivalent capacity. Dividing the system value by the capacity yields the capacity fee the smallest unit of capacity, or a 5/8" meter. For the System Buy-In approach the demand is equal to the ultimate, or build-out, system demand. Since IPU's water system is nearly built-out, the current and build-out equivalent meter units (EMU's) were assumed to be the same.

The Buy-In calculation is shown in Table 4 2. The proposed capacity fee is on a per EMU basis where one EMU represents the demand placed on the water system by a ⅝" meter or a single-family residence. Table 4 3 shows the derivation of the capacity fees for larger meter sizes. The capacity fees are in proportion to the potential flow through each meter size as estimated by AWWA, shown in the Column A. For example, the flow through a 1-inch meter is 2.5 times (Column B) greater than that of a ⅝- inch meter, thus the capacity fee for a 1-inch meter is 2.5 times higher.

To calculate the proportionality of a new connection using the Buy-In method, the table below shows the cost for each EMU:

| Capacity Fee Calculation | |
|---|---|
| Water System Value (RCLD) | $8,986,618 |
| ÷ EMU's | 3,414 |
| **Proposed Buy-In Capacity Fee (per EMU)** | **$2,632** |

The proposed capacity fee is on a per EMU basis where one EMU represents the demand placed on the water system by a ⅝" meter or a single-family residence. The capacity fees are in proportion to the potential flow through each meter size as estimated by AWWA. For example, the flow through a 1-inch meter is 2.5 times greater than that of a ⅝- inch meter, thus the capacity fee for a 1-inch meter is 2.5 times higher. The following table is the proposed table that will be used to assess capacity fees based on the respective meter size for the IPU system:

| Meter Size | Safe Operating Flow (A) | Capacity Ratio (B) | Buy-In Capacity Fee (C) |
|---|---|---|---|
| 5/8" | 20 | 1.0 | $2,632 |
| 3/4" | 30 | 1.5 | $3,948 |
| 1" | 50 | 2.5 | $6,580 |
| 1.5" | 100 | 5.0 | $13,161 |
| 2" | 160 | 8.0 | $21,057 |
| 3" | 320 | 16.0 | $42,114 |
| 4" | 500 | 25.0 | $65,803 |
| 6" | 1,000 | 50.0 | $131,605 |
| 8" | 1,600 | 80.0 | $210,568 |
| 10" | 2,300 | 115.0 | $302,692 |

In the event that the meter size of an existing service is increased, or the use of the property changes increasing the demand for water, a water capacity fee will be assessed at the current rate, less the amount of the connection fee set for the size of meter in place on the existing service.

It is recommended that IPU adjust the capacity fees annually to keep pace with inflation by applying the Engineering News Record Construction Cost Index. In addition, IPU should conduct a comprehensive review of its capacity fees every three to five years to reflect recent asset additions and depreciation.

### *Fiscal Impact*

A separate capital facilities fund would be established to account for all revenues received and will not be commingled with other IPU funds. The deposit and use of these funds will be reported annually and will only be used to increase system capacity.

### *Recommendation*

Adopt Resolution IPUC No. IPUC 2022-07, and Notice of Exemption regarding same.

Respectfully Submitted,

General Manager

La Puente Valley County Water District

Enclosure

- Resolution No. IPUC 2022-07

# RESOLUTION NO. IPUC 2022-07

## RESOLUTION OF THE INDUSTRY PUBLIC UTILITIES COMMISSION ESTABLISHING A WATER CAPACITY FEE, AND ADOPTING A NOTICE OF EXEMPTION REGARDING SAME

**WHEREAS,** the Industry Public Utilities ("IPU") provides water service to residents and businesses through the City of Industry Waterworks System ("Industry Waterworks"), both within and immediately adjacent to the geographical boundaries of the City of Industry ("City"); and

**WHEREAS,** pursuant to Chapters 13.01 and 13.04 of the City's Municipal Code, the Industry Public Utilities Commission ("IPUC") has the authority to determine and fix water rates and charges for the Industry Waterworks; and

**WHEREAS**, the IPU does not have an existing water capacity fee, is nearing build-out and anticipates minimal growth in future years. Further, the water system was built to accommodate build-out demand, and therefore has the capacity to accommodate growth. Based on the foregoing, it is reasonable and appropriate to determine capacity fees based on the system buy-in method; and

**WHEREAS,** capacity fees are established to ensure new system users or existing users requiring increased system capacity pay their fair share of costs associated with the water facilities required to serve them. Capacity fees are one-time fees, collected as a condition of establishing a new connection to IPU's water system. The purpose of these fees is to pay for development's share of costs of existing and/or new water facilities. These fees are designed to be proportional to the demand placed on the system by the new connections. The recommended capacity fees for IPU do not exceed the estimated reasonable costs of providing the facilities for which they are collected and are of proportional benefit to the property being charged; and

**WHEREAS,** the buy-in method rests on the premise that new customers are entitled to service at the same price as existing customers. Under this approach, new customers pay only an amount equal to their share of the current system value, either using the original cost or replacement cost as the valuation basis and often subtracting depreciation. This net investment, or value of the system, is then divided by the current system demand (measured in equivalent meters or flow) to determine the buy-in cost per equivalent unit. For purposes of calculating the IPU's proposed capacity fee, the replacement cost less depreciation was utilized; and

**WHEREAS,** the La Puente Valley County Water District ("District") manages Industry Waterworks on behalf of the IPU. In 2019, a consulting firm, Raftelis, was retained by the District to conduct a comprehensive water capacity fee study ("Fee Study"); and

**WHEREAS,** the Fee Study establishes that the new water capacity fee complies with the provisions set forth in Government Code Section 66013. A true and correct copy

of the Fee Study is attached hereto as Exhibit A, and incorporated herein by reference; and

**WHEREAS,** pursuant to Government Code Section 66016, prior to levying a new fee or service charge, the IPU must hold at least one open and public meeting, at which oral or written presentations can be made, as part of a regularly scheduled meeting; and

**WHEREAS,** in accordance with Government Code Section 66016(a), on April 4, 2022, the IPU made available to the public, data indicating the amount of the proposed water capacity charge, which does not exceed the estimated amount required to provide the service for which the water capacity charge is levied; and

**WHEREAS,** on April 14, 2022, the IPUC conducted a duly noticed public meeting concerning the new water capacity fee set forth in the Fee Study and considered all written and oral comments presented; and

**WHEREAS,** the IPUC, after independent review and consideration of the Fee Study and proposed water capacity fees, in accordance California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*) ("CEQA"), has determined that the proposed water capacity fees are exempt from CEQA pursuant to Section 15273 of the CEQA Guidelines. The proposed water capacity fees are for the purpose of meeting operating expenses of the Industry Waterworks, purchasing or leasing supplies, equipment or materials, meeting financial reserve needs and requirements, and obtaining funds for capital projects necessary to maintain service within existing service areas; and

**WHEREAS,** all legal prerequisites to the adoption of this Resolution have occurred.

**NOW, THEREFORE, THE INDUSTRY PUBLIC UTILITIES COMMISSION DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS**:

**SECTION 1.** The above recitals are true and correct and are incorporated herein by reference.

**SECTION 2.** All necessary public meetings and opportunities for public testimony and comment have been conducted in compliance with State law.

**SECTION 3.** This Resolution has been reviewed with respect to the applicability of the CEQA. The IPUC, after independent review and consideration of the Rate Study, has determined that the levy of the proposed water service fees is exempt from CEQA pursuant to Section 15273 of the CEQA Guidelines. The proposed water capacity fees are for the purpose of meeting operating expenses of Industry Waterworks, purchasing or leasing supplies, equipment or materials, meeting financial reserve needs and requirements, and obtaining funds for capital projects necessary to maintain service within existing service areas. The IPUC therefore adopts a Notice of Exemption for the water capacity fees, and directs Staff to file same, as required by law.

**SECTION 4.** The IPUC hereby approves the water capacity fees set forth in Table 4-5 of Exhibit A, attached hereto and incorporated herein by reference. The IPUC hereby authorizes and directs the Executive Director to take all actions necessary to effectuate the fees set forth herein, effective on April 14, 2022.

**SECTION 5.** The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

**SECTION 6.** The Commission Secretary shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

**PASSED, APPROVED, AND ADOPTED** by the Industry Public Utilities Commission at a regular meeting held on April 14, 2022, by the following vote:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSTAIN: COMMISSIONERS:

ABSENT: COMMISSIONERS:

_____

Cory C. Moss, President

Attest:

_____

Julie Gutierrez-Robles, Secretary

# Industry Public Utilities

## Water Capacity Fee Study

Final Report / March 30, 2022

RAFTELIS

RAFTELIS

March 30, 2022

Mr. Roy Frausto
General Manager
La Puente Valley County Water District
Industry Public Utilities Commission
15625 East Stafford Street
City of Industry, CA 91744

**Subject: Water Capacity Fee Study**

Dear Mr. Frausto,

Raftelis Financial Consultants, Inc. (Raftelis) is pleased to provide this Water Capacity Fee Study Report (Report) for the Industry Public Utilities (IPU) water system, which is maintained, operated, and managed by the La Puente Valley County Water District (LPVCWD). This report details the methodology used to update IPU's capacity fees and summarizes the key findings and recommendations.

It was a pleasure working with you and we wish to express our thanks for your support provided during this study.

Sincerely,

**Steve Gagnon, PE**
*Senior Manager*

**Lauren Demine**
*Consultant*

445 S Figueroa St, Suite 2270
Los Angeles CA 90071
www.raftelis.com

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# 1. Executive Summary

## 1.1. Study Background

In 2019, Industry Public Utilities (IPU), which is managed by the La Puente Valley County Water District, (LPVCWD) engaged Raftelis Financial Consultants, Inc. (Raftelis) to conduct a Water Capacity Fee Study (Study) for its water system, which is also referred to as the City of Industry Waterworks System (CIWS). This report describes how Raftelis calculated capacity fees in accordance with the rules and regulations of California Government Code Section 66013. This report is formal technical documentation in support of capacity fees within the IPU service area.

## 1.2. Water Capacity Fee

IPU does not have an existing water capacity fee. Additionally, IPU is nearing build-out and anticipates minimal growth in future years, less than 5 Equivalent Meter Units (EMUs)[1] per year. The water system was built to accommodate build-out demand and, therefore, has the capacity to accommodate growth. Based on this information, it is reasonable and appropriate to determine capacity fees based on the system buy-in method (discussed in Section 3.1). Raftelis worked closely with IPU to determine the value of the existing system. The value of the system was then spread over the total system capacity to determine the proposed capacity fee. The analysis herein utilized the system buy-in method to justify the proposed water capacity fees shown in Table 1-1. In conjunction with adopting updated capacity fees, Raftelis recommends that IPU adjust the capacity fees each year to keep pace with inflation by applying the Engineering News Record Construction Cost Index. In addition, IPU should conduct a comprehensive review of its capacity charges every three to five years to capture any major asset additions and ensure capacity fees are equitable.

**Table 1-1: Water Capacity Fee by Meter Size**

| Meter Size | Buy-In Capacity Fee |
|---|---|
| 5/8" | $2,632 |
| 3/4" | $3,948 |
| 1" | $6,580 |
| 1.5" | $13,161 |
| 2" | $21,057 |
| 3" | $42,114 |
| 4" | $65,803 |
| 6" | $131,605 |
| 8" | $210,568 |
| 10" | $302,692 |

[1] An equivalent meter unit equates the potential flow through larger meters with the flow through the smallest meter, in this case the ⅝" meter.

# 2. Overview

La Puente Valley County Water District (LPVCWD) maintains, operates, and manages the CIWS. The service area includes portions of the City of Industry and an unincorporated area of Los Angeles County know as Avocado Heights. CIWS has approximately 1,830 active connections, 34.4 miles of distribution and transmission mains, one active well, five booster pump stations, two pressure zones, and three reservoirs

Capacity fees are established to ensure new system users or existing users requiring increased system capacity pay their fair share of costs associated with the water facilities required to serve them.

Capacity fees are one-time fees, collected as a condition of establishing a new connection to IPU's water system. The purpose of these fees is to pay for development's share of costs of existing and/or new water facilities. These fees are designed to be proportional to the demand placed on the system by the new connections. The recommended capacity fees for IPU do not exceed the estimated reasonable costs of providing the facilities for which they are collected and are of proportional benefit to the property being charged. This report documents the data, methodology, and results of the Capacity Fees Study.

## 2.1. Economic and Legal Framework

For publicly owned systems, most of the assets are typically paid for by revenue of existing customers through rates, charges, securing debt, and taxes. In service areas that incorporate new customers, the capacity in the infrastructure developed by previous customers is generally used to serve new customers. Existing customers' investment in the existing system capacity allows newly connecting customers to take advantage of unused surplus capacity. To further economic equality among new and existing customers, new connectors will typically "buy-in" to the existing and pre-funded facilities based on the existing assets, effectively putting them on par with existing customers. In other words, the new users are buying into the existing system based on the replacement costs of existing assets in order to continue to provide the same level of service to new customers through repairs, expansions, and upgrades to the system.

The basic economic philosophy behind capacity fees is that the costs of providing service should be paid for by those that receive utility from the product. In order to fairly distribute the system cost, the charge should reflect a reasonable cost estimate to provide capacity to new users, and not unduly burden existing users through a comparable rate increase. Accordingly, many utilities make this philosophy one of their primary guiding principles when developing their capacity fee structure.

The philosophy that service should be paid for by those that receive utility from the product is often referred to as "growth-should-pay-for-growth." The principal is summarized in the American Water Works Association (AWWA) Manual M26, Water Rates, and Related Charges:

> *"The purpose of designing customer-contributed-capital system charges is to prevent or reduce the inequity to existing customers that results when these customers must pay the increase in water rates that are needed to pay for added plant costs for new customers. Contributed capital reduces the need for new outside sources of capital, which ordinarily has been serviced from the revenue stream. Under a system of contributed capital, many water utilities are able to finance required facilities by use of a 'growth-pays-for-growth' policy."*

## Legal Framework

In establishing capacity fees, it is important to understand and comply with local laws and regulations governing the establishment, calculation, and implementation of capacity fees. The following sections summarize the regulations applicable to the development of capacity fees for IPU.

## California Government Code Requirements

Capacity fees must be based on a reasonable relationship to the needs and benefits brought about by the development or expansion. Courts have long used a standard of reasonableness to evaluate the legality of development charges. The basic statutory standards governing capacity fees are embodied by California Government Code Sections 66013, 66016, 66022 and 66023. Government Code Section 66013, in particular, contains requirements specific to determining utility development charges:

> *"Notwithstanding any other provision of law, when a local agency imposes fees for water connections or sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount the fee or charge in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue."*

Section 66013 also includes the following general requirements:

- Local agencies must follow a process set forth in the law, making certain determinations regarding the purpose and use of the charge; they must establish a nexus or relationship between a development project and the public improvement being financed with the charge.
- The capacity charge revenue must be segregated from the general fund in order to avoid commingling of capacity fees and the general fund.

# 3. Methodologies

There are two primary steps in calculating capacity fees: (1) determining the infrastructure cost required to serve new connections or accommodate an increase in density generated by in-fill projects, and (2) allocating those costs equitably to various types of connections based on the demand placed on the utility system.

There are two primary methodologies to calculate capacity fees as published in the 7th Edition of the American Water Works Association (AWWA) M1 Manual, Principles of Water Rates, Fees, and Charges. The two methodologies generate three general approaches that are widely accepted and appropriate for capacity fees. These are the "Buy-In Method", the "Incremental-Cost Method", and the "Hybrid Method" that accounts for both a buy-in component and an incremental component.

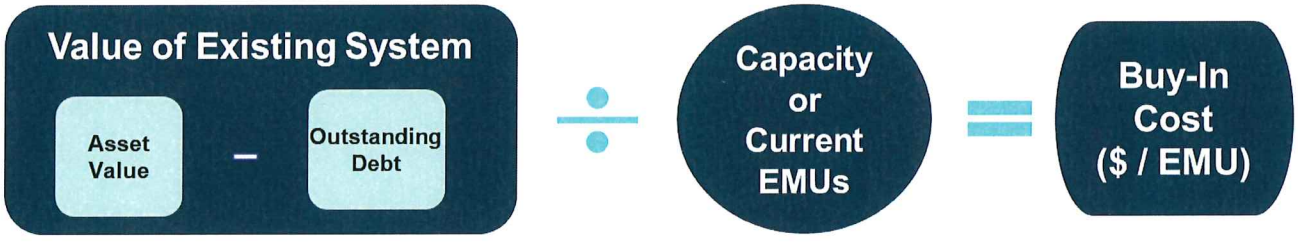
## 3.1. Buy-In Method

The "Buy-In Method" rests on the premise that new customers are entitled to service at the same price as existing customers. Under this approach, new customers pay only an amount equal to their share of the current system value, either using the original cost or replacement cost as the valuation basis and often subtracting depreciation. This net investment, or value of the system, is then divided by the current system demand (measured in equivalent meters or flow) to determine the buy-in cost per equivalent unit.

There are two types of buy-in approaches: System Buy-In and Equity Buy-In. The Equity Buy-In adds cash reserves to the system value, where the System Buy-In does not. Additionally, to determine the value of capacity, the system value is divided either by the current system demand for the Equity Buy-In approach or the ultimate system demand for System Buy-In approach.

For example, if the existing system has 100 capacity units and the new connector uses an equivalent unit, then the new customer would pay 1/100 of the total value of the existing system. By contributing this capacity fee, the new connector has bought into the existing system. The user has effectively acquired a financial position on par with existing customers and will face future capital costs on equal financial footing with those customers. This approach is suitable when: (1) agencies have built most of their facilities and only a small portion of future facilities are needed for build-out, (2) agencies do not have a detailed adopted long-term capital improvement plan, or (3) the "build-out" date is so far out in the future that it is difficult to accurately project growth and required facilities with precision. Figure 1 shows the framework for calculating the system buy-in capacity fee.

**Figure 1: Formula for System Buy-In Approach**




### Asset Valuation Approaches

There are various methods employed to estimate the asset value of the existing facilities and derive an updated capacity fee based on the existing asset value. The Cost Approach method is commonly used to value a utility's

existing assets and within this approach are the Original Cost, Replacement Cost, Original Cost Less Depreciation, and Replacement Cost Less Depreciation methods.

1. **Original Cost (OC).** The major criticism against OC is it does not recognize the time value of money due to earned interest and inflation. Nor does it recognize depreciation. Stated differently, an asset's value today, is likely not worth its original purchase price due to depreciation and inflation.

2. **Replacement Cost (RC).** The replacement cost is the cost of duplicating the existing water facilities at current prices. Unlike the OC approach, the replacement cost approach accounts for inflation. The most common way to obtain replacement cost when original cost records are available, is to escalate historical original costs. This approach uses cost indices to escalate historical capital costs to current dollars.

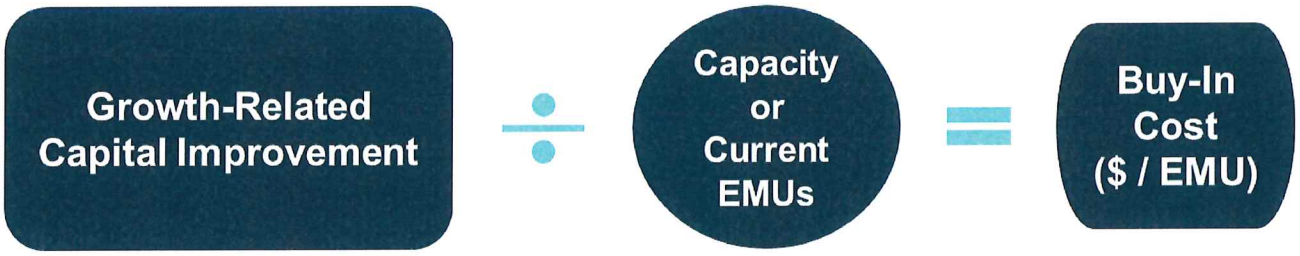
3. **Original Cost Less Depreciation (OCLD) or Replacement Cost Less Depreciation (RCLD).** The current value of water facilities may also be materially affected by the effects of age and depreciation. Depreciation accounts for losses in system value caused by wear and tear, decay, inadequacy, and obsolescence. OCLD and RCLD recognize depreciation on existing water facilities. These measures are identical to the aforementioned valuation methods, with the exception that accumulated depreciation is subtracted for each asset, based on age or condition, from the total original cost or replacement cost.

## 3.2. Incremental-Cost Method

The Incremental-Cost Method states that new development (new users) should pay for the additional capacity and expansion necessary to accommodate them. This method is typically used when there are specific capital improvements needed to serve new development. Under the Incremental-Cost Method, growth-related capital improvements are allocated to new development based on their estimated usage or capacity requirements, irrespective of the value of past investments made by existing customers.

For instance, if it costs X dollars ($X) to provide 100 *additional* equivalent units of capacity and a new connector uses one of those equivalent units, then the new user would pay $X/100 to connect to the system. In other words, new customers pay the incremental cost of capacity. Incorporating the use of this method is generally included when facilities are needed for the capacity required to serve new customers. Figure 2 shows the calculation for the incremental cost capacity fee.

Figure 2: Formula for Incremental-Cost Approach

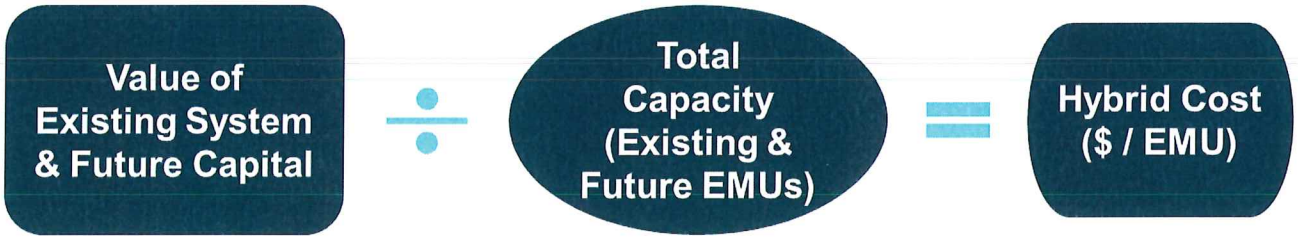



## 3.3. Hybrid Method

In addition to the above two methodologies, there is also a hybrid approach which entails using aspects of both the incremental cost approach and the buy-in approach. The Hybrid Method is typically used where some capacity is available to serve new growth, but additional expansion (capacity) is still necessary to accommodate new development. The fee produced by the hybrid approach is a weighted average of the buy-in and incremental

methods and recognizes that new customers benefit from both existing infrastructure and planned capital improvements.

**Figure 3: Formula for Hybrid Approach**



# 4. Proposed Water Capacity Fee

## 4.1. Proposed Method: Buy-In Approach

IPU's water system is nearly built-out and has available capacity within the existing system to serve remaining growth. Therefore, the "Buy-In Method" was used to determine the proposed capacity fees for IPU.

## 4.2. Value of the System

The first step in determining the buy-in capacity fee is to determine the value of the existing system. As mentioned above, there are several methods to determine the current value of assets. RCLD is most commonly used to value the system since it is believed to best reflect the system's value as it is in today's dollars and acknowledges that assets are not new. IPU provided Fiscal Year 2019 (FY) fixed asset records which included original costs. Raftelis estimated replacement cost by adjusting the original costs to reflect the cost of constructing a similar asset today. This was achieved by escalating the original construction costs by a construction cost index. Raftelis utilized the Engineering News-Record's Construction Cost Index for the largest 20 cities in the US, 20-cities (CCI), which reflects the average costs of a particular basket of construction goods. The CCI uses 200 hours of common labor, multiplied by the 20-city average rate for wages and fringe benefits. For the material component, CCI uses 25 cwt of fabricated standard structural steel at the 20-city average price, 1.128 tons of bulk portland cement priced locally and 1,088 board ft of 2x4 lumber priced locally. Raftelis used a CCI value of 11,281 for 2019 to estimate the replacement costs.[2] Accumulated replacement cost depreciation was determined by escalating the accumulated depreciation for each asset by the appropriate CCI. The accumulated depreciation was subtracted from the replacement cost to determine the current value of the assets using RCLD . Table 4-1 shows the water assets by function at original cost (Column A), escalated into 2019 dollars (i.e. replacement cost, Column B), replacement cost accumulated depreciation (Column C), and assets adjusted for depreciation (RCLD, Column D). A detailed asset listing can be found in Appendix B.

**Table 4-1: Water Assets**

| Asset Class | Original Cost (A) | Replacement Cost (B) | RC Depreciation (C) | Total Assets (RCLD) (B - C) = (D) |
|---|---|---|---|---|
| General | $179,518 | $278,204 | $200,071 | $78,133 |
| Hydrants | $599,311 | $1,011,596 | $774,059 | $237,538 |
| Pumps | $827,903 | $1,112,227 | $877,543 | $234,683 |
| Treatment | $271 | $348 | $287 | $61 |
| Transmission/Distribution | $7,270,418 | $16,538,902 | $13,059,376 | $3,479,526 |
| Vehicles & Equipment | $217,421 | $445,132 | $234,301 | $210,831 |
| Supply | $2,894,543 | $5,911,436 | $3,116,041 | $2,795,395 |
| Storage | $2,260,660 | $7,703,813 | $5,988,818 | $1,714,995 |
| Meters | $718,864 | $2,867,349 | $2,708,742 | $158,608 |
| Land | $35,500 | $76,848 | $0 | $76,848 |
| **Total Assets** | **$15,004,410** | **$35,945,856** | **$26,959,238** | **$8,986,618** |

[2] Detailed Construction Cost Index can be found in Appendix A – Construction Cost Index

Total outstanding debt principal balances are subtracted from the system value to arrive at the total system value. However, IPU does not have outstanding debt principal. Additionally, for the Equity Buy-In approach, capital reserve balances are included in the final value of the system. The Equity Buy-In includes the reserve balances because these reserves have been built-up over time by existing rate customers and will be used to repair or replace aging infrastructure, thereby contributing to the value of the system. However, IPU does not currently have a capital reserve balance for the CIWS. For these reasons, the total system value for both the System Buy-In and Equity Buy-In approaches are the same as shown in Table 4-2.

**Table 4-2: Water System Value**

| Total System Value | | |
|---|---|---|
| | **System Buy-In** | **Equity Buy-In** |
| Wastewater System Value (RCLD) | $8,986,618 | $8,986,618 |
| Less Outstanding Debt Principal | $0 | $0 |
| Plus Capital Reserve Balance (Equity Buy-In) | | $0 |
| **Total System Value Including Reserves** | **$8,986,618** | **$8,986,618** |

## 4.3. System Capacity

The second step in calculating the buy-in water capacity fee is to determine the system demand or equivalent capacity. Dividing the system value by the capacity yields the capacity fee the smallest unit of capacity, or a 5/8" meter. For the Equity Buy-In approach the demand or capacity is equal to the current system demand or current number of EMU's. For the System Buy-In approach the demand is equal to the ultimate, or build-out, system demand. Since IPU's water system is nearly built-out, the current and build-out EMU's are assumed to be the same, as shown in Table 4-3.

**Table 4-3: System Capacity**

| Capacity Fee Calculation | | |
|---|---|---|
| | **System Buy-In** | **Equity Buy-In** |
| EMU's | 3,414 | 3,414 |

## 4.4. Proposed Water Capacity Fee

Due to the fact that the water system value (Table 4-2) and the number of EMU's (Table 4-3) are the same for both the System Buy-In and the Equity Buy-In approaches, the calculated capacity fee is also the same. The Buy-In calculation is shown in Table 4-44. The proposed capacity fee is on a per EMU basis where one EMU represents the demand placed on the water system by a ⅝" meter or a single-family residence.

**Table 4-4: Buy-In Component Calculation for Water System**

| Capacity Fee Calculation | |
|---|---|
| Water System Value (RCLD) | $8,986,618 |
| ÷ EMU's | 3,414 |
| **Proposed Buy-In Capacity Fee (per EMU)** | **$2,632** |

Table 4-55 shows the derivation of the capacity fees for larger meter sizes. The capacity fees are in proportion to the potential flow through each meter size as estimated by AWWA, shown in the Column A. For example, the flow through a 1-inch meter is 2.5 times (Column B) greater than that of a ⅝- inch meter, thus the capacity fee for a 1-inch meter is 2.5 times higher.

**Table 4-5: Capacity Fees for Larger Meter Sizes**

| Meter Size | Safe Operating Flow (A) | Capacity Ratio (B) | Buy-In Capacity Fee (C) |
|---|---|---|---|
| **5/8"** | 20 | 1.0 | $2,632 |
| **3/4"** | 30 | 1.5 | $3,948 |
| **1"** | 50 | 2.5 | $6,580 |
| **1.5"** | 100 | 5.0 | $13,161 |
| **2"** | 160 | 8.0 | $21,057 |
| **3"** | 320 | 16.0 | $42,114 |
| **4"** | 500 | 25.0 | $65,803 |
| **6"** | 1,000 | 50.0 | $131,605 |
| **8"** | 1,600 | 80.0 | $210,568 |
| **10"** | 2,300 | 115.0 | $302,692 |

# 5. Conclusion

Raftelis has calculated capacity fees that are based on the value of the water system as detailed in this study. The value of the water system per equivalent meter (5/8" meter) is the cost to provide system capacity to a serve a new customer/home connecting for the first time to the water system. The value reflects the condition of the system by accounting for depreciation. Revenue from capacity fees serves to reimburse past customers who have contributed to the capital upkeep of the water system through rates and charges. This way "growth pays for growth" and oversized water systems are not paid for solely by current customers. The methodology used, which reflects current plant value, does not exceed the cost to construct a comparable system to provide water service.

Raftelis recommends that IPU adjust the capacity fees annually to keep pace with inflation by applying the Engineering News Record Construction Cost Index. In addition, IPU should conduct a comprehensive review of its capacity fees every three to five years to reflect recent asset additions and depreciation.

APPENDIX A:

# Construction Cost Index

# Appendix A – Construction Cost Index

## Engineering News Record Construction Cost Index – 20 Cities

| Year | CCI Average | Year | CCI Average | Year | CCI Average |
|---|---|---|---|---|---|
| **1908** | 97 | **1946** | 346 | **1984** | 4146 |
| **1909** | 91 | **1947** | 413 | **1985** | 4195 |
| **1910** | 96 | **1948** | 461 | **1986** | 4295 |
| **1911** | 93 | **1949** | 477 | **1987** | 4406 |
| **1912** | 91 | **1950** | 510 | **1988** | 4519 |
| **1913** | 100 | **1951** | 543 | **1989** | 4615 |
| **1914** | 89 | **1952** | 569 | **1990** | 4732 |
| **1915** | 93 | **1953** | 600 | **1991** | 4835 |
| **1916** | 130 | **1954** | 628 | **1992** | 4985 |
| **1917** | 181 | **1955** | 660 | **1993** | 5210 |
| **1918** | 189 | **1956** | 692 | **1994** | 5408 |
| **1919** | 198 | **1957** | 724 | **1995** | 5471 |
| **1920** | 251 | **1958** | 759 | **1996** | 5620 |
| **1921** | 202 | **1959** | 797 | **1997** | 5826 |
| **1922** | 174 | **1960** | 824 | **1998** | 5920 |
| **1923** | 214 | **1961** | 847 | **1999** | 6059 |
| **1924** | 215 | **1962** | 872 | **2000** | 6221 |
| **1925** | 207 | **1963** | 901 | **2001** | 6343 |
| **1926** | 208 | **1964** | 936 | **2002** | 6538 |
| **1927** | 206 | **1965** | 971 | **2003** | 6694 |
| **1928** | 207 | **1966** | 1019 | **2004** | 7115 |
| **1929** | 207 | **1967** | 1074 | **2005** | 7446 |
| **1930** | 203 | **1968** | 1155 | **2006** | 7751 |
| **1931** | 181 | **1969** | 1269 | **2007** | 7966 |
| **1932** | 157 | **1970** | 1381 | **2008** | 8310 |
| **1933** | 170 | **1971** | 1581 | **2009** | 8570 |
| **1934** | 198 | **1972** | 1753 | **2010** | 8802 |
| **1935** | 196 | **1973** | 1895 | **2011** | 9070 |
| **1936** | 206 | **1974** | 2020 | **2012** | 9311 |
| **1937** | 235 | **1975** | 2212 | **2013** | 9547 |
| **1938** | 236 | **1976** | 2401 | **2014** | 9806 |
| **1939** | 236 | **1977** | 2576 | **2015** | 10035 |
| **1940** | 242 | **1978** | 2776 | **2016** | 10338 |
| **1941** | 258 | **1979** | 3003 | **2017** | 10737 |
| **1942** | 276 | **1980** | 3237 | **2018** | 11062 |
| **1943** | 290 | **1981** | 3535 | **2019** | 11281 |
| **1944** | 299 | **1982** | 3825 | | |
| **1945** | 308 | **1983** | 4066 | | |

APPENDIX B:

# Water Replacement Cost Value

# Appendix B – Water Replacement Cost Value

## Water Asset Listing and RCLD – Date of Asset Listing 6/30/2019

| Raftelis Category | Asset Description | Useful Life Years | Acquisition Date | Original Cost | Replacement Cost | RC Depreciation | RCLD |
|---|---|---|---|---|---|---|---|
| Transmission/Distribution | 658-DEA Pipes 8 inch DIP | 50 | 1986 | $40,231 | $105,668 | $36,946 | $68,722 |
| Transmission/Distribution | 658-DFG Pipes 10 inch STL | 50 | 1987 | $10,573 | $27,072 | $10,007 | $17,065 |
| Transmission/Distribution | 658-DAA One-Wa from SGVWC El Monte | 50 | 1987 | $62,318 | $159,558 | $58,977 | $100,580 |
| Transmission/Distribution | 658-DHX 16 In. Flanged Nozzle,16in Ch | 50 | 1988 | $5,686 | $14,195 | $5,268 | $8,927 |
| Pumps | 658-DHV Convert Pump #2 to Mecha etc. | 51 | 1988 | $9,626 | $24,029 | $9,326 | $14,703 |
| Pumps | 658-DHU Booster Pump- Lomitas | 50 | 1988 | $7,477 | $18,666 | $7,266 | $11,401 |
| Pumps | 658-DIG Pump | 50 | 1988 | $1,530 | $3,818 | $1,489 | $2,329 |
| Pumps | 658-DHW 10 In. Cla-Valve Fro Pump Sta | 50 | 1989 | $5,065 | $12,381 | $4,829 | $7,552 |
| Transmission/Distribution | 658DHT Allen Bradley Variable F | 50 | 1990 | $21,246 | $50,649 | $20,806 | $29,843 |
| Vehicles & Equipment | 658-DIF Emergency Generator-En | 50 | 1990 | $74,682 | $178,041 | $76,345 | $101,696 |
| Vehicles & Equipment | 658-DAQ 250kW Emergncy Generator | 50 | 1990 | $30,277 | $72,180 | $31,009 | $41,172 |
| Pumps | 658-CAD New Roof Pumping Station | 50 | 1990 | $17,245 | $41,112 | $17,678 | $23,434 |
| Transmission/Distribution | 658-DJC Water Transmission | 50 | 1991 | $28,661 | $66,872 | $28,755 | $38,117 |
| Vehicles & Equipment | 658-DIE Emergency Generator-De | 50 | 1991 | $8,333 | $19,442 | $8,725 | $10,717 |
| Transmission/Distribution | 658-DJB 14 In. Water Transmission Ma. | 50 | 1991 | $560,815 | $1,308,492 | $587,219 | $721,273 |
| Transmission/Distribution | 658-DED Pipes | 50 | 1991 | $72,473 | $169,093 | $76,023 | $93,070 |
| Transmission/Distribution | 658-DHS Lomitas Reservoir | 51 | 1993 | $121,877 | $263,896 | $128,630 | $135,265 |
| Transmission/Distribution | 658-DKD Main lines, pipes, hydrants and service lines | 30 | 1993 | $104,500 | $226,270 | $30,169 | $196,100 |
| Transmission/Distribution | 658-DID Building Add. to Well #3 | 50 | 1994 | $35,308 | $73,652 | $36,122 | $37,531 |
| Storage | 10186 Lomitas Reservoir Upgrades Potable Water System | 30 | 1995 | $592,953 | $1,222,648 | $244,530 | $978,118 |
| Transmission/Distribution | 658-DCF Pipes | 50 | 1995 | $53,447 | $110,206 | $58,358 | $51,847 |
| Transmission/Distribution | 658-DEB Pipes | 50 | 1997 | $166,627 | $322,643 | $183,748 | $138,895 |
| Transmission/Distribution | 658-DCG Pipes | 50 | 1998 | $85,164 | $162,285 | $95,666 | $66,619 |
| Transmission/Distribution | 658-DHJ 10 In. Water Main 4th Ave. | 50 | 1999 | $49,815 | $92,748 | $54,816 | $37,932 |
| Storage | 658-DJN Lomitas Reservoir Discha ect. | 50 | 2000 | $64,122 | $116,277 | $70,929 | $45,348 |
| Storage | 658-DAY Lomitas Reservoir | 50 | 2000 | $558,086 | $1,012,019 | $637,021 | $374,997 |
| Transmission/Distribution | 658-DBP Pipes | 50 | 2000 | $428,985 | $777,911 | $489,661 | $288,250 |
| Transmission/Distribution | 658-DAZ Hydro-Pressure Tank | 50 | 2000 | $33,902 | $61,478 | $38,698 | $22,780 |
| Transmission/Distribution | 658-DIZ 14in. & 16in. ACP wtrMain Pr. | 50 | 2001 | $155,165 | $275,961 | $174,007 | $101,955 |
| General | 658-BBD Concrete Block Wall | 51 | 2001 | $41,632 | $74,042 | $47,880 | $26,162 |
| Supply | 658-DHR Wells 4 &5 | 51 | 2001 | $21,125 | $37,571 | $24,296 | $13,275 |
| Supply | 658-DAL Well No. 4 Pump Building | 50 | 2001 | $10,004 | $17,792 | $11,555 | $6,237 |
| Supply | 658-DAM Well No. 5 Pump Building | 50 | 2001 | $10,004 | $17,792 | $11,555 | $6,237 |
| Vehicles & Equipment | 658-DAO 100 Hp 460V moto. & Pump | 50 | 2001 | $29,011 | $51,596 | $33,508 | $18,088 |
| Supply | 658-DAW Well No. 4 | 50 | 2001 | $157,060 | $279,330 | $181,407 | $97,923 |
| Supply | 658-DAX Well No. 5 | 50 | 2001 | $157,060 | $279,330 | $181,407 | $97,923 |
| Supply | 658-DAI Well No. 4- Standby | 50 | 2001 | $450,171 | $800,627 | $519,955 | $280,671 |
| Supply | 658-DAJ Well No. 5 -Standby | 50 | 2001 | $450,171 | $800,627 | $519,955 | $280,671 |
| Vehicles & Equipment | 658-DAP 100 HP w/ VFD 460V | 50 | 2001 | $32,012 | $56,933 | $36,975 | $19,959 |
| Vehicles & Equipment | 658-DAN 50 HP 460V Motor & Pump | 50 | 2001 | $20,008 | $35,583 | $23,109 | $12,474 |
| Transmission/Distribution | 658-DET Pipes | 50 | 2001 | $12,325 | $21,920 | $14,236 | $7,684 |
| Transmission/Distribution | 658-DIY Instl. of 8 in. Wtrmain at Wo. | 50 | 2002 | $44,114 | $76,116 | $49,475 | $26,641 |
| Supply | 658-DHI Wells 4 & 5 (Stacon) | 51 | 2002 | $418,887 | $722,768 | $481,753 | $241,015 |
| Storage | 658-DHP Lomitas Reservoir | 51 | 2002 | $550,134 | $949,229 | $632,697 | $316,531 |
| Transmission/Distribution | 658-DCI Pipes | 50 | 2003 | $170,846 | $287,917 | $198,487 | $89,430 |
| General | 658-BAH Paving, Asphalt | 50 | 2003 | $39,841 | $67,141 | $46,286 | $20,855 |
| General | 658-BAJ Landscaping | 50 | 2003 | $1,087 | $1,832 | $1,263 | $569 |
| General | 658-DIX Zerep Mngmnt. Corp. ect. | 51 | 2004 | $1,124 | $1,782 | $1,259 | $524 |
| Transmission/Distribution | 658-DBQ Pipes | 50 | 2004 | $206,673 | $327,684 | $232,447 | $95,237 |
| Transmission/Distribution | 658-DIV 3RDK Avenue Main | 51 | 2005 | $37,727 | $57,158 | $41,502 | $15,656 |
| Transmission/Distribution | 658-DIT Upgrade Waterline | 51 | 2005 | $96,423 | $146,084 | $106,070 | $40,015 |
| Transmission/Distribution | 658-DIU Replace Waterlines | 51 | 2005 | $106,830 | $161,852 | $117,519 | $44,333 |
| Supply | 658-DHQ Grading-Wells 4 & 5 | 51 | 2005 | $5,500 | $8,333 | $6,050 | $2,282 |
| Meters | 658-DGX Meter Installation | 50 | 2005 | $12,146 | $18,402 | $13,421 | $4,981 |
| General | 658-BAL Fencing | 50 | 2005 | $21,013 | $31,835 | $23,219 | $8,617 |
| Hydrants | 658-DHD 6-inch Fire Hydrant dbl outlet | 50 | 2005 | $571,361 | $865,636 | $631,340 | $234,297 |

| Raftelis Category | Asset Description | Useful Life Years | Acquisition Date | Original Cost | Replacement Cost | RC Depreciation | RCLD |
|---|---|---|---|---|---|---|---|
| Meters | 658-DFZ 1-Inch 321 Units | 50 | 2005 | $180,471 | $273,421 | $199,416 | $74,005 |
| Transmission/Distribution | 658-DDS Pipes 16 inch. ACP | 50 | 2005 | $362,067 | $548,547 | $400,075 | $148,472 |
| Meters | 658-DGL Meters | 50 | 2005 | $69,007 | $104,548 | $76,250 | $28,297 |
| Meters | 658-DGB 2- inch 53 Units | 50 | 2005 | $62,078 | $94,051 | $68,595 | $25,456 |
| Meters | 658-DGA 1- 1/2 inch 25 Units | 50 | 2005 | $23,426 | $35,491 | $25,885 | $9,606 |
| Meters | 658-DGC 3- inch 3 Units | 50 | 2005 | $12,509 | $18,952 | $13,823 | $5,130 |
| Transmission/Distribution | 658-BAM Gates | 50 | 2005 | $4,885 | $7,402 | $5,398 | $2,003 |
| Meters | 658-DGE 6- inch 1 Unit | 50 | 2005 | $7,684 | $11,641 | $8,490 | $3,151 |
| Meters | 658-DGD 4- inch 1 Unit | 50 | 2005 | $4,966 | $7,524 | $5,487 | $2,037 |
| Transmission/Distribution | 658-DIS Avocado Heights Water Line | 51 | 2006 | $2,916 | $4,245 | $3,166 | $1,079 |
| Transmission/Distribution | 658-DIR 4th Ave. | 51 | 2006 | $113 | $164 | $122 | $42 |
| Pumps | 658-DIC 50 HP Pump & Controlls Ora.ect | 50 | 2006 | $11,905 | $17,327 | $12,996 | $4,332 |
| Transmission/Distribution | 658-DJU Water Main from Proctor Ave | 50 | 2007 | $28,264 | $40,026 | $30,020 | $10,006 |
| Transmission/Distribution | 658-DII 4th Ave. Water Line | 50 | 2007 | $23,758 | $33,645 | $25,234 | $8,411 |
| Transmission/Distribution | 658-DJM 5th Ave. | 51 | 2007 | $82,620 | $117,002 | $89,838 | $27,164 |
| Supply | 658-DAV Well No. 3 | 50 | 2007 | $131,888 | $186,772 | $143,679 | $43,094 |
| Supply | 658-DAH Well No. 3 Emergency Stdby | 50 | 2007 | $395,664 | $560,317 | $431,035 | $129,281 |
| Supply | 658-DAK Well No. 3 Pumping Building | 50 | 2007 | $8,793 | $12,451 | $9,579 | $2,873 |
| Supply | 658-DHZ Well #3 Auroa Pump | 51 | 2008 | $9,622 | $13,061 | $10,260 | $2,802 |
| Transmission/Distribution | 658-DJK 5th & Proctor to 6th | 51 | 2008 | $71,313 | $96,809 | $76,043 | $20,765 |
| Transmission/Distribution | 658-DJO Valley-Farm 9th to El En. ect. | 51 | 2008 | $150,817 | $204,737 | $160,821 | $43,916 |
| Supply | 658-DIB Well #3 Balance of Well C. ect | 51 | 2008 | $183,802 | $249,515 | $195,994 | $53,521 |
| Transmission/Distribution | 658-DJI 6th, 7th, 8th Aves. 16th ect | 51 | 2008 | $295,088 | $400,589 | $314,662 | $85,926 |
| Vehicles & Equipment | 658-DHY Well #3 Natural Gas Pump | 51 | 2008 | $23,098 | $31,356 | $24,630 | $6,726 |
| Transmission/Distribution | 658-DJJ 9th & Valley Blvd. 16th Lin. | 51 | 2008 | $52,261 | $70,945 | $55,727 | $15,218 |
| Pumps | 658-DIA Well #3 Pump House | 51 | 2008 | $16,070 | $21,816 | $17,136 | $4,679 |
| General | 658-BAS Sidewalk Brick | 50 | 2008 | $780 | $1,059 | $836 | $223 |
| General | 658-BAV Landscaping | 50 | 2008 | $2,026 | $2,750 | $2,171 | $579 |
| General | 658-BAP Retaining Walls | 50 | 2008 | $2,250 | $3,054 | $2,411 | $644 |
| General | 658-BAZ Brick Wall | 50 | 2008 | $2,566 | $3,483 | $2,749 | $734 |
| General | 658-BAQ Paving Asphalt/Concrete | 50 | 2008 | $20,118 | $27,311 | $21,555 | $5,756 |
| General | 658-CAB Water Office | 50 | 2008 | $29,467 | $40,002 | $31,571 | $8,431 |
| General | 658-CAC Water Shed | 50 | 2008 | $13,605 | $18,469 | $14,576 | $3,893 |
| Transmission/Distribution | 658-DBS Pipes | 50 | 2008 | $1,019,076 | $1,383,417 | $1,091,840 | $291,577 |
| Transmission/Distribution | 658-CAA Proctor Ave. | 50 | 2008 | $90,488 | $122,839 | $96,949 | $25,890 |
| General | 685-BAT Fencing, Chain Link | 50 | 2008 | $2,237 | $3,036 | $2,396 | $640 |
| General | 658-BAU Gates Chain Link various sizes | 50 | 2008 | $1,604 | $2,177 | $1,718 | $459 |
| General | 658-BBB Rock Bed | 50 | 2008 | $170 | $231 | $182 | $49 |
| Transmission/Distribution | 658-DJQ 1-18 In. Meehey Pipe | 51 | 2009 | $5,749 | $7,568 | $6,094 | $1,474 |
| Transmission/Distribution | 658-DIJ Meters& 60 Meters w/ Box Ints. | 51 | 2009 | $22,229 | $29,261 | $23,563 | $5,698 |
| Transmission/Distribution | 658-DJV 1103 Acre Ft Prescriptive R | 51 | 2009 | $231,639 | $304,915 | $245,537 | $59,378 |
| Transmission/Distribution | 658-DJT 6 In. & 14 In.Service Sys. St. | 51 | 2009 | $4,463 | $5,874 | $4,730 | $1,144 |
| Transmission/Distribution | 658-DJS Tract #33898 & 33469 10 In.Tie | 51 | 2009 | $28,519 | $37,541 | $30,231 | $7,311 |
| Transmission/Distribution | 658-DJR Tract #33188 6In. Water Line | 51 | 2009 | $12,994 | $17,105 | $13,774 | $3,331 |
| Transmission/Distribution | 658-DJL 3rd & Proctor | 51 | 2009 | $10,329 | $13,597 | $10,949 | $2,648 |
| Hydrants | 658-DIQ Advanced Fire Protection | 51 | 2009 | $3,150 | $4,147 | $3,339 | $808 |
| Hydrants | 658-DIM (4) 6in. Hydrants Trand#3389 | 51 | 2009 | $3,457 | $4,551 | $3,665 | $886 |
| Transmission/Distribution | 658-DIN Overtor Booster Pump& Lab Pump | 51 | 2009 | $1,841 | $2,424 | $1,952 | $472 |
| Transmission/Distribution | 658-DIH Proctor Ave 6 In. A/C Line | 51 | 2009 | $540 | $710 | $572 | $138 |
| Transmission/Distribution | 658-DIP Valley Pallets | 51 | 2009 | $131 | $173 | $139 | $34 |
| Transmission/Distribution | 658-DJE all 6, 12, 10,16inch pipes ect | 50 | 2009 | $7,125 | $9,379 | $7,590 | $1,790 |
| Transmission/Distribution | 658-DJF Valley Blvd. & La Puente ect. | 50 | 2009 | $35,533 | $46,774 | $37,849 | $8,925 |
| Transmission/Distribution | 658-DBA Industry Hills No.1 110' diam | 50 | 2009 | $362,264 | $476,861 | $385,873 | $90,988 |
| Transmission/Distribution | 658-DBB Industry Hills No.2 110' diam. | 50 | 2009 | $362,264 | $476,861 | $385,873 | $90,988 |
| Transmission/Distribution | 658-DJG Don Julian 10&12 In. Lines B | 50 | 2009 | $65,974 | $86,844 | $70,274 | $16,570 |
| Transmission/Distribution | 658-DJH 6th street between Don Julian | 50 | 2009 | $37,801 | $49,759 | $40,265 | $9,494 |

| Raftelis Category | Asset Description | Useful Life Years | Acquisition Date | Original Cost | Replacement Cost | RC Depreciation | RCLD |
|---|---|---|---|---|---|---|---|
| Treatment | 658-DHH Chlorinator & unused Pump | 51 | 2010 | $271 | $348 | $287 | $61 |
| Transmission/Distribution | 658-DHK 2 Vert Turbine Pumpw/ Bar | 51 | 2010 | $1,617 | $2,073 | $1,710 | $363 |
| Hydrants | 658-DIL 107 Fire Hydrants 2 1/2X4 ect. | 51 | 2010 | $6,896 | $8,841 | $7,294 | $1,547 |
| Transmission/Distribution | 658-DHL Valves, Piping Controls & ect. | 51 | 2010 | $725 | $930 | $767 | $163 |
| Pumps | 658-DAS Portable Water Pump No.1 | 50 | 2010 | $288,222 | $369,523 | $306,389 | $63,134 |
| Pumps | 658-DAT Portable Water Pump No. 2 | 50 | 2010 | $288,222 | $369,523 | $306,389 | $63,134 |
| Pumps | 658-DAU Portable Water Pump No. 3 | 50 | 2010 | $182,541 | $234,031 | $194,046 | $39,985 |
| Transmission/Distribution | 658-DAC Two-way to/from LPVCWD | 50 | 2012 | $7,024 | $8,512 | $7,398 | $1,115 |
| Transmission/Distribution | 658-DAB One-way from LPVCWD | 50 | 2012 | $11,706 | $14,187 | $12,329 | $1,858 |
| Transmission/Distribution | 658-DAE One-way to LPCWD(stand-by) | 50 | 2012 | $5,853 | $7,094 | $6,165 | $929 |
| Meters | 658-DGK Meters 3/4inch&5/8inch, instal | 50 | 2014 | $8,206 | $9,440 | $8,581 | $860 |
| Meters | 658-DFV 5/8 inch 236 Units | 50 | 2015 | $55,608 | $62,513 | $58,063 | $4,450 |
| Transmission/Distribution | 658-DBU Pipes 6 inch 10 inch 12 inch | 50 | 2015 | $69,746 | $78,406 | $72,824 | $5,582 |
| Meters | 658-DFY 3/4 inch 111 Units | 50 | 2015 | $26,044 | $29,278 | $27,194 | $2,084 |
| Transmission/Distribution | 658-DBF Pipes 4 inch 12 inch 16 inch | 50 | 2016 | $143,879 | $157,004 | $148,950 | $8,053 |
| Transmission/Distribution | 658-DBD Pipes | 50 | 2017 | $204,987 | $215,373 | $208,606 | $6,766 |
| Transmission/Distribution | 658-DBH Pipes 4 inch STL & ACP | 50 | 2018 | $6,325 | $6,450 | $6,375 | $75 |
| Transmission/Distribution | 658-DBI Pipes 4 inch, 6 inch 8 inch | 87 | 2019 | $52,906 | $52,906 | $52,906 | $0 |
| Meters | 12190 REPLACE METERS Inv#16094 | 42 | 2019 | $10,147 | $10,147 | $10,147 | $0 |
| Storage | 10033 Repaint Reservoir No. 2- CIP 4366 IPUC Water | 50 | 1969 | $495,366 | $4,403,641 | $4,403,641 | $0 |
| Supply | 658-AAC Water Rights-1103AcreFt Presc. | 39 | 1980 | $441,200 | $1,537,589 | $0 | $1,537,589 |
| Transmission/Distribution | 658-DBM Pipes | 50 | 1969 | $182,026 | $1,618,151 | $1,618,151 | $0 |
| Transmission/Distribution | 658-DBL Pipes | 50 | 1969 | $165,793 | $1,473,844 | $1,473,844 | $0 |
| Transmission/Distribution | 658-DCC Pipes | 50 | 1969 | $143,466 | $1,275,364 | $1,275,364 | $0 |
| Meters | 10046 Water Meters - 351 Water Meters (269-5/8x3/4" E-coder | 50 | 1969 | $86,670 | $770,465 | $770,465 | $0 |
| Meters | 658-DFU 5/8 inch | 50 | 1969 | $77,799 | $691,608 | $691,608 | $0 |
| Transmission/Distribution | 658-DBN Pipes | 50 | 1969 | $53,156 | $472,538 | $472,538 | $0 |
| Transmission/Distribution | 658-DBJ Pipes 4 inch ACP/6 inch ACP | 50 | 1969 | $37,230 | $330,966 | $330,966 | $0 |
| Meters | 658-DFX 3/4 inch | 50 | 1969 | $36,197 | $321,780 | $321,780 | $0 |
| Meters | 658-DFT 5/8 Inch 237 Units | 50 | 1969 | $29,509 | $262,327 | $262,327 | $0 |
| Land | 658-AAA Land- 1.48 Acres Lomitas Ave. | 0 | 1980 | $28,400 | $61,479 | $0 | $61,479 |
| Supply | 658-DAF Well No.1 | 50 | 1969 | $21,798 | $193,781 | $193,781 | $0 |
| Supply | 658-DAG Well No.2 | 50 | 1969 | $21,798 | $193,781 | $193,781 | $0 |
| Transmission/Distribution | 658-DCE Pipes 6 inch ACP & 4 inch STL | 50 | 1969 | $21,429 | $190,498 | $190,498 | $0 |
| Transmission/Distribution | 658-DEQ Pipes 2 Inch STL & 3 Inch STL | 50 | 1969 | $17,225 | $153,126 | $153,126 | $0 |
| Hydrants | 658-DHE 6-inch Fire Hydrant | 50 | 1969 | $14,446 | $128,421 | $128,421 | $0 |
| Transmission/Distribution | 658-DFW 3/4 Inch, 111 Units | 50 | 1969 | $13,821 | $122,862 | $122,862 | $0 |
| Meters | 658-DGG Meters 5/8, 3/4 and Installat. | 50 | 1969 | $11,878 | $105,593 | $105,593 | $0 |
| Transmission/Distribution | 658-DER Pipes | 50 | 1969 | $10,880 | $96,716 | $96,716 | $0 |
| Transmission/Distribution | 658-DBO Pipes 4 inch, 6 inch, 2 inch | 50 | 1969 | $10,379 | $92,266 | $92,266 | $0 |
| Transmission/Distribution | 658-DDO Pipes 14 inch ACP 400 ft. | 50 | 1969 | $9,966 | $88,598 | $88,598 | $0 |
| Transmission/Distribution | 658-DFM Pipes 12 inch STL | 50 | 1969 | $9,442 | $83,938 | $83,938 | $0 |
| Land | 658-AAB Land- 2.4+ Acres Transmission | 0 | 1980 | $7,100 | $15,370 | $0 | $15,370 |
| Transmission/Distribution | 658-DBK Pipes | 50 | 1969 | $6,042 | $53,709 | $53,709 | $0 |
| Meters | 658-DGF Meters 5/8, 3/4 & Installation | 50 | 1969 | $4,519 | $40,169 | $40,169 | $0 |

*INDUSTRY PUBLIC UTILITIES COMMISSION*

ITEM NO. 6.2
No Back-up Material