



**COUNTY OF LOS ANGELES**  
**DEPARTMENT OF PUBLIC WORKS**

*"To Enrich Lives Through Effective and Caring Service"*

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**GAIL FARBER, Director**

November 19, 2013

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

25 November 26, 2013

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

**LOS ANGELES COUNTY WATERWORKS DISTRICT  
NOS. 29, MALIBU; 37, ACTON; AND 40, ANTELOPE VALLEY;  
AND MARINA DEL REY WATER SYSTEM  
WATER RATE ADJUSTMENT  
(SUPERVISORIAL DISTRICTS 3, 4, AND 5)  
(3 VOTES)**

**SUBJECT**

This action is to adopt a resolution adjusting the water rates to offset cost increases due to inflation and the cost of purchasing wholesale water for the Los Angeles County Waterworks District Nos. 29, Malibu; 37, Acton; and 40, Antelope Valley; and Marina del Rey Water System and to implement the changes 30 days after adjustment notices are sent to customers.

**IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF THE LOS ANGELES COUNTY WATERWORKS DISTRICT NOS. 29, MALIBU; 37, ACTON; AND 40, ANTELOPE VALLEY; AND MARINA DEL REY WATER SYSTEM:**

1. Adopt the resolution to adjust the water rates for calendar year 2014 to pass through inflation as measured by the Consumer Price Index and wholesale water cost increases from the wholesale water agencies serving the Los Angeles County Waterworks District Nos. 29, Malibu; 37, Acton; and 40, Antelope Valley; and Marina del Rey Water System.
2. Authorize the Director of Public Works or her designee to amend the Rules and Regulations of the Los Angeles County Waterworks Districts and Marina del Rey Water System and to implement the water rate changes effective 30 days after adjustment notices are sent to customers.
3. Find that the purpose of adjustments to the water rates shown in the Rules and Regulations of the

Los Angeles County Waterworks Districts and Marina del Rey Water System are to meet the operating expenses necessary to maintain service within existing service areas and, therefore, are statutorily exempt from the California Environmental Quality Act.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended action is to adjust water rates to offset inflation and wholesale water cost increases adopted by wholesale water agencies serving the Los Angeles County Waterworks District Nos. 29, Malibu; 37, Acton; and 40, Antelope Valley; and Marina del Rey Water System (Districts).

Currently, the Rules and Regulations of the Los Angeles County Waterworks Districts and Marina del Rey Water System (Rules and Regulations) allow the Districts to annually review water rates and make a recommendation to the Board for water rate adjustments.

The Consumer Price Index for the areas of Los Angeles, Riverside, and Orange Counties for the period of September 2012 to August 2013 was 0.5 percent.

Water wholesale rates adopted by wholesale water agencies have increased, and wholesale water costs account for a significant portion of the retail cost of water. The Waterworks Districts' Financial Officer and the Auditor-Controller reviewed the Waterworks Districts' rates and determined the need for an adjustment to the retail water rates of 3.5 percent in Waterworks District No. 29, Malibu; 2.8 percent in Waterworks District No. 37, Acton; 2.6 percent in Waterworks District No. 40, Antelope Valley; and 6.0 percent in the Marina del Rey Water System,. The proposed water rate adjustment and impact to the average monthly water bill in each Waterworks District are shown on Enclosure A.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1) and Fiscal Sustainability (Goal 2) by providing sufficient funds to offset inflation and increases in wholesale water costs to maintain reliable delivery of water service to County residents within the Waterworks Districts.

### **FISCAL IMPACT/FINANCING**

There will be no impact to the County General Fund.

This action will generate additional annual revenue in water sales of approximately \$695,000 in Waterworks District No. 29, Malibu; \$30,000 in Waterworks District No. 37, Acton; \$1,006,000 in Waterworks District No. 40, Antelope Valley; and \$167,000 in the Marina del Rey Water System in each Waterworks District's respective general funds. Following approval by the Board, the rate changes will become effective 30 days after adjustment notices are sent to customers.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The Board is authorized to increase the water rates, surcharges, and water supply charges pursuant to Section 55501 of the District's Law, Water Code Section 55000 et seq. Adoption of this resolution (Enclosure B) will allow revisions to the Rules and Regulations, adopted pursuant to Section 55333 of the District's Law.

Section 53756 of the California Government Code states that "An agency providing water, sewer, or refuse collection service may adopt a schedule of fees or charges authorizing automatic adjustments that pass through increases in wholesale charges for water or adjustments for inflation..." A notice of the adjustments will be given pursuant to Subdivision (a) of Section 53755 of the Government Code within 30 days before the effective date of the adjustment.

Consistent with the requirements of Sections 53756 and 66016 of the Government Code, the Board held a public hearing on the matter of annual rate adjustments on November 24, 2009, and consistent with California Constitution Article 13, Section 6 and Sections 66018 and 6062a of the Government Code, a Notice of the Public Hearing was mailed to all affected customers and property owners more than 45 days in advance of the date of the public hearing. Seven written protests were received prior to the public hearing. Also in compliance with these Government Code Sections, a notice of the time and place of the hearing was published two times in a newspaper of general circulation within a 10-day period with at least five intervening days. After the public hearing, the Board approved the required resolution, subject to annual rate increase approval by the Board.

This action complies with the requirements of the California Constitution, Article XIII D (Proposition 218), and does not impose a tax within the meaning of Article XIII C, Section 1(e), of the California Constitution (Proposition 26), approved by the voters on November 2, 2010.

County Counsel has reviewed and approved the proposed resolution as to form.

#### **ENVIRONMENTAL DOCUMENTATION**

These actions and the resolution, amending the Rules and Regulations, are to fund operating expenses and, therefore, are exempt from the California Environmental Quality Act (CEQA) pursuant to Section 21080(b)(8) of the Public Resources Code and Section 15273(a) of the CEQA Guidelines.

#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There will be no impact on current County services or projects as a result of this action.

#### **CONCLUSION**

Please return one adopted copy of this letter and one signed original of the resolution to the Department of Public Works, Waterworks Division.

The Honorable Board of Supervisors

11/19/2013

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Respectfully submitted,

A handwritten signature in cursive script that reads "Gail Farber".

GAIL FARBER

Director

GF:AA:dvt

Enclosures

c: Auditor-Controller  
Chief Executive Office (Rita Robinson)  
County Counsel  
Executive Office

**ENCLOSURE A**

**PROPOSED WATER RATE ADJUSTMENT AND IMPACT TO THE  
AVERAGE MONTHLY WATER BILL IN EACH DISTRICT**

<b>Waterworks District</b>	<b>Water Rate Increase</b>	<b>Average Water Bill Before</b>	<b>Average Water Bill After</b>	<b>Generated Revenue</b>
Waterworks District No. 29, Malibu	3.5%	\$202.15	\$209.22	\$695,000
Waterworks District No. 37, Acton	2.8%	\$63.24	\$65.01	\$30,000
Waterworks District No. 40, Antelope Valley	2.6%	\$55.99	\$57.44	\$1,006,000
Marina del Rey Water System	6.0%	\$504.03	\$534.27	\$169,000

**ENCLOSURE B**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE  
COUNTY OF LOS ANGELES, CALIFORNIA, AUTHORIZING THE  
DIRECTOR OF PUBLIC WORKS OR HER DESIGNEE TO  
ADJUST THE WATER RATES FOR THE  
LOS ANGELES COUNTY WATERWORKS DISTRICT  
NOS. 29, MALIBU; 37, ACTON; AND 40, ANTELOPE VALLEY;  
AND MARINA DEL REY WATER SYSTEM**

WHEREAS, the Los Angeles County Waterworks District Nos. 29, Malibu; 37, Acton; and 40, Antelope Valley; and Marina del Rey Water System (hereinafter referred to as DISTRICTS) provide potable water service to customers located within the Cities of Malibu, Lancaster, Palmdale, and Marina Del Rey and within the unincorporated communities of Acton, Pearblossom, Littlerock, Rock Creek, and Lake Los Angeles; and

WHEREAS, the Los Angeles County Board of Supervisors as the Governing Body of the DISTRICTS pursuant to Section 55501 of the District Law, Water Code, is authorized to increase the water rates, surcharges, and water supply charges as adopted in the Rules and Regulations of the Los Angeles County Waterworks Districts and Marina del Rey Water System pursuant to Section 55333; and

WHEREAS, the Rules and Regulations of the Los Angeles County Waterworks Districts and Marina del Rey Water System requires the District Engineer to annually review the water rate schedules and make recommendations to the Board of Supervisors for water rate adjustments; and

WHEREAS, the DISTRICTS purchase wholesale water from water wholesalers as needed; and

WHEREAS, Section 53756 of the California Government Code states that "An agency providing water, sewer, or refuse collection service may adopt a schedule of fees or charges authorizing automatic adjustments that pass through increases in wholesale charges for water or adjustments for inflation..."; and

WHEREAS, the DISTRICTS' retail price of water is partially dependent upon the DISTRICTS' cost of the purchase of wholesale water; and

WHEREAS, it is the intent of the DISTRICTS to pass through inflation as measured by the Consumer Price Index and wholesale water charge increases to its retail customers.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors of the County of Los Angeles, as the Governing Body of the DISTRICTS, does hereby authorize the Director of Public Works or her designee to adjust the water rate rates to become effective 30 days after adjustment notices are sent to customers.

The foregoing Resolution was on the 26<sup>th</sup> day of November, 2013, adopted by the Board of Supervisors of the County of Los Angeles as the Governing Body of the Los Angeles County Waterworks Districts and Marina del Rey Water System.



SACHI A. HAMAI  
Executive Officer of the  
Board of Supervisors of the  
County of Los Angeles

By   
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI  
County Counsel

By   
Deputy