

**NOTICE OF PUBLIC HEARING
REGARDING PROPOSED WATER RATE INCREASE**

TO: La Habra Heights County Water District Property Owners and Customers

SUBJECT: Proposed Water Rate Increase

PLEASE TAKE NOTICE that the Board of Directors of the La Habra Heights County Water District (“District”) will hold a public hearing concerning a proposed increase in water rates on **March 20, 2018**, at **6:00 p.m.** at the **City of La Habra Heights, 1245 N. Hacienda Road, La Habra Heights, CA 90631**.

At the hearing, the District’s Board of Directors will hear the testimony of all persons interested in the rate increase and will consider all protests against the proposed increase. Property owners may file a written protest against the rates by mailing or delivering the protest to the District’s address, 1271 N. Hacienda Road, La Habra Heights, CA 90631. Each written protest should include the affected property address. Protests that are mailed must arrive at the District’s address by 4:30 PM on March 20, 2018 to be counted. Protests that are delivered are due no later than at the end of the March 20, 2018, public hearing. In accordance with Article 13D of the California Constitution, if written protests against the proposed rates are presented by a majority of owners of parcels upon which the rates are proposed for imposition, the District shall not impose the charges. Protests received by telephone or e-mail will NOT be considered.

If approved, the proposed water rate increases will be effective July 1, 2018.

Impacted Parcels

The rate increase will apply to all parcels that are currently receiving water service or that have immediate access to the District's water system.

Proposed Increased Rates

Water Rates	Charges Effective					
	Current	July 2018	July 2019	July 2020	July 2021	July 2022
Monthly Readiness-to-Serve Charge (by meter size)						
5/8" or 3/4"	\$34.08	\$36.34	\$38.89	\$41.62	\$44.54	\$47.66
1"	\$56.79	\$60.56	\$64.80	\$69.34	\$74.20	\$79.40
1 1/2"	\$113.57	\$121.10	\$129.58	\$138.66	\$148.37	\$158.76
2"	\$181.72	\$193.76	\$207.33	\$221.85	\$237.38	\$254.00
3"	\$397.50	\$423.83	\$453.50	\$485.25	\$519.22	\$555.57
4"	\$715.49	\$762.88	\$816.29	\$873.44	\$934.59	\$1,000.02
6"	\$1,589.98	\$1,695.28	\$1,813.95	\$1,940.93	\$2,076.80	\$2,222.18
3" Hydrant Meter	\$300.28	\$423.83	\$453.20	\$485.25	\$519.22	\$555.57
Commodity Rates (\$/100 cubic foot=748 gallons)						
Upper Zone	\$1.96	\$2.11	\$2.26	\$2.42	\$2.59	\$2.78
Lower Zone	\$1.74	\$1.88	\$2.02	\$2.17	\$2.33	\$2.50

Meter Size	Proposed System Buy-in-Fee	Current
5/8" or 3/4"	\$8,157	\$7,897
1"	\$13,593	\$13,162
1 1/2"	\$27,183	\$26,323
2"	\$43,495	\$42,117
3"	\$95,142	\$92,131
4"	\$171,252	\$165,837
6"	\$380,560	\$368,526

Miscellaneous Fees	Proposed Fee	Current
Late Charge	7.0%	7.0%
Turn Off Charge	\$42.00	\$41.00
Return Check Charge	\$31.00	\$21.00
Door Tag Fee-Past Due, NSF	\$28.00	\$22.00
Water Availability Charge	\$142.00	\$130.00
Meter Certification Fee	\$301.00	\$126.00
Copy Fee	\$.24	\$.24

Basis and Reason for Rate Increase

The District's last water rate hearing was in 2012 and the last rate increase was in 2017. The cost of running the District has increased since then and revenue received at the current rate cannot sustain the District's operations. The District retained Raftelis Financial Consultants, Inc., ("Raftelis") a national consulting firm which provides financial analyses and rate structure consulting services for water utilities. Raftelis reviewed the District's long-term financial plan and performed a rate study to determine what rates would be needed for the District to fulfill its financial plan.

The District does not expect any growth in the number of its accounts, but expects to encounter significant increases in water supply costs, and modest increases in its administrative and general expenses. Raftelis has concluded the District will not be able to meet its expected financial obligations without a rate increase.

To review the rate study report, you may visit www.lhhc wd.com or contact the District's General Manager, Michael Gualtieri at (562) 697-6769, or at the District's office located at 1271 N. Hacienda Road, La Habra Heights, CA 90631.