



City of La Verne
Office of the City Clerk
3660 D Street
La Verne, CA 91750

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NOTICE OF PUBLIC HEARING

Proposition 218 Notification: Proposed Adjustments to Water and Sewer Rates



Hearing Date: Monday, November 3, 2025

Time: 6:30 p.m.

Place: City of La Verne
Council Chambers
3660 D Street
La Verne, CA 91750

This Notice is provided by the City of La Verne in accordance with Article XIII D, Section 6 of the California Constitution (Proposition 218), which requires the City to notify property owners of record with City water and/or sewer connections of proposed water and sewer rate adjustments and their right to protest.



(909) 596-8744



ratestudy@laverneca.gov



www.laverneca.gov/ratestudy



NOTICE TO PROPERTY OWNERS AND WATER/SEWER CUSTOMERS

The La Verne City Council will conduct a **Public Hearing on Monday, November 3, 2025**, to consider adopting proposed rate adjustments to the City's current water and sewer service charges. All interested persons are invited to attend the Public Hearing. The City Council will hear and consider all oral testimony and written materials submitted regarding the proposed rate adjustments at the Public Hearing. In the absence of a majority protest, the City Council has the authority to adjust the proposed water and/or sewer rates in response to oral testimony and written materials submitted for consideration, provided adjustments do not increase rates beyond those proposed in this Notice. If adopted by the City Council, the proposed rate adjustments will become effective on January 1, 2026, with annual rate adjustments on July 1 of each year from 2026 through 2029.

REASONS FOR PROPOSED RATE ADJUSTMENTS

The City is committed to providing safe and reliable water and sewer services, now and into the future. Effective financial management of our water and sewer systems is essential for long-term resilience and maintaining the high quality of life we have come to expect in La Verne. However, aging infrastructure, rising costs for water supplies, evolving regulations, and inflation pose financial and operational challenges. Costs incurred by the City to operate, maintain, repair/rehabilitate, and replace water and sewer infrastructure such as wells, pipes, pumps, and other essential facilities continue to increase.

The majority of funds required to operate and invest in our water and sewer systems come directly from the rates customers pay for service. Revenues from current rates are no longer adequate to support operations and fund the much-needed system improvements and maintenance planned over the next five to 10 years. Per state law, revenues generated from rate increases can only be used to fund the costs to provide the service including operations and maintenance, capital improvements, the cost of debt to finance capital equipment and maintaining cash and emergency reserves.

With costs continually outpacing revenues in recent years, the City retained an independent (third-party) utility financial consultant to examine our costs of service to operate each system. The study looked at operating and capital costs and revenue needed to ensure the financial stability of water and sewer services in the years to come, including funding reserves to manage financial risks. Reserves help address challenges such as drought conditions, emergency repairs, natural disasters, increased costs for purchasing water, and aging infrastructure that is at or near the end of its useful life, all while continuing to provide high-quality service.

The rate study revealed a significant revenue shortfall and the need for continued annual rate increases. The last rate increase occurred in 2018. This Notice summarizes the rate study findings and proposed rate adjustments that the La Verne City Council will consider to the City's water and sewer service charges over the next five years. The proposed changes to water and sewer rates and charges are necessary to:

- Address rising costs of wholesale water supply, utilities, chemicals, and supplies. About 75% of the water used in the City's service area is imported from the Colorado River and Northern California. Imported water costs have risen dramatically.
- Replace and modernize our aging infrastructure to prevent breaks and service disruptions and improve system resiliency. Close to \$16 million in water and sewer capital projects are recommended.
- Meet minimum debt service requirements and fund emergency and unplanned expenses.
- Maintain financial sustainability while addressing reduced revenues from mandated and responsible conservation. When customers use less water, which happens in drought years and during periods of abundant rainfall, it leads to lower revenues. Lower revenues are a challenge because a majority of the costs associated with operating and maintaining our water and sewer systems do not decrease proportionately with lower water use.

Questions About Proposed Rates?

The City is hosting several community information sessions to address questions about proposed rates, how they were determined, what's driving the need to increase rates, and how your bills may be impacted beginning in 2026. The same content will be covered in each session.

VIRTUAL SESSIONS

- Thurs., Sept. 25, 6 p.m.
- Tues., Oct. 7, 4 p.m.
- Mon., Oct. 13, 5 p.m.

IN PERSON SESSION

- Sat., Oct. 18, 10 a.m.
La Verne City Hall Council Chambers, 3660 D Street

NOTE: Virtual Session Zoom links will be posted at the rate study website linked in this Notice.

How were Proposed Rates and Charges Determined?

The proposed rates will ensure the City collects sufficient revenue to cover operating and capital expenses to maintain high-quality, reliable water and sewer services that customers rely on. The proposed rates were determined based on the projected revenue needed to fund:

- Operations and Maintenance, such as purchased water, supplies, chemicals, electricity, etc.
- Capital Improvements, such as large projects to repair/replace pipes, wells, pump stations and equipment, and develop alternative water sources to minimize future water shortage impacts on our customers.
- Debt Service to pay back loans.
- Reserves to meet minimum debt service requirements and fund emergency or unplanned expenses.

The proposed rate changes were also reviewed both by the Water and Sewer Ad Hoc Committee and City Council.

What Happens if the City Does not Raise Rates?

Current rates are not sufficient to sustain the utility enterprise funds. Investment in critical infrastructure is currently being deferred, which could place the City's aging systems in a vulnerable status. Deferring maintenance and improvements could result in higher costs and possible increased regulatory oversight and fines by permitting agencies, as well as creating increased risk of operational interruptions.

The reasons for proposed rate adjustments, the basis upon which they were calculated, and the amount of the proposed rates are described in more detail in the Rate Study Report posted at www.laverneca.gov/ratestudy and available for review at the City Clerk's office, 3660 D Street, La Verne, CA 91750.

Scan the code to be taken directly to the rate study website.



PROPOSED WATER RATES

The City's rate structure includes a fixed charge and a volumetric rate shown in Tables 1 and 2 below. Table 1 shows current and proposed **bi-monthly** water fixed charges that all customers pay based on meter size. Private fire charges are only applicable to those commercial accounts with private fire protection (does not include single family homes).

TABLE 1: Proposed 5-Year Schedule of Bi-Monthly Water Fixed Charges (Every Other Month)

Table 1 shows the proposed bi-monthly water service charge by meter size over the next five years. Most City water customers have a 5/8-inch to 1-inch metered connection. An additional bi-monthly charge is applied to all meters that also serve an ADU.

Meter Size Rates are shown bi-monthly	Current	Effective 1/1/2026	Effective 7/1/2026	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029
5/8" AND 3/4"	\$36.40	\$48.53	\$60.66	\$69.76	\$76.73	\$84.41
1"	\$51.00	\$72.95	\$91.19	\$104.86	\$115.35	\$126.88
1 1/2"	\$65.60	\$134.00	\$167.50	\$192.62	\$211.89	\$233.08
2"	\$106.00	\$207.26	\$259.08	\$297.94	\$327.73	\$360.50
3"	\$400.00	\$402.62	\$503.28	\$578.77	\$636.65	\$700.32
4"	\$509.60	\$622.41	\$778.01	\$894.71	\$984.18	\$1,082.60
6"	\$764.40	\$1,232.92	\$1,541.15	\$1,772.32	\$1,949.56	\$2,144.51
8"	\$1,055.60	\$1,965.54	\$2,456.92	\$2,825.46	\$3,108.00	\$3,418.80
10"	\$1,456.00	\$2,942.35	\$3,677.94	\$4,229.63	\$4,652.60	\$5,117.86
Private Fire Charges						
5/8"	\$0.00	\$12.19	\$15.24	\$17.53	\$19.28	\$21.21
3/4"	\$0.00	\$12.38	\$15.47	\$17.79	\$19.57	\$21.53
1"	\$0.00	\$12.92	\$16.15	\$18.57	\$20.43	\$22.47
1 1/2"	\$0.00	\$14.86	\$18.58	\$21.36	\$23.50	\$25.85
2"	\$46.60	\$18.21	\$22.77	\$26.18	\$28.80	\$31.68
3"	\$65.30	\$30.25	\$37.81	\$43.48	\$47.83	\$52.61
4"	\$102.60	\$51.00	\$63.75	\$73.32	\$80.65	\$88.71
6"	\$130.66	\$125.49	\$156.87	\$180.40	\$198.44	\$218.28
8"	\$167.70	\$253.98	\$317.47	\$365.09	\$401.60	\$441.76
10"	\$205.10	\$447.24	\$559.05	\$642.91	\$707.20	\$777.92
Bi-Monthly Added Unit Charges (ADU)						
All Meters	\$11.20	\$17.86	\$22.33	\$25.67	\$28.24	\$31.07

TABLE 2: Proposed 5-Year Schedule of Bi-Monthly Water Volumetric Rates

Table 2 shows the **bi-monthly** water volumetric (consumption) rate, which is the amount each customer pays per 1,000 gallons of water used. The varying rates relate to pressure zones based on elevation. Each zone north of Zone 1 incurs additional pumping charges for the cost of pumping the water up to the various elevations. The basic water consumption rate in Zone 1 includes the cost of imported water and accounts for 79% of the water rate.

VOLUMETRIC RATES (per 1,000 gallons)	Current	Effective 1/1/2026	Effective 7/1/2026	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029
Zone 1	\$3.92	\$5.67	\$7.09	\$8.16	\$8.97	\$9.87
Zone 2	\$4.02	\$5.96	\$7.45	\$8.57	\$9.43	\$10.37
Zone 3	\$4.21	\$6.32	\$7.90	\$9.09	\$10.00	\$11.00
Zone 4	\$4.42	\$6.33	\$7.92	\$9.10	\$10.01	\$11.02
Zone 5	\$4.53	\$7.44	\$9.30	\$10.69	\$11.76	\$12.94
Zone 6	\$4.77	\$7.44	\$9.30	\$10.69	\$11.76	\$12.94
Zone P	\$5.37	\$7.44	\$9.30	\$10.69	\$11.76	\$12.94
Zone L	\$2.74	\$7.44	\$9.30	\$10.69	\$11.76	\$12.94

Pass Through Rates

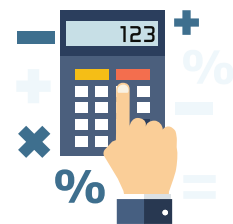
The City purchases water from Three Valleys Municipal Water District (TVMWD), which is sourced from the Colorado River and the State Water Project, and has no control over the charges from the wholesale agencies. Should the cost of imported water increase at any time during 2026-2030 the water rate will be adjusted to reflect a direct pass-through of the increase. Notice of any adjustment to pass through costs will be provided 30 days or more before the effective date of the adjustment.

Drought Surcharges Remain In Effect

Drought surcharges work to offset reduced revenues when the City is in a declared water shortage emergency. In 2019, the City Council adopted drought surcharges that may be charged to customers in addition to water use rates during drought stages. Drought surcharges may only be implemented at the discretion of the City Council during periods of mandatory conservation, declared shortages, or other water emergencies to ensure the water utility is financially whole. The 2019 drought surcharges are not changing as part of the proposed 2025 updated water rates described in this Notice.

Bill Calculator

A water bill calculator is available at www.laverneca.gov/calculator. Input your monthly water usage, and the calculator will show you how the proposed adjustments will affect your monthly bill.



PROPOSED SEWER RATES

TABLE 3: Proposed 5-Year Schedule of Bi-Monthly Sewer Charges and Rates

Table 3 shows the current and proposed bi-monthly sewer charges and rates. Single-Family Residential customers only pay a fixed charge. All other customers (Commercial, Industrial, Institutional) pay a fixed charge and a volumetric rate. The volumetric sewer rate is in dollars per 1,000 gallons of water consumed through the water meter connection.

	Current	Effective 1/1/2026	Effective 7/1/2026	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029
Bi-Monthly Fixed Charge - All Customer Classes	\$23.43	\$26.61	\$30.61	\$35.21	\$40.50	\$46.58
Volumetric Rate for Residential Customers	N/A	N/A	N/A	N/A	N/A	N/A
Volumetric Rate (per 1,000 gallons) for Institutional, Commercial, and Manufacturing Customer Classes	\$0.20	\$0.29	\$0.34	\$0.40	\$0.46	\$0.53

HOW TO PROTEST PROPOSED RATE ADJUSTMENTS

The proposed water and sewer rate adjustments are subject to a majority protest process under Proposition 218. Any record owner of a property that receives water and/or sewer service from the City or occupant who is directly liable for payment of the City's water and/or sewer service charges (Customer of Record) may submit a written Protest against the proposed rate adjustments for water and/or sewer service. Owners of multiple parcels may file one Protest for each parcel owned within the City's service area. Only one written Protest against the proposed rate adjustments for the water or sewer service charges per parcel will be counted in determining whether a majority protest exists.

Written Protest Procedures

A **written Protest** must include all of the following to be counted in determining whether there is a majority protest (50% + 1):

1. Clearly stated opposition to the proposed rate adjustments for the water service charges, sewer service charges, or both, as applicable;
2. Name of the record property owner or account holder who is submitting the Protest;
3. Identification by street address or other clear identification of the property for which the protest is made; and
4. Original signature and legibly printed name of the record property owner or customer who is submitting the Protest - an electronic signature CANNOT be counted.

Written Protests may be delivered to the City Clerk during the Public Hearing. In advance of the Public Hearing, written Protests may be mailed or personally delivered to the City Clerk at the Submittal Location shown below **by 4 p.m. on Monday, November 3, 2025. No e-mailed or faxed protests will be accepted, nor late postmarked Protests.**

At the Public Hearing, the City Council will accept and consider all written Protests and hear all oral comments on the proposed rate adjustments. However, oral comments will not be counted in determining the existence of a majority protest.

What is a Majority Protest?

The existence of a majority protest will be determined separately for proposed water rate adjustments and proposed sewer rate adjustments. A majority protest against the proposed water or sewer rate adjustments will exist if at the end of the Public Hearing there are written protests submitted and not withdrawn that represent a majority of the parcels (50% +1) that receive water or sewer service, as applicable. The City Council cannot adopt the proposed rate adjustments if a majority protest exists.

SUBMITTAL LOCATIONS:

Mail:

City Clerk, ATTN: Utility Rates Protest or Objection
City of La Verne
3660 D Street, La Verne, CA 91750

In Person:

La Verne City Hall, City Clerk's Office
3660 D Street, La Verne, CA 91750

STATUTE OF LIMITATIONS FOR CHALLENGING PROPOSED RATES:

Please note that pursuant to California Government Code section 53759, there is a 120-day statute of limitations for judicially challenging all rates set forth in this Notice that runs from the date the La Verne City Council adopts a Resolution approving the proposed rates.

Written Objection Procedures

Exhaustion of Administrative Remedies

How do I preserve my ability to judicially challenge the Proposed Rates?

Pursuant to California Government Code Sections 53759.1 and 53759.2, a person or entity will be prohibited from bringing a judicial action or proceeding alleging that the proposed rates do not comply with Proposition 218 unless that person or entity has submitted a written Objection to the proposed rates. This is known as an Exhaustion of Administrative Remedies requirement and is separate from the Proposition 218 majority Protest process described (left).

To exhaust your administrative remedies, your written Objection must include the specific grounds for alleging noncompliance of the proposed rates with Proposition 218.

Written Objections may be emailed, mailed or personally delivered to the City Clerk at the Submittal Location listed below, and **must be received by the City Clerk by 4 p.m., Monday, October 27, 2025.** Note that this deadline for submitting a written Objection is one week before the Public Hearing, whereas written Protests may be submitted until the Hearing is closed (as described in the left column). The City will review each written Objection and respond in writing to all timely written submittals.

A failure to timely Object to the proposed rate adjustments in writing bars any right to challenge the rate adjustments through a legal proceeding.



The City of La Verne owns and operates water and sewer systems that serve a population of approximately 30,000 people.

About the City's Water Division

The City's Water Division is responsible for the operation and maintenance of the City's water production and distribution facilities, and for the maintenance and reading of the City's water meters. La Verne receives its water from two main sources: local groundwater (24%) and imported water (76%). The City owns and operates eight active groundwater wells that pump groundwater from the Pomona and Live Oak basins. The imported water is purchased from Three Valleys Municipal Water District (TVMWD), which is sourced from the Colorado River and the State Water Project, then blended and treated at the Miramar Treatment Plant. The imported water and groundwater are blended and distributed to residential and commercial customers throughout La Verne. For questions or concerns about water services, water meters, or billing, contact Customer Service at (909) 596-8744.



The City Water System Components:

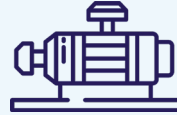
9 Groundwater Wells



**10 Reservoirs
(22 Million Gallon Capacity)**



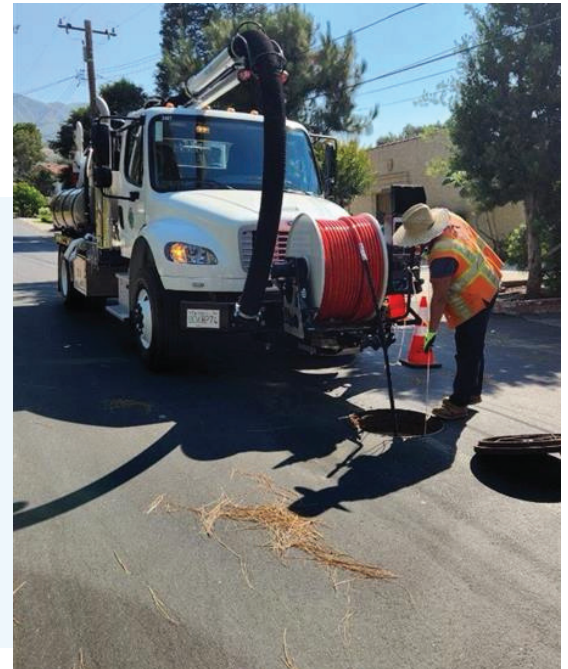
10 Booster Stations



151 Miles of Water Mains



1,473 Fire Hydrants



About the City's Sewer Division

The City's Sewer Division is responsible for general maintenance and cleaning of the sewer system that consists of about 112 miles of sewer mainlines and two sewer lift stations. The City's sewer system collects waste and conveys it to the Los Angeles County Sanitation District for treatment and discharge. To report a sewer overflow, contact the Public Works Department at (909) 596-8741.

The City Sewer System Components:

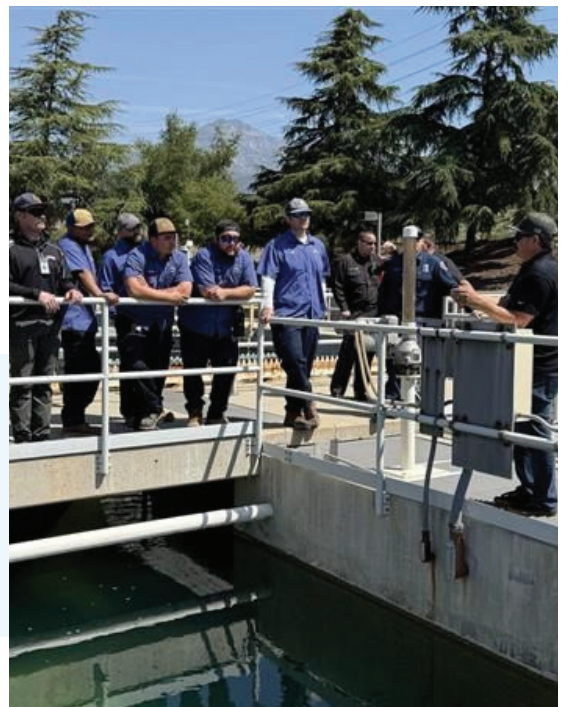
**99 Miles of City Owned
Sewer Mains**



**2 Sewer Lift
Stations**



**2,331
Manholes**





Frequently Asked Questions

What do water and sewer rates pay for?

The City is committed to using industry best practices to ensure we plan thoughtfully for the future. Revenues collected through water and sewer rates are invested in our infrastructure to secure system reliability now and well into the future. Revenues derived from utility rates ensure the continuity of operations and reliable service delivery.

As an example, rates pay for:

- Purchase and pumping of local groundwater and imported water.
- Replacing and repairing aging infrastructure.
- Maintenance and repair of critical infrastructure, such as water reservoirs, booster stations, and groundwater wells, including 623 catch basins and 10 reservoirs with a storage capacity of 22 million gallons of water.
- Maintaining more than 150 miles of water pipelines and 99 miles of sewer pipelines to ensure water delivery to homes and businesses, and sewer collection to be treated and recycled by Los Angeles County.
- Maintaining, repairing, and replacing more than 1,400 fire hydrants.
- Hiring and retaining highly skilled, qualified, and licensed staff to operate the water and sewer systems and conduct water quality monitoring.

How are the City's water and wastewater utilities funded?

The City's water and sewer Enterprise Funds are primarily funded by the rates customers pay, and not from taxes or the City's General Fund. Customer payments ensure the City's ability to deliver high-quality, reliable water and sewer services in a manner that values our environment and community, and sustains the resources entrusted to our care. The City of La Verne is committed to good governance, fiscal accountability, and transparency, with systems and policies in place to earn the trust of our customers.

Why did the City conduct a water and sewer rate study?

Rate studies are conducted as an industry best practice to ensure that a utility's financial health is maintained, and that the City is setting a course toward meeting future financial obligations. The industry standard is to perform comprehensive rate studies every three to five years.

The City's most recent multi-year water and sewer rate adjustments were approved by the City Council in 2018. We must keep up with rising costs and be able to implement critical capital projects that are mandated or necessary for the health and safety of our community. Due to inflation-related cost increases to operate and maintain the systems, repairs and replacement, and meeting state and federal regulations, the utilities' fund revenues have been impacted. The rate study is being conducted to adjust rates to address the deficit and balance operating budgets, while also planning for future capital improvement projects.

Performed regularly, utility rate studies provide transparency into what the City can expect in the years ahead and ensure we have the financial resources to meet our budget, maintain our infrastructure, implement new technologies, address existing and new state and federal regulations, and implement our Capital Improvement Program (CIP).

Other elements of the rate study include a reserve policy that considers the different types of risks we face to ensure revenue stability while maintaining affordability. Potential risks include future drought conditions, emergency repairs, and increased costs for purchasing water and conveying sewage to the Los Angeles County Sanitation District.

How are rates determined?

In 1996, California voters approved the Right to Vote on Taxes Act, also known as Proposition 218, which established requirements for setting local government utility rates, fees, and charges. This legal framework guides how rates and charges for utility services are determined and established a process that allows customers to protest proposed rates. Proposed rates are determined through evaluation and analysis of cost escalations related to operations and maintenance, water treatment and distribution, wastewater collection, capital project costs, general inflation, and cost increases for materials and power.

Under Proposition 218, property owners and customers will receive a mailed public notice detailing proposed rate adjustments, the protest process, and a City Council Public Hearing date. Property owners must have 45 days to protest the proposed rate adjustments through a simple written process. In the Public Hearing, the City Council will review customer protests and consider approving or denying rate adjustments. Should the City receive a majority protest from customers, rate adjustments will not be implemented.



Does the City inflate forecasted expenses when setting rates?

Enterprise Funds must pay for themselves and meet minimum debt service coverage and reserves to maintain a healthy utility. The purpose of a five-year rate study is to reconcile these differences in projected expenses and revenues and factor actual expenses and surpluses or deficits into the projected revenue needs for the next five years. Rate revenues must also fund operating and capital reserves to address unforeseen conditions such as emergency repairs, or droughts, and to meet debt service requirements.

Utility reserves are not used to fund other City expenditures and must only be utilized for the respective utility enterprise fund. The rate study included projected expenses and forecasted cost increases over the next five to 10 years. If there is additional revenue or expenses, the funds will either be slightly in the positive or slightly in the negative, with the objective of a healthy utility fund to balance revenues with expenses over multiple years.

What are the consequences if we do not invest in our water and sewer systems?

Water and sanitation are core services necessary for a healthy community. The City routinely evaluates the condition of its facilities and infrastructure to identify needs and limit risks. If rates are not raised, the City would need to review the pressing needs of its aging utility systems and prioritize those that are most critical to ensure public and environmental health. We would be forced to defer major infrastructure projects, which would leave our existing systems vulnerable.

Deferring until later will only guarantee higher costs and potentially increased regulatory oversight by permitting agencies.

Continued investment allows for gradual rate adjustments, as opposed to sudden hikes. Proactive investment keeps water and wastewater services affordable and reliable now and into the future.

Is revenue from water and sewer rates used on other City projects?

No. Water funds can only be used on water projects and sewer funds can only be used on sewer projects. For example, water or sewer system revenues cannot be used to fund other City services, such as parks or public safety.

If approved, how will water and sewer rates in La Verne compare to neighboring communities?

If approved, water and sewer rates in La Verne will remain among the most competitive in the area. More details are available on the City website.



City of La Verne
3660 D Street
La Verne, CA 91750

**Questions
About this
Notice:**

W: www.laverneca.gov/ratestudy
E: ratestudy@laverneca.gov
P: (909) 596-8744

