



LAS FLORES WATER COMPANY

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Las Flores Water Company 2020 Update

On behalf of the Las Flores Water Company, the Board of Directors extends its best wishes to all of you as we move into the New Year. Here are a few topics related to your water company that we want to share with you.

Capital Improvement Program: The Company continues to focus efforts on upgrading the aging infrastructure. This year, we constructed of a new building at the Sacramento site to replace the current shop building, an 80+ year old structure that was not seismically resilient. Design, permitting and equipment purchases were completed for a major pipeline replacement project on Wapello Street. This project will replace 1,200 linear feet of four-inch pipeline with eight-inch cement lined and coated 10-gage steel pipe. Work should be completed in early 2020. We are also assessing additional projects to replace pipelines in our service area that are located south of New York Drive. Collectively over the last 20 years, the Company has invested more than \$3 million in new pipelines and facilities. It is our goal to continue with this program, while being capable of promptly responding to any unplanned incidents that may occur.

Water Conservation: We are pleased to report that Company shareholders have positively responded to our request to maintain water conservation efforts. For more information on sustainable landscapes, local plant nurseries, and gardening tips at conservation, please visit www.bewaterwise.com.

Water Rates: Imported water costs continue to rise. Since 2016, both FMWD and MWD have implemented annual rate increases and they are estimated to be increasing again, this time by approximately five percent in 2020. As a result, it is necessary for the Company to increase commodity rates five percent and increase the monthly service charge from \$26.25 to \$28.88 for 2020. The table below shows the new rates:

Tier	Range	Rate per units consumed
1	1 to 10 HCF	\$3.66
2	10.1 to 20 HCF	\$4.02
3	20.1 to 39 HCF	\$4.62
4	39.1 HCF and greater	\$5.78
Service Charge	Flat Rate	\$28.88

The first 10 HCF of monthly usage will be charged at the Tier 1 rate. One hundred cubic feet (HCF) is equivalent to 750 gallons. The second 10 HCF of monthly usage will be charged at the Tier 2 rate, and so forth. If you use 10 HCF or less, you will see an increase of less than \$4.80 per month. If you use between 10.1 HCF and 20 HCF, you will see an increase of \$4.81 - \$8.63 per month. If you use between 20.1 HCF and 39 HCF, you will see an increase of 8.64 - \$16.99 per month. Usage over 39 HCF will result in increases of \$17.00 or more per month. The new rates go into effect January 1, 2020 and will be reflected on the bill you receive in February for your January usage.

If there are any questions, please feel free to call our General Manager, William Kimberling, at 626-797-1138.

John Bednarski
Board President