

ORDINANCE NO. 2019-6-2

AN ORDINANCE OF THE CUCAMONGA VALLEY WATER DISTRICT OF SAN BERNARDINO COUNTY, CALIFORNIA, FIXING RATES, RULES AND REGULATIONS FOR SERVICE OF RECYCLED WATER WITHIN THE DISTRICT

WHEREAS, the Cucamonga Valley Water District (the “District”) is organized and operates pursuant to the County Water District Law, Division 12 commencing with Section 30000 of the California Water Code; and

WHEREAS, the District is authorized to fix and collect charges for the provision of recycled water service pursuant to Water Code Section 31007; and

WHEREAS, the rate structure for District’s Recycled Water Charges is comprised of two components: (1) a fixed monthly service charge (the “Meter Service Charge”) that is determined on the basis of the size of the meter serving the property; and (2) a commodity charge (the “Recycled Water Commodity Charge”) that is determined on the basis of the amount of recycled water delivered to a property; and

WHEREAS, revenues from the collection of the District’s Recycled Water Commodity Charge and Monthly Service Charge are used to recover the District’s costs of providing recycled water service; and

WHEREAS, the District purchases wholesale recycled water from the Inland Empire Utilities Agency (“IEUA”); and

WHEREAS, in developing its rates, the District included projected increases in these costs as part of its long-range financial plan; and

WHEREAS, to ensure that there are sufficient revenues to provide recycled water services to our customers, the District desires to authorize for a five-year period to annually pass through to customers: (1) any increases in the rates for wholesale recycled water and any other charges that IEUA imposes on the District that are greater than those projected in the District’s long-range financial plan (a “Pass-Through Adjustment”). Any Pass-Through Adjustment will only impact the rates of the Commodity Charge set forth in this Ordinance; and

WHEREAS, the annual Pass-Through Adjustments are proposed to be implemented each fiscal year beginning July 1, 2019, and adjusted each fiscal year thereafter, through and including fiscal year commencing July 1, 2023; and

WHEREAS, the District has determined that, due to the fiscal impacts of increasing costs for wholesale recycled water purchases, administration, operation, maintenance and improvements of the District’s recycled water system, increases to the rates of the Meter Service Charge and Recycled Commodity Charge are necessary to recover its costs of providing recycled water service; and

WHEREAS, there has been presented to the District Board of Director's proposed rate increases to the recycled water service charges that are designed to proportionately allocate the cost of providing recycled water service to the District's customers, all of which are more fully set forth herein; and

WHEREAS, during the week of April 22, 2019, in accordance with the provisions of Article XIII D, Section 6 of the California Constitution, District staff mailed notices of a public hearing and the proposed increases in the Monthly Recycled Water Meter Service Charge and the Recycled Water Commodity Rate. Such notices were provided to the affected property owners not less than 45 days prior to the public hearing on the proposed establishment of the rates and charges as set forth herein; and

WHEREAS, in accordance with Water Code Section 31027(b)(1), at least 5 days before the public hearing, a summary of this Ordinance was published in the Inland Valley Daily Bulletin, a newspaper of general circulation, and a certified copy of the full text of this Ordinance was posted in the District's offices; and

WHEREAS, the Board conducted a public hearing on June 11, 2019 at 6:00 p.m. at 10440 Ashford Street, Rancho Cucamonga, CA 91730-2799 in order to receive oral and written testimony regarding this Ordinance. Said date and time were not less than forty five (45) days after the mailing of the notice as set forth above; and

WHEREAS, at the conclusion of the public hearing, written protests against the proposed rate increases were not presented by a majority of record owners of parcels upon which the proposed Recycled Water Charges are proposed to be imposed and tenants directly responsible for the payment of Recycled Water Charges (i.e., a customer of record); and

WHEREAS, it is deemed to be in the best interests of the District to adopt the rate increases due to the fiscal impacts referenced above.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE CUCAMONGA VALLEY WATER DISTRICT DOES HEREBY ORDAIN AS FOLLOWS:

INCORPORATION OF RECITALS

Section 1 All of the foregoing Recitals are true and correct and the Board so finds and determines. The Recitals set forth above are incorporated herein, are made findings and determinations of the Board, and are made an operative part of this Ordinance.

Section 2 The Board finds that the administration, operation, maintenance and improvements of the District recycled water system, which are to be funded by the increased recycled water service rates and charges set forth herein, are necessary to maintain service within the District's existing service area. The Board further finds that the administration, operation, maintenance and improvements of the District's recycled water system, to be funded by the increased recycled water service rates and charges, will not expand the District's system. The District further finds that the adoption of the rates and charges is necessary and reasonable to fund the administration, operation, maintenance and improvements of the District recycled

water system. Based on these findings, the Board determines that the adoption of the rates and charges established by this Ordinance are exempt from the requirements of the California Environmental Quality Act pursuant to section 21080(b)(8) of the Public Resources Code and section 15273(a) of the State CEQA Guidelines.

Section 3 The Board conducted a public hearing on June 11, 2011 at 6:00 pm at 10440 Ashford Street, Rancho Cucamonga, CA 91730 in order to receive oral and written testimony regarding this Ordinance. Said date and time were not less than forty five (45) days after the mailing of the notice as set forth above.

Section 4 The Board hereby finds that written protests against the recycled water service rates and charges set forth herein were not presented by a majority of owners of the identified parcels upon which the rates and charges are to be imposed and therefore, the Board is authorized to impose the increased recycled water service rates and charges as set forth herein.

Section 5 The District hereby adopts the following increased recycled water service rates and charges. Said rates and charges shall be increased incrementally over the next 5 years through rate increases which shall go into effect automatically and which shall not include any requirement for any further action or approval by the Board of Directors or District staff. Except as specifically set forth herein, no other rates or charges set forth shall be impacted by this Ordinance.

(a) Monthly Meter Service Charge. The Monthly Service Charge will be increased as provided in the amended Part 2(a) of Chapter 4.16.110 of Title 4 of the District code attached hereto. Said rate increases and their respective effective dates are further described as follows:

Meter Size	Effective 07/01/2019	Effective 07/01/2020	Effective 07/01/2021	Effective 07/01/2022	Effective 07/01/2023
1-inch	\$ 29.66	\$ 30.55	\$ 31.47	\$ 32.41	\$ 33.38
1.5-inch	59.14	60.92	62.74	64.63	66.57
2-inch	94.66	97.50	100.43	103.44	106.54
3-inch	177.60	182.93	188.42	194.07	199.90
4-inch	296.07	304.95	314.10	323.53	333.23
6-inch	591.96	609.72	628.01	646.85	666.26
8-inch	947.18	975.59	1,004.86	1,035.01	1,066.06
10-inch	1,420.86	1,463.48	1,507.39	1,552.61	1,599.19

(b) Commodity Rate. The Recycled Water Commodity Rate shall be increased incrementally over the next 5 years through automatic annual rate increases as indicated in the amended Part 2(b) of Chapter 4.16.110 of Title 4 of the District code. Said rate increases and their respective effective dates are further described as follows:

Effective 07/01/2019	Effective 07/01/2020	Effective 07/01/2021	Effective 07/01/2022	Effective 07/01/2023
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Rate	per	\$ 1.78	\$ 1.83	\$ 1.88	\$ 1.94	\$ 2.00
hcf						

(c) Temporary Water Service Rate. The Temporary Recycled Water Service Rate (“Construction Water”) shall be increased as indicated in the amended Part 2(c) of Chapter 4.16.110 of Title 4 of the District code attached hereto. Said rate increases and their respective effective dates are further described as follows:

		Effective 07/01/2019	Effective 07/01/2020	Effective 07/01/2021	Effective 07/01/2022	Effective 07/01/2023
Rate	per	\$ 1.78	\$ 1.83	\$ 1.88	\$ 1.94	\$ 2.00
hcf						

(d) Pass-Through Adjustments. The Board hereby authorizes, for a five-year period, the imposition of Pass-Through Adjustments.

Pass-Through Adjustments may be imposed in the fiscal year commencing July 1, 2019, and each fiscal year thereafter, through and including the fiscal year commencing July 1, 2023. A Pass-Through Adjustment will only impact the rates of the commodity charge set forth in this Ordinance. Provided, however, that (1) any increase in the rates for wholesale recycled water and any other charges IEUA imposes on the District that are greater than those projected in the Recycled Water Rate Study (“each a Pass-Through Adjustment”); (2) any increase in the rates of the commodity charge as a result of any Pass-Through Adjustment shall not exceed \$1.00 per HCF in any one year; and (3) in no event shall such rates be increased as a result of a Pass-Through Adjustment by more than the cost of providing recycled water service.

Prior to implementing any such future rate increase resulting from a Pass-Through Adjustment, the District General Manager is hereby directed and shall provide written notice of any such rate increase to District customers not less than 30 days prior to the effective date of the rate increase. Any such notice may be provided in the regular billing statements of the District recycled water customers. In the event that an increase from a Pass-Through Adjustment is implemented in accordance with this Ordinance, the District General Manager, or his authorized designee, is hereby directed and shall revise the schedule of rates and charges set forth in Part D of Chapter 4.16.110 of Title 4 of the District Code to reflect the rate then in effect as a result of any increase resulting from a Pass-Through Adjustment.

Section 6 All ordinances, resolutions, or administrative actions by the Board of Directors, or parts thereof that are inconsistent with any provision of this Ordinance are hereby superseded only to the extent of such inconsistency. Except as otherwise specifically set forth herein, all provisions of Title 4 of the District Code, including but not limited to Chapter 4.16.110, shall remain in full force and effect.

Section 7 The President of the Board of Directors shall sign this Ordinance and the Secretary of the Board of Directors shall attest thereto, and this Ordinance shall be in full force and effect immediately upon adoption. Within 15 days after adoption of this Ordinance, a summary of the Ordinance shall be published with the names of those directors voting for and against this Ordinance and a certified copy of the full text of this Ordinance, along with the names of those Directors voting for and against this Ordinance, shall be posted in the District offices.

Section 8 This Ordinance shall take effect immediately upon its adoption.

Section 9 If any section, subsection, clause or phrase in this Ordinance is for any reason held invalid, the validity of the remainder of this Ordinance shall not be affected thereby. The Board hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof be held invalid.

ADOPTED this 11th day of June 2019, by the Board of Directors of the Cucamonga Valley Water District.

CUCAMONGA VALLEY WATER DISTRICT

James V. Curatalo, President
Board of Directors

ATTEST:

John Bosler
Secretary of the Board of Directors