

ORDINANCE NO. 2021-9-1

**AN ORDINANCE OF THE CUCAMONGA VALLEY
WATER DISTRICT OF SAN BERNARDINO COUNTY,
CALIFORNIA, ESTABLISHING RATES AND CHARGES
FOR WATER SERVICE**

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 water service pursuant to Water Code Section 31007; and

WHEREAS, the rate structure for the District’s monthly water service charges is comprised of two components—a variable Commodity Charge and a fixed Meter Service Charge; and

WHEREAS, the Commodity Charge is determined on the basis of the amount of water served to a parcel of property in hundred cubic feet (HCF) (one HCF = 748 gallons) and consists of 4 tiers which impose higher rates as the level of water consumption increases. This charge is structured to recover a portion of CVWD’s fixed costs, and the costs of purchased and other water. The rates for the Meter Service Charge are established on the basis of the size of the water meter serving a property and are calculated to recover the district’s fixed costs of water facilities repairs and replacements, as well as the cost of meter reading, billing and customer service; and

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

WHEREAS, the state is in a severe drought and mandatory water conservations measures may be implemented statewide; and

WHEREAS, the District has adopted a Water Supply Shortage Contingency Plan that specifies nine different stages, depending on the severity of the water shortage. Pursuant to the ordinance each stage beyond stage 1 implements increasing mandatory conservation measures designed to reduce water use and prevent waste; and

WHEREAS, in addition to these conservation measures, the District has determined, due to the ongoing statewide water shortage emergency, to adopt adjusted tier allotments that may be implemented during declared Water Supply Shortage Contingency Plan stages; and

WHEREAS, the District purchases nearly 50% of its water supply from the Metropolitan Water District of Southern California (“MWD”) through the Inland Empire Utilities District (IEUA); and

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WHEREAS, the District anticipates that MWD and IEUA will increase the rates of wholesale water that are sold and delivered to the District and may impose other charges on the District related to its wholesale water service; and

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

WHEREAS, to ensure that there are sufficient revenues to provide 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 water and any other charges that MWD may impose on the District that is greater than those charges currently in place (a "Pass-Through Adjustment"). The MWD Pass-Through Adjustment will only impact the rates of the Tier 3 and Tier 4 Commodity Charge allotments as set forth in this Ordinance, and (2) any fixed charges for wholesale water services and any other charges that IEUA may impose on the District. The IEUA Fixed Meter Pass-Through rate will be charged as a fixed monthly rate based on the size of the water meter as set forth in this Ordinance; and

WHEREAS, the Pass-Through Adjustments are proposed to be implemented each fiscal year beginning January 1, 2022, and adjusted at such time that the MWD or the IEUA enact changes to the charges imposed on the District, through and including July 1, 2026; and

WHEREAS, during the week of July 27, 2021, in accordance with the provisions of Article XIII D, section 6 of the California Constitution, District Staff mailed out notices of the proposed increase in the Water Rates and Service Charges and annual Pass-Through Adjustments (collectively herein, "rate increases"). Such notices were provided to the affected property owners and tenants directly liable for the Water Rates and Service Charges not less than 45 days prior to the public hearing on the proposed establishment of 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 offices; and

WHEREAS, the Board conducted a public hearing on September 28, 2021 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 Water Rates and Service Charges are proposed to be imposed and tenants directly responsible for the payment of Water Rates and Service 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:

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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 hereby finds that written protests against the proposed rate increases were not presented by a majority of record owners of parcels upon which the rate increases are proposed to be imposed and tenants directly responsible for the payment of the water service charges (i.e., a customer of record). The Board is therefore authorized to impose the rate increases as set forth herein.

Section 3 The District hereby adopts the following rate increases in the amounts and on the effective dates set forth below and amends Chapter 4.08.020 as follows:

(a) **Monthly Meter Service Charge.** The rates for the monthly meter service charge, according to meter size, are as follows:

Meter Size	Effective 1/1/2022	Effective 1/1/2023	Effective 1/1/2024	Effective 1/1/2025	Effective 1/1/2026
3/4"	\$ 25.30	\$ 26.01	\$ 26.74	\$ 27.49	\$ 28.26
1"	40.08	41.21	42.37	43.56	44.78
1-1/2"	77.02	79.18	81.40	83.68	86.03
2"	121.36	124.76	128.26	131.86	135.56
3"	239.59	246.30	253.20	260.29	267.58
4"	372.60	383.04	393.77	404.80	416.14
6"	742.08	762.86	784.23	806.19	828.77
8"	1,185.44	1,218.64	1,252.77	1,287.85	1,323.91
10"	1,776.59	1,826.34	1,877.48	1,930.05	1,984.10
12"	2,497.07	2,566.99	2,638.87	2,712.76	2,788.72

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(b) Water Commodity Charge. The rates for the Water Commodity Charge and the amount of water allocated to each tier, based on the hydraulic capacity of the customer’s meter, are as follows.

Commodity Rate per hcf	Effective 1/1/2022	Effective 1/1/2023	Effective 1/1/2024	Effective 1/1/2025	Effective 1/1/2026
Tier 1	\$ 1.67	\$ 1.72	\$ 1.77	\$ 1.85	\$ 1.88
Tier 2	2.07	2.13	2.19	2.26	2.33
Tier 3	3.55	3.65	3.76	3.87	3.98
Tier 4	3.76	3.87	3.98	4.10	4.22

Meter Size	Hydraulic Capacity	Monthly Allocation in Units (hcf)			
		Tier 1 No. of Units	Tier 2 No. of Units	Tier 3 No. of Units	Tier 4 No. of Units
¾-inch	1.0	0-6	7-18	19-36	> 36
1-inch	1.67	0-10	11-30	31-60	> 60
1.5-inch	3.33	0-20	21-60	61-120	> 120
2-inch	5.33	0-32	33-96	97-192	> 192
3-inch	10.67	0-64	65-192	193-384	> 384
4-inch	16.67	0-100	101-300	301-600	> 600
6-inch	33.33	0-200	201-600	601-1,200	> 1,200
8-inch	53.33	0-320	321-960	961-1,920	> 1,920
10-inch	80.00	0-480	481-1,440	1,441-2,880	> 2,880
12-inch	112.50	0-675	676-2,025	2,026-4,050	> 4,050

(c) Water Commodity Tier Adjustments – Water Supply Shortage Contingency Plan Stages 2-9. The tier allotments for the water commodity charge to be implemented during declared WSSCP stages (“Water Commodity WSSCP Tiers”) are listed below. The Water Commodity WSSCP Tiers will be enacted by a vote of the Board of Directors in concurrence with the declaration of WSSCP stages as set forth in Chapter 4.24 of the District Code. The amount of water allocated to each tier is based on the hydraulic capacity of the customer’s meter as indicated.

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Monthly Tier Allotments – ¾” Water Meters

WSSCP Stage	Required Water Use Reduction	Tier 1 (hcf)	Tier 2 (hcf)	Tier 3 (hcf)	Tier 4 (hcf)
Normal	<i>0% reduction</i>	0-6	7-18	19-36	> 36
Stage 1	<i>10% reduction</i>	0-6	7-14	N/A	> 14
Stage 2	<i>15% reduction</i>	0-6	7-12	N/A	> 12
Stage 3	<i>20% reduction</i>	0-6	7-10	N/A	> 10
Stage 4	<i>25% reduction</i>	0-6	7-9	N/A	> 9
Stage 5	<i>30% reduction</i>	0-6	7-7	N/A	>7
Stage 6	<i>35% reduction</i>	0-6	N/A	N/A	> 6
Stage 7	<i>40% reduction</i>	0-5	N/A	N/A	>5
Stage 8	<i>50% reduction</i>	0-4	N/A	N/A	>4
Stage 9	<i>>50% reduction</i>	0-3	N/A	N/A	>3

Monthly Tier Allotments – 1” Water Meters

WSSCP Stage	Required Water Use Reduction	Tier 1 (hcf)	Tier 2 (hcf)	Tier 3 (hcf)	Tier 4 (hcf)
Normal	<i>0% reduction</i>	0-10	11-30	31-60	>60
Stage 1	<i>10% reduction</i>	0-10	11-23	N/A	>23
Stage 2	<i>15% reduction</i>	0-10	11-20	N/A	>20
Stage 3	<i>20% reduction</i>	0-10	11-17	N/A	>17
Stage 4	<i>25% reduction</i>	0-10	11-15	N/A	>15
Stage 5	<i>30% reduction</i>	0-10	11-12	N/A	>12
Stage 6	<i>35% reduction</i>	0-10	N/A	N/A	>10
Stage 7	<i>40% reduction</i>	0-8	N/A	N/A	>8
Stage 8	<i>50% reduction</i>	0-7	N/A	N/A	>7
Stage 9	<i>>50% reduction</i>	0-5	N/A	N/A	>5

Monthly Tier Allotments – 1.5” Water Meters

WSSCP Stage	Required Water Use Reduction	Tier 1 (hcf)	Tier 2 (hcf)	Tier 3 (hcf)	Tier 4 (hcf)
Normal	<i>0% reduction</i>	0-20	21-60	61-120	>120
Stage 1	<i>10% reduction</i>	0-20	21-47	N/A	>47
Stage 2	<i>15% reduction</i>	0-20	21-40	N/A	>40
Stage 3	<i>20% reduction</i>	0-20	21-33	N/A	>33
Stage 4	<i>25% reduction</i>	0-20	21-30	N/A	>30
Stage 5	<i>30% reduction</i>	0-20	21-23	N/A	>23
Stage 6	<i>35% reduction</i>	0-20	N/A	N/A	>20
Stage 7	<i>40% reduction</i>	0-17	N/A	N/A	>17
Stage 8	<i>50% reduction</i>	0-13	N/A	N/A	>13
Stage 9	<i>>50% reduction</i>	0-10	N/A	N/A	>10

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Monthly Tier Allotments – 2” Water Meters

WSSCP Stage	Required Water Use Reduction	Tier 1 (hcf)	Tier 2 (hcf)	Tier 3 (hcf)	Tier 4 (hcf)
Normal	<i>0% reduction</i>	0-32	33-96	97-192	>192
Stage 1	<i>10% reduction</i>	0-32	33-75	N/A	>75
Stage 2	<i>15% reduction</i>	0-32	33-64	N/A	>64
Stage 3	<i>20% reduction</i>	0-32	33-53	N/A	>53
Stage 4	<i>25% reduction</i>	0-32	33-48	N/A	>48
Stage 5	<i>30% reduction</i>	0-32	33-37	N/A	>37
Stage 6	<i>35% reduction</i>	0-32	N/A	N/A	>32
Stage 7	<i>40% reduction</i>	0-27	N/A	N/A	>27
Stage 8	<i>50% reduction</i>	0-21	N/A	N/A	>21
Stage 9	<i>>50% reduction</i>	0-16	N/A	N/A	>16

Monthly Tier Allotments – 3” Water Meters

WSSCP Stage	Required Water Use Reduction	Tier 1 (hcf)	Tier 2 (hcf)	Tier 3 (hcf)	Tier 4 (hcf)
Normal	<i>0% reduction</i>	0-64	65-192	193-384	>384
Stage 1	<i>10% reduction</i>	0-64	65-149	N/A	>149
Stage 2	<i>15% reduction</i>	0-64	65-128	N/A	>128
Stage 3	<i>20% reduction</i>	0-64	65-107	N/A	>107
Stage 4	<i>25% reduction</i>	0-64	65-96	N/A	>96
Stage 5	<i>30% reduction</i>	0-64	65-75	N/A	>75
Stage 6	<i>35% reduction</i>	0-64	N/A	N/A	>64
Stage 7	<i>40% reduction</i>	0-53	N/A	N/A	>53
Stage 8	<i>50% reduction</i>	0-43	N/A	N/A	>43
Stage 9	<i>>50% reduction</i>	0-32	N/A	N/A	>32

Monthly Tier Allotments – 4” Water Meters

WSSCP Stage	Required Water Use Reduction	Tier 1 (hcf)	Tier 2 (hcf)	Tier 3 (hcf)	Tier 4 (hcf)
Normal	<i>0% reduction</i>	0-100	101-300	301-600	>600
Stage 1	<i>10% reduction</i>	0-100	101-233	N/A	>233
Stage 2	<i>15% reduction</i>	0-100	101-200	N/A	>200
Stage 3	<i>20% reduction</i>	0-100	101-167	N/A	>167
Stage 4	<i>25% reduction</i>	0-100	101-150	N/A	>150
Stage 5	<i>30% reduction</i>	0-100	101-117	N/A	>117
Stage 6	<i>35% reduction</i>	0-100	N/A	N/A	>100
Stage 7	<i>40% reduction</i>	0-83	N/A	N/A	>83
Stage 8	<i>50% reduction</i>	0-67	N/A	N/A	>67
Stage 9	<i>>50% reduction</i>	0-50	N/A	N/A	>50

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Monthly Tier Allotments – 6” Water Meters

WSSCP Stage	Required Water Use Reduction	Tier 1 (hcf)	Tier 2 (hcf)	Tier 3 (hcf)	Tier 4 (hcf)
Normal	<i>0% reduction</i>	0-200	201-600	601-1,200	>1,200
Stage 1	<i>10% reduction</i>	0-200	201-467	N/A	>467
Stage 2	<i>15% reduction</i>	0-200	201-400	N/A	>400
Stage 3	<i>20% reduction</i>	0-200	201-333	N/A	>333
Stage 4	<i>25% reduction</i>	0-200	201-300	N/A	>300
Stage 5	<i>30% reduction</i>	0-200	201-233	N/A	>233
Stage 6	<i>35% reduction</i>	0-200	N/A	N/A	>200
Stage 7	<i>40% reduction</i>	0-167	N/A	N/A	>167
Stage 8	<i>50% reduction</i>	0-133	N/A	N/A	>133
Stage 9	<i>>50% reduction</i>	0-100	N/A	N/A	>100

Monthly Tier Allotments – 8” Water Meters

WSSCP Stage	Required Water Use Reduction	Tier 1 (hcf)	Tier 2 (hcf)	Tier 3 (hcf)	Tier 4 (hcf)
Normal	<i>0% reduction</i>	0-320	321-960	961-1,920	>1,920
Stage 1	<i>10% reduction</i>	0-320	321-747	N/A	>747
Stage 2	<i>15% reduction</i>	0-320	321-640	N/A	>640
Stage 3	<i>20% reduction</i>	0-320	321-533	N/A	>533
Stage 4	<i>25% reduction</i>	0-320	321-480	N/A	>480
Stage 5	<i>30% reduction</i>	0-320	321-373	N/A	>373
Stage 6	<i>35% reduction</i>	0-320	N/A	N/A	>320
Stage 7	<i>40% reduction</i>	0-267	N/A	N/A	>267
Stage 8	<i>50% reduction</i>	0-213	N/A	N/A	>213
Stage 9	<i>>50% reduction</i>	0-160	N/A	N/A	>160

Monthly Tier Allotments – 10” Water Meters

WSSCP Stage	Required Water Use Reduction	Tier 1 (hcf)	Tier 2 (hcf)	Tier 3 (hcf)	Tier 4 (hcf)
Normal	<i>0% reduction</i>	0-480	481-1,440	1,441-2,880	>2,880
Stage 1	<i>10% reduction</i>	0-480	481-1,120	N/A	>1,120
Stage 2	<i>15% reduction</i>	0-480	481-960	N/A	>960
Stage 3	<i>20% reduction</i>	0-480	481-800	N/A	>800
Stage 4	<i>25% reduction</i>	0-480	481-720	N/A	>720
Stage 5	<i>30% reduction</i>	0-480	481-560	N/A	>560
Stage 6	<i>35% reduction</i>	0-480	N/A	N/A	>480
Stage 7	<i>40% reduction</i>	0-400	N/A	N/A	>400
Stage 8	<i>50% reduction</i>	0-320	N/A	N/A	>320
Stage 9	<i>>50% reduction</i>	0-240	N/A	N/A	>240

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Monthly Tier Allotments – 12” Water Meters

WSSCP Stage	Required Water Use Reduction	Tier 1 (hcf)	Tier 2 (hcf)	Tier 3 (hcf)	Tier 4 (hcf)
Normal	<i>0% reduction</i>	0-675	676-2,025	2,026-4,050	>4,050
Stage 1	<i>10% reduction</i>	0-675	676-1,575	N/A	>1,575
Stage 2	<i>15% reduction</i>	0-675	676-1,350	N/A	>1,350
Stage 3	<i>20% reduction</i>	0-675	676-1,125	N/A	>1,125
Stage 4	<i>25% reduction</i>	0-675	676-1,013	N/A	>1,013
Stage 5	<i>30% reduction</i>	0-675	676-788	N/A	>788
Stage 6	<i>35% reduction</i>	0-675	N/A	N/A	>675
Stage 7	<i>40% reduction</i>	0-563	N/A	N/A	>563
Stage 8	<i>50% reduction</i>	0-450	N/A	N/A	>450
Stage 9	<i>>50% reduction</i>	0-338	N/A	N/A	>338

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

MWD Surcharge Pass-Through Adjustments may be imposed commencing January 1, 2022, and each year thereafter, through and including July 1, 2026. The MWD Surcharge Pass-Through Adjustment will only impact the rates of the Tier 3 and Tier 4 water commodity charge set forth in this Ordinance. Provided, however, that any increase in the rates for wholesale water and any other charge that MWD imposes on the district that are greater than those identified in the Water Rate Study (“each a Pass-Through Adjustment”); 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 in no event shall such rates be increased as a result of a Pass-Through Adjustment by more than the cost of providing water service.

IEUA Fixed Meter Surcharge Pass-Through Adjustments will be imposed commencing January 1, 2022, and each fiscal year thereafter, through and including July 1, 2026. The IEUA Fixed Meter Surcharge Pass-Through Adjustment will be based on the capacity of the meter as set forth in this Ordinance. In no event shall such rates be increased as a result of a Pass-Through Adjustment by more than the cost of providing water service. The rates for the monthly IEUA Fixed Meter Surcharge Pass-Through, according to meter size, are as follows, and shall not be increased by more than 25% in any year as a result of any Pass-Through Adjustment:

Meter Size	Effective 1/1/2022
3/4”	\$ 3.52
1”	5.87
1-1/2”	11.70
2”	18.72
3”	37.43
4”	58.47
6”	116.91
8”	187.04
10”	280.55
12”	394.52

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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 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 4.08.020 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.

(E) Temporary Water Service Rate. The Temporary Water Service Rate (Construction Water) is as follows:

Rate per hcf	Effective 7/1/2022	Effective 7/1/2023	Effective 7/1/2024	Effective 7/1/2025	Effective 7/1/2026
Temporary Water Service	\$ 3.76	\$ 3.87	\$ 3.98	\$ 4.10	\$ 4.22

Section 4 The District hereby adopts the following rate increases in the amounts and on the effective dates set forth below and amends Chapter 4.08.050 as follows:

The fire service charge shall be based on the connection size as follows:

Fireline Connection Size	Effective 1/1/2022	Effective 1/1/2023	Effective 1/1/2024	Effective 1/1/2025	Effective 1/1/2026
2 inch	\$ 3.37	\$ 3.47	\$ 3.57	\$ 3.67	\$ 3.78
3 inch	3.82	3.93	4.05	4.17	4.29
4 inch	4.59	4.72	4.86	5.00	5.14
6 inch	7.35	7.59	7.81	8.03	8.26
8 inch	12.17	12.52	12.88	13.25	13.63
10 inch	19.38	19.93	20.49	21.07	21.66

Section 5 The Board finds and determines that the administration, operation, maintenance and improvements of the District water system, which are to be funded by the increased water rates and service charges set forth herein, are necessary to maintain service within the District' existing service area. The Board further finds that the administration, operation, maintenance and improvements of the District water system, to be funded by the increased 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 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 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

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superseded only to the extent of such inconsistency. Except as otherwise specifically set forth herein, all provisions Title 4 of the District Code, including but not limited to Chapter 4.08, 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 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.

Section 9 In accordance with Water Code Section 31027(b)(1), within 15 days after adoption, the District Secretary shall (i) prepare a summary of this Ordinance, which shall be published in the Inland Valley Daily Bulletin, a newspaper of general circulation, with the names of those directors voting for and against it; and (ii) post in the Board's office a certified copy of the full text of this Ordinance, along with the names of those directors voting for and against it.

Section 10 This Ordinance shall take effect immediately upon adoption.

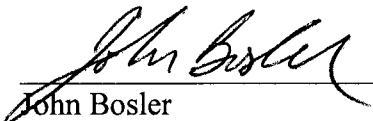
ADOPTED this 28th day of September, 2021, by the Board of Directors of the Cucamonga Valley Water District.

CUCAMONGA VALLEY WATER DISTRICT



Randall Reed, President
Board of Directors

ATTEST:



John Bosler
Secretary of the Board of Directors