

**ORDINANCE NO. 2015-6-1**

**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 bi-monthly water service charges are 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 the fourth year of a severe drought and mandatory water conservations measures have been implemented statewide; and

**WHEREAS**, the District has adopted a drought ordinance that specifies different drought 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 that, due to the ongoing statewide water shortage emergency, to adopt drought rates that may be implemented during declared drought stages; and

**WHEREAS**, the District purchases nearly 50% of its water supply from a portion of its water from the Metropolitan Water District of Southern California (“MWD”) through the Inland Empire Utilities District (IEUA). The drought has impacted the cost of imported water CVWD purchases from MWD through IEUA and the availability of water supplies; and

**WHEREAS**, during water shortages, MWD may establish water supply allocations for the amount of water that MWD will deliver to CVWD and other retail water agencies. If CVWD exceeds its allocation, MWD may impose a surcharge or penalty (“MWD Surcharge”) on the District for the water it purchases; and

**WHEREAS**, in addition to any MWD Surcharge that may be imposed on the District, 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 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 or IEUA impose on the District that are greater than those projected in the District’s long-range financial plan (each 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, 2015, and adjusted each fiscal year thereafter, through and including fiscal year commencing July 1, 2019; and

**WHEREAS**, during the week of April 20, 2015, 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 June 9, 2015 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:**

**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) **Bimonthly Meter Service Charge.** The rates for the bimonthly meter service charge, according to meter size, are as follows:

<b>Meter Size</b>	<b>Effective 7/1/2015</b>	<b>Effective 7/1/2016</b>	<b>Effective 7/1/2017</b>	<b>Effective 7/1/2018</b>
5/8" x 3/4"	\$ 30.35	\$35.64	\$ 41.75	\$ 50.00
3/4"	30.35	35.64	41.75	50.00
1"	50.58	59.39	69.58	83.33
1-1/2"	101.16	118.79	139.16	166.67
2"	161.86	190.06	222.65	266.67
3"	303.48	356.36	417.47	500.00
4"	505.80	593.96	695.79	833.33
6"	1,011.60	1,187.87	1,391.57	1,666.67
8"	1,618.57	1,900.59	2,226.51	2,666.67
10"	2,427.85	2,850.88	3,339.77	4,000.00
12"	3,642.00	4,276.80	5,010.00	6,000.00

(b) Water Commodity Charge – Non-Drought. The rates for the Non-Drought 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.

<b>Non-Drought Commodity Rate per hcf</b>	<b>Effective 7/1/2015</b>	<b>Effective 7/1/2016</b>	<b>Effective 7/1/2017</b>	<b>Effective 7/1/2018</b>
Tier 1	\$ 1.59	\$ 1.60	\$ 1.61	\$ 1.62
Tier 2	2.11	2.13	2.14	2.16
Tier 3	2.62	2.66	2.68	2.71
Tier 4	2.99	3.03	3.05	3.07

<b>Meter Size</b>	<b>Hydraulic Capacity</b>	<b>Allocation in Units (hcf)</b>			
		<b>Tier 1 No. of Units</b>	<b>Tier 2 No. of Units</b>	<b>Tier 3 No. of Units</b>	<b>Tier 4 No. of Units</b>
¾-inch	1.0	0 - 10	11 - 40	41 - 100	> 100
1-inch	1.67	0 - 17	18 - 67	68 - 167	> 167
1.5-inch	3.33	0 - 33	34 - 133	134 - 333	> 333
2-inch	5.33	0 - 53	54 - 213	214 - 533	> 533
3-inch	10.00	0 - 100	101 - 400	401 - 1,000	> 1,000
4-inch	16.67	0 - 167	168 - 667	668 - 1,667	> 1,667
6-inch	33.33	0 - 333	334 - 1,333	1,334 - 3,333	> 3,333
8-inch	53.33	0 - 533	534 - 2,133	2,134 - 5,333	> 5,333
10-inch	80.00	0 - 800	801 - 3,200	3,201 - 8,000	> 8,000
12-inch	120.00	0 - 1,200	1,201 - 4,800	4,801 - 12,000	> 12,000

(c) Water Commodity Drought Rates – Stages 2-7. The rates for the water commodity charge to be implemented during declared drought stages (“Water Commodity Drought Rates”) are listed below. The Water Commodity Drought Rates will be enacted by a vote of the Board of Directors in concurrence with the declaration of drought 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 in section (b).

<b>Drought Stage 2 Commodity Rate per hcf</b>	<b>(10% Conservation)</b>			
	<b>Effective 7/1/2015</b>	<b>Effective 7/1/2016</b>	<b>Effective 7/1/2017</b>	<b>Effective 7/1/2018</b>
Tier 1	\$ 1.69	\$ 1.70	\$ 1.71	\$ 1.72
Tier 2	2.15	2.17	2.18	2.20
Tier 3	2.77	2.81	2.83	2.86
Tier 4	3.56	3.65	3.67	3.70

<b>(15% Conservation)</b>				
<b>Drought Stage 3 Commodity Rate per hcf</b>	<b>Effective 7/1/2015</b>	<b>Effective 7/1/2016</b>	<b>Effective 7/1/2017</b>	<b>Effective 7/1/2018</b>
Tier 1	\$ 1.79	\$ 1.80	\$ 1.81	\$ 1.82
Tier 2	2.21	2.24	2.25	2.26
Tier 3	2.83	2.87	2.88	2.91
Tier 4	3.80	3.83	3.86	3.88

<b>(20% Conservation)</b>				
<b>Drought Stage 4 Commodity Rate per hcf</b>	<b>Effective 7/1/2015</b>	<b>Effective 7/1/2016</b>	<b>Effective 7/1/2017</b>	<b>Effective 7/1/2018</b>
Tier 1	\$ 1.90	\$ 1.92	\$ 1.93	\$ 1.94
Tier 2	2.29	2.31	2.32	2.33
Tier 3	2.89	2.93	2.94	2.96
Tier 4	4.05	4.07	4.10	4.12

<b>(25% Conservation)</b>				
<b>Drought Stage 5 Commodity Rate per hcf</b>	<b>Effective 7/1/2015</b>	<b>Effective 7/1/2016</b>	<b>Effective 7/1/2017</b>	<b>Effective 7/1/2018</b>
Tier 1	\$ 2.03	\$ 2.05	\$ 2.06	\$ 2.07
Tier 2	2.36	2.39	2.39	2.40
Tier 3	2.95	2.99	3.00	3.01
Tier 4	4.37	4.40	4.42	4.44

<b>(35% Conservation)</b>				
<b>Drought Stage 6 Commodity Rate per hcf</b>	<b>Effective 7/1/2015</b>	<b>Effective 7/1/2016</b>	<b>Effective 7/1/2017</b>	<b>Effective 7/1/2018</b>
Tier 1	\$ 2.34	\$ 2.35	\$ 2.37	\$ 2.38
Tier 2	2.55	2.56	2.56	2.58
Tier 3	3.09	3.13	3.11	3.11
Tier 4	5.68	5.69	5.75	5.77

<b>(50% Conservation)</b>				
<b>Drought Stage 7 Commodity Rate per hcf</b>	<b>Effective 7/1/2015</b>	<b>Effective 7/1/2016</b>	<b>Effective 7/1/2017</b>	<b>Effective 7/1/2018</b>
Tier 1	\$ 2.86	\$ 2.88	\$ 2.88	\$ 2.90
Tier 2	3.16	3.18	3.18	3.19

(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, 2015, and each fiscal year thereafter, through and including the fiscal year commencing July 1,

2019. 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 water and any other charged that MWD or IEUA imposes on the district that are greater than those projected in the 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 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 sewer 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:

<b>Temporary Water Service Rate per hcf</b>	<b>Effective 7/1/2015</b>	<b>Effective 7/1/2016</b>	<b>Effective 7/1/2017</b>	<b>Effective 7/1/2018</b>
Non-Drought	\$ 4.58	\$ 4.63	\$ 4.65	\$ 4.70
Drought Stage 2	4.75	4.80	4.81	4.84
Drought Stage 3	4.85	4.90	4.91	4.94
Drought Stage 4	4.97	5.02	5.03	5.05
Drought Stage 5	5.10	5.15	5.15	5.17
Drought Stage 6	5.34	5.38	5.37	5.39
Drought Stage 7 (if available)	6.10	6.13	6.14	6.15

**Section 4** 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 5** 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 Title 4 of the District Code, including but not limited to Chapter 4.08, shall remain in full force and effect.

**Section 6** 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 7** 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 8** 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 9** This Ordinance shall take effect immediately upon adoption.

**ADOPTED** this 9<sup>th</sup> day of June, 2015, by the Board of Directors of the Cucamonga Valley Water District.

CUCAMONGA VALLEY WATER DISTRICT

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James Curatalo, President  
Board of Directors

ATTEST:

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Martin Zvirbulis  
Secretary of the Board of Directors