

Cucamonga Valley®  
Water District

*Service Beyond Expectation*

## Notice of Public Hearing for Proposed Sewer Rate Increase

**NOTICE IS HERBY GIVEN** that the Board of Directors of the Cucamonga Valley Water District (CVWD) will conduct a Public Hearing on **Tuesday, June 27, 2023, at 6 p.m. in the CVWD Board Room, at 10440 Ashford Street, Rancho Cucamonga, CA 91730**, to consider adopting increases in the rates for its sewer service charges.

### PROPOSED RATE INCREASES

**Sewer Charge – Cucamonga Valley Water District** charges most customers within its service area a Sewer Service Charge. **This monthly Sewer Service Charge of \$5.73 has not been raised since July 1, 2013.** This charge is not imposed on a customer who has a septic system or receives sewer services from the neighboring cities of Fontana, Ontario or Upland. The rate of the Sewer Service Charge has two customer classes: (1) residential (which includes single family and multi-family customers); and (2) non-residential (which includes commercial, industrial, and institutional customers). The flat monthly rates consist of two components: (1) a charge for capital replacement, operations and maintenance, billing, customer service, and other related costs (the CVWD Local Service Charge); and (2) a charge for sewage treatment and disposal (the Treatment Charge) to recover wholesale charges imposed on CVWD by the **Inland Empire Utilities Agency (IEUA)**, the agency that treats and disposes of sewage collected by CVWD.

The rate for the CVWD Local Service Charge is determined on an Equivalent Dwelling Unit basis (EDU). For residential and multi-family properties, one EDU is equivalent to approximately 270 gallons of discharge per day; therefore, these customers are assigned one EDU. Non-residential properties are assigned one or more EDU's, depending on the projected quantity of wastewater a customer contributes (flow) to the wastewater system

(e.g. determined on the basis of the number of fixture units) and the loads that a customer's wastewater discharges put on the system treatment process (strength as determined on the basis of its discharge permit). The non-residential customer class EDU factors are listed in the Commercial Sewer Use Table included in CVWD Municipal Code Section 5.08.030. The rates are calculated to proportionately allocate the costs of providing sewer services among the customer classes.

CVWD has conducted a Rate Study of the CVWD Local Service Charge (currently \$5.73 per EDU per month) and determined that it is necessary to increase this rate by 46¢ per month in the first year and up to 62¢ per month by the fifth year. These rate adjustments will occur each year for the next five years to cover the District's operating costs. These rate adjustments are necessary to pay for the increasing costs of fuel, electricity, materials, supplies, and construction of pipeline replacements. The proposed new monthly rate is \$6.19 and would go into effect July 1, 2023. The rates in the subsequent years are listed in the table on the next page.

**Treatment Charge (pass-through) – The IEUA** Board of Directors voted to increase the wholesale charge it imposes on CVWD for the treatment and disposal of the sewage CVWD collects. This increase of \$1.53 is effective beginning July 1, 2023, and another increase of \$1.40 is effective beginning July 1, 2024. IEUA

Rate Components	Current Rate Effective	Proposed Rate Effective				
	7/1/2022	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
CVWD Local Service Charge	\$5.73	\$6.19	\$6.69	\$7.23	\$7.81	\$8.43
CVWD Change		46¢	50¢	54¢	58¢	62¢
IEUA Treatment Charge	\$21.86	\$23.39	\$24.79	Pass-Through	Pass-Through	Pass-Through
IEUA Change		\$1.53	\$1.40	TBD	TBD	TBD
<b>Combined Rate per EDU</b>	<b>\$27.59</b>	<b>\$29.58</b>	<b>\$31.48</b>	TBD	TBD	TBD
Combined Change %		7.2%	6.4%	N/A	N/A	N/A

\*TBD = To Be Determined. The IEUA Board of Directors is responsible for adopting any adjustments to these rates in future years.

has indicated that the increases are necessary to recover increased costs for chemicals, electricity and planned improvements to its aging sewer treatment system. The proposed increases will be in effect beginning July 1, 2023 through June 30, 2028. The amount of the current rates and the proposed rate increases on the CVWD Local Service Charge and the IEUA Treatment Charge are set forth in the table listed above.

California law allows a public agency (such as CVWD) that provides water, wastewater, sewer, or solid waste services to authorize automatic adjustments to its rates that pass through to its customers any increases in the wholesale charges for water or sewage treatment that are imposed on it, such as the IEUA Treatment Charges. This can be done for a period of no more than five years, and only the proportionate share of the adopted increases or decreases in the wholesale charges may be passed on.

Because CVWD anticipates that there will be future increases in the rates that IEUA imposes on CVWD for sewage treatment and disposal, CVWD is also proposing to pass through any future increases in the wholesale charges imposed by IEUA on CVWD. If approved,

these pass-through increases will impact the rates for the IEUA Treatment Charge set forth in the table above. If approved, the annual pass-through adjustments may be implemented each fiscal year beginning July 1, 2023, and may be adjusted each fiscal year thereafter, through and including fiscal year commencing July 1, 2027. Provided, however, that the rate for the IEUA Treatment Charge will only increase if IEUA increases the charges it imposes on CVWD for sewage treatment and disposal. It is unknown what future increases IEUA will impose on CVWD. In no event will any pass-through adjustment increase the rate for the IEUA Treatment Charge by more than 20% per year. A notice of any automatic pass-through adjustment will be given at least 30 days before the effective date of any increase. The notice may appear in the CVWD's regular billing statement or through a direct mail notice to the address which CVWD mails the billing statement.

Please note that there is a 120 day statute of limitations to challenge the sewer rates described herein. The statute of limitations commences from the effective date of the resolution or ordinance adopting the new or increased rates for sewer service.

## HOW TO PARTICIPATE

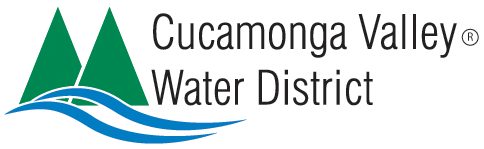
The record owner of any parcel upon which the fees or charges are to be imposed and any tenant directly responsible for the payment of sewer charges (i.e., a customer of record) may submit a written protest to the proposed rate increases; provided, however, only one protest will be counted per identified parcel. Any written protest must: (1) state the protest is being submitted in opposition to the proposed rate increases; (2) identify the specific rate increase(s) for which the written protest is being submitted; (3) provide the location of the identified parcel (by assessor's parcel number or street address); and (4) include the name and signature of the property owner or tenant directly responsible for the payment of the sewer charges submitting the protest. Written protests may be submitted by mail or in person to the Clerk of the Board at 10440 Ashford Street, Rancho Cucamonga, CA 91730, or at the Public Hearing on June 27, 2023, at 6 p.m., so long as they are received prior to the conclusion of the public input portion of the Public Hearing. Any protest submitted via e-mail or other electronic means will not be accepted. Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Clerk of the Board, that the enclosed protest is for the Public Hearing on the Proposed Increases in Rates for Sewer Charges.

The CVWD Board of Directors will hear oral comments made and consider all written protests submitted at the Public Hearing to the proposed rate increases. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of the Public Hearing, the Board of Directors will consider adoption of the proposed rate increases for the sewer charges and automatic pass-through adjustments. If written protests against the proposed rates as outlined above are not presented by a majority of the property owners and tenants directly responsible for the payment of sewer charges of the identified parcels upon which the rates and charges are proposed, the Board of Directors will be authorized to consider adopting the rate increases and automatic pass-through adjustments.

Further details regarding the bases and reasons for the proposed rate increases to the sewer charges are available for review at the CVWD office or on our website shown below. For any questions you may have regarding whether you receive these services, your customer classification, the number of EDUs assigned to your property, or the rates proposed, please call CVWD at (855)654-2893.

**Website: [www.CVWDwater.com/rates](http://www.CVWDwater.com/rates)**

**Phone: (855) 654-2893**

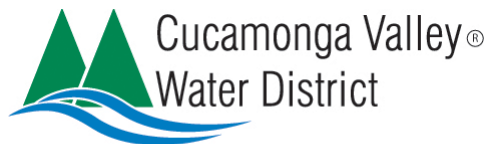


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PO Box 638  
Rancho Cucamonga, CA 91729-0638

**Public Hearing**

June 27, 2023 at 6 p.m. in the  
Cucamonga Valley Water District Board Room  
10440 Ashford Street  
Rancho Cucamonga, CA 91730



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