

**ORDINANCE NO. 2023-6-1**

**AN ORDINANCE OF THE CUCAMONGA VALLEY  
WATER DISTRICT ESTABLISHING RATES AND  
CHARGES FOR SEWER SERVICE**

**WHEREAS**, revenues from the collection of the Cucamonga Valley Water District's (the "District") Sewer Service Charges are used to pay for wastewater treatment costs from the Inland Empire Utilities Agency ("IEUA"), Operating Expenses, and Capital Project funding requirements in the District's budget with respect to the administration, operation, maintenance and improvements of the District's wastewater system. Operating Expenses are those variable costs, which may fluctuate, based on the amount of actual wastewater flow in the District's wastewater system; and

**WHEREAS**, the monthly rates for the District's Sewer Service Charges 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 Treatment Charge-IEUA to recover wholesale charges imposed on the District by the Inland Empire Utilities Agency ("IEUA"), the agency that treats and disposes of sewage collected by the District; and

**WHEREAS**, the District has determined that, due to the fiscal impacts of a 7.0% (\$1.53/unit/month) increase in the rate imposed on the District by IEUA for sewage treatment and disposal, the rate for the Treatment Charge-IEUA must be increased by the same amount of \$1.53/unit/month to recover the District's cost of providing wastewater services; and

**WHEREAS**, effective July 1, 2023, the rate for the Treatment Charge-IEUA is proposed to be increased from \$21.86 per equivalent dwelling unit per month to \$23.39 per equivalent dwelling unit per month in the amended Chapter 5.08 of Title 5 of the District Code attached hereto and incorporated herein by reference; and

**WHEREAS**, the District has determined that, due to the fiscal impacts of a 6.0% (\$1.40/unit/month) increase in the rate imposed on the District by IEUA for sewage treatment and disposal, the rate for the Treatment Charge-IEUA must be increased by the same amount of \$1.40/unit/month to recover the District's cost of providing wastewater services; and

**WHEREAS**, effective July 1, 2024, the rate for the Treatment Charge-IEUA is proposed to be increased from \$23.39 per equivalent dwelling unit per month to \$24.79 per equivalent dwelling unit per month in the amended Chapter 5.08 of Title 5 of the District Code attached hereto and incorporated herein by reference; and

**WHEREAS**, Assembly Bill 3030 added Section 53756 to the Government Code to authorize agencies that provide wastewater or sewer services to adopt a schedule of fees or charges authorizing automatic adjustments that pass through increases in wholesale charges for sewage or wastewater treatment for a period of five years; and

**WHEREAS**, the District desires to authorize a five-year period of automatic adjustments to the rate for the Treatment Charge-IEUA that will pass through increases in the rates of the wholesale sewer treatment charges that IEUA imposes on the District ("Pass-

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Through Adjustments”). The annual Pass-Through Adjustments are proposed to be implemented each fiscal year beginning July 1, 2023, and adjusted each fiscal year thereafter, through and including fiscal year commencing July 1, 2027; and

**WHEREAS**, during the week of May 12, 2023, 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 rate of the Treatment Charge-IEUA and annual Pass-Through Adjustments (collectively herein, “rate increases”). Such notices were provided to the affected property owners and tenants directly liable for the Treatment Charge-IEUA 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 27, 2023 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 Treatment Charge-IEUA is proposed to be imposed and tenants directly responsible for the payment of Treatment Charge-IEUA (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 Treatment Charge-IEUA (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 5.08 as follows:

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(a) Local Service Charge-CVWD. The rate for the Local Service Charge-CVWD shall be increased from \$5.73 per equivalent dwelling unit per month as follows:

	Effective 7/1/2023	Effective 7/1/2024	Effective 7/1/2025	Effective 7/1/2026	Effective 7/1/2027
EDU	\$6.19	\$6.69	\$7.23	\$7.81	\$8.43

(b) Treatment Charge-IEUA. The rate for the Treatment Charge-IEUA shall be increased from \$21.86 per equivalent dwelling unit per month to \$23.39 per equivalent dwelling unit per month, effective July 1, 2023. The rate for the Treatment Charge-IEUA shall be further increased from \$23.39 per equivalent dwelling unit per month to \$24.79 per equivalent dwelling unit per month, effective July 1, 2024. The General Manager, or his authorized designee is hereby directed to revise Chapter 5.08 of Title 5 of the District Code to incorporate this authorized rate increases to the Treatment Charge-IEUA.

(c) Pass-Through Adjustments. The Board hereby authorizes, for a five-year period, the imposition of Pass-Through Adjustments to the rate of the Treatment Charge-IEUA as a result of any increase in the rates of the wholesale sewer charges that IEUA imposes on the District. Such increases as a result of a Pass-Through Adjustment may be imposed in the fiscal year commencing July 1, 2023, and each fiscal year thereafter, through and including fiscal year commencing July 1, 2027. Provided, however, (1) any increase to the rate of the Treatment Charge-IEUA as a result of a Pass-Through Adjustment authorized pursuant to this Ordinance may not exceed 40% per year; and (2) in no event shall such rates be increased in any year as a result of a Pass-Through Adjustment by more than the cost of providing sewer 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 Chapter 5.08 of Title 5 of the District Code to reflect the rate then in effect as a result of any increase resulting from a Pass-Through Adjustment.

**Section 4** The Board finds and determines that the administration, operation, maintenance and improvements of the District sewer system, which are to be funded by the increased sewer service rate 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 sewer system, to be funded by the increased sewer 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 wastewater 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.

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**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 5 of the District Code, including but not limited to Chapter 5.08, 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 27<sup>th</sup> day of June, 2023, by the Board of Directors of the Cucamonga Valley Water District.

CUCAMONGA VALLEY WATER DISTRICT



\_\_\_\_\_  
Randall Reed, President  
Board of Directors

ATTEST:



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John Bosler  
Secretary of the Board of Directors