

Service Beyond Expectation

Notice of Public Hearing for Proposed Recycled Water 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, **September 26, 2023 at 5 p.m. in the CVWD Board Room, at 10440 Ashford Street, Rancho Cucamonga, CA 91730**, to consider adopting increases in the rates for its recycled water service charges.

PROPOSED RATE INCREASES

Recycled Water Charges – In 2005, **Cucamonga Valley Water District** began the sale and distribution of recycled water. CVWD purchases recycled water directly from the **Inland Empire Utilities Agency (IEUA)**. The rate structure for CVWD's Recycled Water Charges is comprised of two components: (1) fixed meter service charge (the Meter 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.

Assembly Bill 3030, which became effective January 1, 2009, authorizes a public agency (such as CVWD) that provides water, recycled water, or sewer services to authorize automatic adjustments to its rates that pass-through to its customers any increases in the wholesale charges for water, recycled water, or sewer services that are imposed on it. 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. CVWD has conducted a Rate Study of the recycled water charges and redesigned its recycled water rate structure to separately identify the rate components that are directly imposed on CVWD by IEUA, as described below.

The Recycled Commodity Charge is designed to recover CVWD's operating costs (e.g. inspection, operations and maintenance, capital replacement and other related costs). CVWD's recycled water rates are calculated based on the cost of providing recycled water only to those customers receiving that service. The proposed 3% annual increase is necessary to maintain CVWD's ability to deliver recycled water to its customers and provide all related services. These rate adjustments are necessary to pay for the increased cost of fuel, electricity, materials, and supplies for pipeline maintenance. IEUA has adopted rates for providing wholesale recycled water for the next two years at the time CVWD conducted this Rate Study. CVWD is proposing to separate the IEUA wholesale rates for the Recycled Water Commodity Charge as a pass-through rate. In no event will any Pass-Through adjustment increase the rate for the IEUA Fixed Charge or the IEUA Recycled Water Rate by more than 40% per year. CVWD will provide all customers notice of any future adjustments to the pass-through rate at least 30 days prior to its effective date. This notice will appear in the billing statement or through a direct mail notice. The proposed increases are set forth in the table below.

Volumetric Rate Components	Current Rates	No Increase	Proposed Rates and CVWD Charges (3% Annual Increase)				
	7/1/2023	10/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Commodity Rates:							
CVWD Local RW Rate (HCF)	\$2.00	83¢	85¢	88¢	91¢	94¢	97¢
IEUA Pass-Through RW Rate (HCF)	N/A	\$1.17	\$1.07	Pass-Through	Pass-Through	Pass-Through	Pass-Through
Total Commodity Charge	\$2.00	\$2.00	\$1.92	TBD	TBD	TBD	TBD

The CVWD Meter Service Charge is designed to recover CVWD's fixed costs of providing recycled water service (e.g., customer service, billing, debt repayment and reserve funding). CVWD is proposing a 3% annual increase in this charge to ensure revenues are sufficient to deliver recycled water to our customers. The IEUA Pass-Through Fixed Charge is a direct pass-through of Fixed Cost Recovery charges imposed on CVWD by the IEUA which is allocated to the existing customers based on meter size.

Fixed Charge Components	Current Rates	No Increase	Proposed Rates and CVWD Charges (3% Annual Increase)				
	7/1/2023	10/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Meter Size:	CVWD Meter Service Charge						
1"	\$33.38	\$13.66	\$14.07	\$14.50	\$14.93	\$15.38	\$15.84
1.5"	\$66.57	\$27.13	\$27.94	\$28.78	\$29.65	\$30.54	\$31.45
2"	\$106.54	\$43.44	\$44.75	\$46.09	\$47.47	\$48.89	\$50.36
3"	\$199.90	\$61.86	\$63.71	\$65.63	\$67.59	\$69.62	\$71.71
4"	\$333.23	\$84.78	\$87.32	\$89.94	\$92.64	\$95.42	\$98.28
6"	\$666.26	\$114.12	\$117.55	\$121.07	\$124.70	\$128.45	\$132.30
Meter Size:	IEUA Pass-Through Fixed Charge						
1"	N/A	\$19.72	Pass-Through	Pass-Through	Pass-Through	Pass-Through	Pass-Through
1.5"	N/A	\$39.44	Pass-Through	Pass-Through	Pass-Through	Pass-Through	Pass-Through
2"	N/A	\$63.10	Pass-Through	Pass-Through	Pass-Through	Pass-Through	Pass-Through
3"	N/A	\$138.03	Pass-Through	Pass-Through	Pass-Through	Pass-Through	Pass-Through
4"	N/A	\$248.46	Pass-Through	Pass-Through	Pass-Through	Pass-Through	Pass-Through
6"	N/A	\$552.13	Pass-Through	Pass-Through	Pass-Through	Pass-Through	Pass-Through

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

HOW TO PARTICIPATE

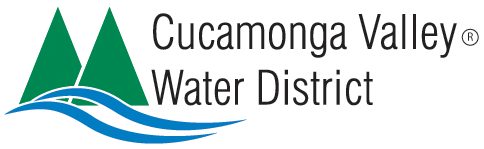
The record owner of any parcel upon which the proposed fees or charges are proposed to be imposed and any tenant directly responsible for the payment of recycled water charges (i.e., a customer of record) may submit a written protest to the proposed rate increases; provided, however, only one protest 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 or increases 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 recycled water 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 (date and time noted above), 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 Recycled Water 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 recycled water charges and automatic pass-through charges described herein. 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 recycled water charges of the identified parcels upon which the rates and charges are proposed, the Board of Directors will be authorized to adopt the rate increases and automatic pass-through adjustments.

Further details regarding the bases and reasons for the proposed rate increases to the recycled water 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, or the rates proposed, please call CVWD at (855)654-2893.

Website: www.CVWDwater.com/rates

Phone: (855) 654-2893

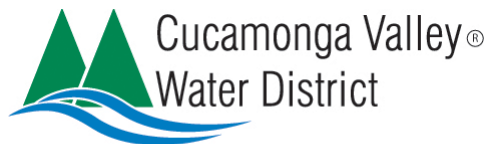


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PO Box 638
Rancho Cucamonga, CA 91729-0638

Public Hearing

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Cucamonga Valley Water District Board Room
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Rancho Cucamonga, CA 91730



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