

PUBLIC HEARING:
September 28, 2021 | 6 p.m.
Cucamonga Valley Water District
10440 Ashford Street
Rancho Cucamonga, CA 91730

NOTICE OF PUBLIC HEARING

Proposed Changes to Water Rates and Charges

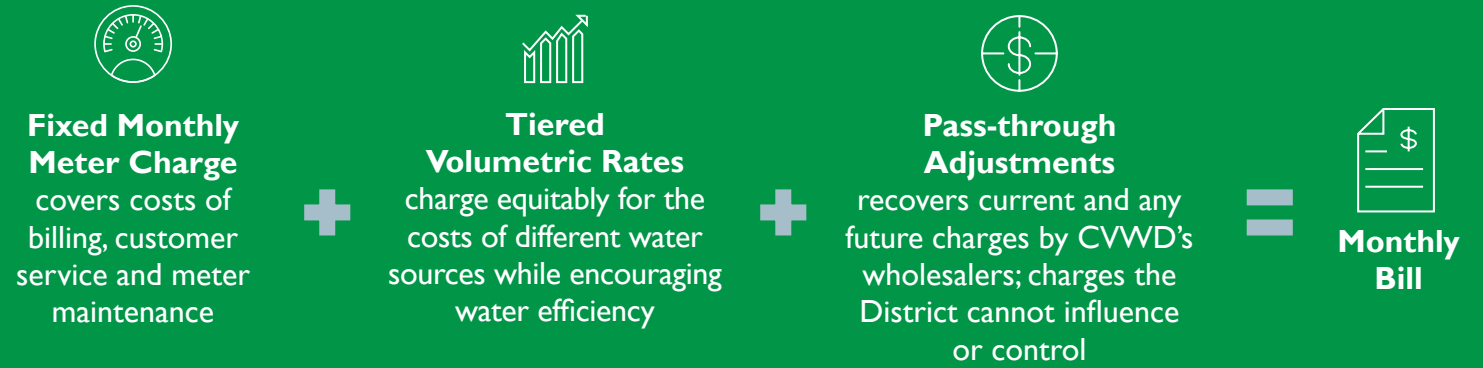
Cucamonga Valley Water District (CVWD/District) is considering making changes to its current water rates and charges and is sending this notice to all property owners of record that receive water services from the District and may be impacted by these changes.

The CVWD Board of Directors will conduct a public hearing at the date and location shown above to consider adopting changes to CVWD's water rates and charges. The proposed changes are the result of the detailed analysis and findings of the CVWD Rate Study Report ("Rate Study"), which determined the appropriateness of the amounts, and a fair and equitable cost allocation among water customer categories. The Rate Study was prepared by Raftelis, an independent financial consulting firm specializing in cost of service analyses and rate setting. The net impact of the proposed changes in the rates and charges for water customers will vary based upon actual water consumption and meter size. The proposed rate increases are necessary to meet increased costs of purchasing water, operations and maintenance costs, planned and unplanned capital improvement projects, and to ensure continued prudent financial management of the District.

Any property owner or any customer of record may submit a written protest to the proposed changes to the rates for CVWD's water service charges; 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 water rate changes; (2) provide the location of the identified parcel (by street address or assessor's parcel number); and (3) include the name and signature of the property owner or customer submitting the protest. Written protests may be mailed or delivered in-person to Cucamonga Valley Water District, Attention: Secretary of the Board, 10440 Ashford Street, Rancho Cucamonga, CA 91730, or at the Public Hearing, 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. Written protests should be placed in an envelope with "Secretary of the Board: Proposed Water Rates" written on the front.

At the time of the public hearing, the Board of Directors will hear and consider all written protests and public comments. After the hearing, if a majority of the property owners of the impacted parcels and customers of record who are not property owners submit written protests in opposition to the proposed rate increases, the increases will not be imposed. If a majority protest is not received, CVWD's Board of Directors may vote to adopt the proposed rates.

HOW WE BILL FOR WATER SERVICE



ANTICIPATED MONTHLY BILL IMPACTS IF PROPOSED CHANGES ARE ADOPTED

Monthly Bill Impacts: Two Typical Single Family Residential Customers*



uses 8 units (hcf) of water per month and will see their 2022 monthly bill **increase by \$1.08**



uses 24 units (hcf) of water per month and will see their 2022 monthly bill **increase by \$1.69**

*Scenarios based on most common 3/4" meter size. One hundred cubic feet (hcf) = 748 gallons.

WHAT IS A PASS-THROUGH ADJUSTMENT?

CVWD purchases a portion of its water from the Metropolitan Water District of Southern California (MWD) through the Inland Empire Utilities Agency (IEUA); the cost of which has risen 30% in the past five years with no end in sight. A Pass-Through Adjustment allows CVWD to recover the additional costs for water charged by MWD through IEUA.

The Pass-Through Adjustments are proposed to be implemented 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. 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. CVWD may annually implement two distinct Pass-Through Adjustments:

- 1. IEUA Fixed Charge Pass-Through Adjustment:** CVWD plans to introduce a new fixed charge designed to recover the costs associated with three fixed wholesale charges paid by CVWD to IEUA (specifically the MWD Readiness to Serve, Capacity, and TYRA Charges). The new IEUA Fixed Charges may be increased in future years based on the amount necessary to directly pass through cost increases in these three wholesale fixed charges. The IEUA Fixed Charges shall not be increased by more than 25% in any year as a result of any Pass-Through Adjustment.
- 2. MWD Surcharge Pass-Through Adjustment:** CVWD plans to maintain its current practice of passing through cost increases associated with wholesale water rates paid by CVWD to IEUA (specifically the MWD wholesale water rate). This MWD Surcharge will be assessed as a uniform rate per HCF of CVWD Tier 3 and Tier 4 water delivered. Any increase in rates due to the MWD Surcharge Pass-Through Adjustment shall not exceed \$1.00 per HCF in any one year.

CVWD will provide all customers notice of any adjustment to Pass-Through rates at least 30 days prior to the effective date. This notice will appear in your billing statement or through a direct mail notice.

PROPOSED RATES FOR WATER SERVICES

Proposed 5-Year Monthly Meter Charge

Proposed Monthly Meter Charges (excluding new IEUA Fixed Charges)

Meter Size	Current	Jan 1, 2022	Jan 1, 2023	Jan 1, 2024	Jan 1, 2025	Jan 1, 2026
3/4"	\$25.00	\$25.30	\$26.01	\$26.74	\$27.49	\$28.26
1"	\$41.67	\$40.08	\$41.21	\$42.37	\$43.56	\$44.78
1 1/2"	\$83.34	\$77.02	\$79.18	\$81.40	\$83.68	\$86.03
2"	\$133.34	\$121.36	\$124.76	\$128.26	\$131.86	\$135.56
3"	\$250.00	\$239.59	\$246.30	\$253.20	\$260.29	\$267.58
4"	\$416.67	\$372.60	\$383.04	\$393.77	\$404.80	\$416.14
6"	\$833.34	\$742.08	\$762.86	\$784.23	\$806.19	\$828.77
8"	\$1,333.34	\$1,185.44	\$1,218.64	\$1,252.77	\$1,287.85	\$1,323.91
10"	\$2,000.00	\$1,776.59	\$1,826.34	\$1,877.48	\$1,930.05	\$1,984.10
12"	\$3,000.00	\$2,497.07	\$2,566.99	\$2,638.87	\$2,712.76	\$2,788.72

*Most residential meters are 3/4" or 1" size. Larger sizes are for landscaping or institutional use.

Proposed Monthly IEUA Fixed Charges (NEW CHARGE)*

Meter Size	Current	Jan 1, 2022	2022-2023	2023-2024	2024-2025	2025-2026
3/4"	N/A	\$3.52	Pass-Through	Pass-Through	Pass-Through	Pass-Through
1"	N/A	\$5.87	Pass-Through	Pass-Through	Pass-Through	Pass-Through
1 1/2"	N/A	\$11.70	Pass-Through	Pass-Through	Pass-Through	Pass-Through
2"	N/A	\$18.72	Pass-Through	Pass-Through	Pass-Through	Pass-Through
3"	N/A	\$37.43	Pass-Through	Pass-Through	Pass-Through	Pass-Through
4"	N/A	\$58.47	Pass-Through	Pass-Through	Pass-Through	Pass-Through
6"	N/A	\$116.91	Pass-Through	Pass-Through	Pass-Through	Pass-Through
8"	N/A	\$187.04	Pass-Through	Pass-Through	Pass-Through	Pass-Through
10"	N/A	\$280.55	Pass-Through	Pass-Through	Pass-Through	Pass-Through
12"	N/A	\$394.52	Pass-Through	Pass-Through	Pass-Through	Pass-Through

*The new IEUA Fixed Charge will be increased in future years based on the amount necessary to directly pass through cost increases in MWD Readiness to Serve, Capacity, and TYRA Charges.

Proposed Monthly Fire Service Charges

Line Size	Current	Jan 1, 2022	Jan 1, 2023	Jan 1, 2024	Jan 1, 2025	Jan 1, 2026
2"	\$9.20	\$3.37	\$3.47	\$3.57	\$3.67	\$3.78
3"	\$13.80	\$3.82	\$3.93	\$4.05	\$4.17	\$4.29
4"	\$18.40	\$4.59	\$4.72	\$4.86	\$5.00	\$5.14
6"	\$27.60	\$7.38	\$7.59	\$7.81	\$8.03	\$8.26
8"	\$36.80	\$12.17	\$12.52	\$12.88	\$13.25	\$13.63
10"	\$46.00	\$19.38	\$19.93	\$20.49	\$21.07	\$21.66

Proposed Changes to the Tiered Volumetric Rate Structure

Meter Size	CURRENT Tier Thresholds				Meter Size	PROPOSED Tier Thresholds			
	Tier 1	Tier 2	Tier 3	Tier 4		Tier 1	Tier 2	Tier 3	Tier 4
3/4"	5	20	50	> 50 hcf	3/4"	6	18	36	> 36 hcf
1"	9	34	84	> 84 hcf	1"	10	30	60	> 60 hcf
1 1/2"	17	67	167	> 167 hcf	1 1/2"	20	60	120	> 120 hcf
2"	27	107	267	> 267 hcf	2"	32	96	192	> 192 hcf
3"	50	200	500	> 500 hcf	3"	64	192	384	> 384 hcf
4"	84	334	834	> 834 hcf	4"	100	300	600	> 600 hcf
6"	167	667	1,667	> 1,667 hcf	6"	200	600	1,200	> 1,200 hcf
8"	267	1,067	2,667	> 2,667 hcf	8"	320	960	1,920	> 1,920 hcf
10"	400	1,600	4,000	> 4,000 hcf	10"	480	1,440	2,880	> 2,880 hcf
12"	600	2,400	6,000	> 6,000 hcf	12"	675	2,025	4,050	> 4,050 hcf

Note: Changes to tiers are required to align available water supply sources with volume available.

Proposed 5-Year Water Rates*

	Current	Jan 1, 2022	Jan 1, 2023	Jan 1, 2024	Jan 1, 2025	Jan 1, 2026
Tier 1	\$1.91	\$1.67	\$1.72	\$1.77	\$1.82	\$1.88
Tier 2	\$2.45	\$2.07	\$2.13	\$2.19	\$2.26	\$2.33
Tier 3	\$3.00	\$3.55	\$3.65	\$3.76	\$3.87	\$3.98
Tier 4	\$3.36	\$3.76	\$3.87	\$3.98	\$4.10	\$4.22
Construction Water	\$4.99	\$3.76	\$3.87	\$3.98	\$4.10	\$4.22

*Current rates include \$0.29 MWD Surcharge. Proposed rates exclude future MWD pass-through adjustments that will be implemented to pass through additional costs resulting from future increases in the MWD Tier 1 wholesale rate.

Proposed Water Supply Shortage Contingency Plan

Pursuant to CA state law, CVWD has adopted a Water Supply Shortage Contingency Plan (WSSCP) that specifies specific drought stages, depending on the severity of the water shortage. CVWD is considering adjustments to volumetric water use tiers that may be implemented by the CVWD Board of Directors during declared drought stages as follows:

PROPOSED Tier Thresholds – WSSCP 3/4" Meters				
WSSCP Stage	Tier 1 Threshold (ccf)	Tier 2 Threshold (ccf)	Tier 3 Threshold (ccf)	Tier 4 Threshold (ccf)
0%	6	18	36	> 36
10%	6	14	N/A	> 14
15%	6	12	N/A	> 12
20%	6	10	N/A	> 10
25%	6	9	N/A	> 9
30%	6	7	N/A	> 7
35%	6	N/A	N/A	> 6
40%	5	N/A	N/A	> 5
45%	4	N/A	N/A	> 4
50%	3	N/A	N/A	> 3

Note: Tier thresholds on larger meters are proportionately larger per WSSCP stage.

For more information, visit the District's website at CVWDwater.com/rates.

Si gustaria obtener esta información en español, por favor contacte nuestras oficinas al (855) 654-CVWD (2893) o visite www.CVWDWater.com.