

ATTACHMENT A

Resolution No. VWD 21-011

**VICTORVILLE WATER DISTRICT
RESOLUTION NO. VWD 21-011**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
VICTORVILLE WATER DISTRICT ADOPTING NEW RATES,
FEES AND CHARGES FOR WATER SERVICE**

WHEREAS, the Victorville Water District (the “**District**”) is a subsidiary district of the City of Victorville, organized and operating under the County Water District Law (California Water Code section 30000 *et seq.*); and

WHEREAS, subject to the provisions of Article XIID, Section 6 of the California Constitution (“**Cal. Const. Art. XIID, §6**”) the Board of Directors of the District (the “**Board of Directors**”) is authorized to fix and collect rates and charges for the provision of water service under California Water Code Section 31007 and 31025; and

WHEREAS, at its regular meeting on June 1, 2021, the Board of Directors adopted Resolution No. VWD 21-005 which: (1) initiated the process of adopting a proposed schedule of changes to the District’s water service rates, fees and charges (the “**New Water Rates**”) in accordance with Cal. Const. Art. XIID, §6; (2) accepted the water rate/cost of service study prepared by NBS upon which such New Water Rates were based (the “**Study**”); (3) set a Public Hearing for July 20, 2021 to receive testimony and consider any protests against the proposed New Water Rates; and (4) authorized District staff to prepare and mail notices to the record owners of each identified parcel upon which the New Water Rates were to be imposed, advising them of the New Water Rates and the date for a Public Hearing thereon; and

WHEREAS, the notice of the July 20, 2021 Public Hearing was mailed to all record owners of identified parcels upon which the New Water Rates were to be imposed not less than forty-five (45) days prior to the Public Hearing; and

WHEREAS, such written notices contained the following information as required by Cal. Const. Art. XIID, §6: (1) the amount of the New Water Rates proposed to be imposed upon each parcel; (2) the basis on which the amount of the proposed New Water Rates was calculated; (3) the reason for the New Water Rates; and (4) the date, time, and location of the Public Hearing on the New Water Rates; and

WHEREAS, the written notice further contained instructions on how to file a written protest against the New Water Rates; and

WHEREAS, the District identified 36,069 affected parcels and mailed out notices to the property owners of record. Pursuant to Cal. Const. Art. XIID, §6, the District would be unable to adopt the proposed New Water Rates if 18,036 written protests were received; and

WHEREAS, in accordance with the District's standard practice for noticing resolutions to be adopted at public hearings, a notice relating to the adoption of this Resolution was published on July 9, 2021 in a newspaper of general circulation and a copy of this Resolution was made available on the District's Website; and

WHEREAS, the Board of Directors conducted a Public Hearing on July 20, 2021 at 6:00 p.m. at the Victorville City Council Chambers, 14343 Civic Drive, Victorville, California 92392 in order to receive oral and written testimony regarding the New Water Rates and to determine if a majority written protest existed; and

WHEREAS, the adoption of this Resolution is exempt from the California Environmental Quality Act (CEQA) because it approves and sets forth a procedure for determining fees for the purpose of meeting the operating expenses, financial reserve needs and requirements, and obtaining funds for capital projects necessary to maintaining service within existing service areas of the District, as set forth in Public Resources Code Section 21080 (b)(8) and 14 Cal. Code Regs. §15273(a); and

WHEREAS, based upon the findings, information and recommendations of the Study, and consistent with the requirements of Cal. Const. Art. XIID, §6, if there is no majority written protest, the Board of Directors finds it to be in the best interests of the District and its customers to adopt this Resolution and the New Water Rates set forth in Section 3 hereof.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE VICTORVILLE WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. RECITALS.

All of the foregoing recitals are true and correct and the Board of Directors so finds and determines. The recitals set forth above, including any definitions, are incorporated herein; are made findings and determinations of the Board of Directors; and made an operative part of this Resolution.

SECTION 2. ADOPTION AND EFFECTIVE DATES OF NEW RATES AND CHARGES FOR WATER SERVICE.

The rates and charges for water service set forth in the rate tables in Section 3 of this Resolution are hereby adopted. With the exception of the Drought Rate Schedule in Section 3.d (which requires certain conservation levels be reached and prior notice before being imposed); the rates and charges designated to be effective on August 1, 2021 shall be fixed for all billings made on or after August 1, 2021, and thereafter shall be annually adjusted and fixed for all billings made on or after July 1 of each subsequent year, as indicated in the Section 3 rate tables below.

SECTION 3. SCHEDULE OF NEW RATES AND CHARGES FOR WATER SERVICE.

a. **Rate Structure.**

The rate structure for the District's water service charges is comprised of two components: a volumetric commodity charge (consumption rate) based on the amount of water consumed during a billing period; and a fixed monthly service (meter) charge.

b. **Consumption Rate.** As set forth in the table below, a new two-tier volumetric

rate system for Single Family Residential (SFR) customers is now established and the existing uniform volumetric rate for all other customer classes remains in place. The volumetric charge would be per hundred cubic feet (hcf) of water registered by a water service meter established to serve a specific property by the District. In developing the two tiers, the breaking point was established to be at 6 hcf.

Volumetric Rates (Commodity Charges) For All Water Consumed (per hcf)	New Water Rates and Effective Dates				
	08/01/2021	07/01/2022	07/01/2023	07/01/2024	07/01/2025
	27% Fixed / 73% Variable	30% Fixed / 70% Variable	33% Fixed / 67% Variable	37% Fixed / 63% Variable	40% Fixed / 60% Variable
<u>Single Family Residential:</u>					
Tier 1 (1-6 hcf)	\$1.41	\$1.02	\$0.92	\$0.81	\$0.80
Tier 2 (7+ hcf)	\$3.58	\$2.51	\$2.47	\$2.44	\$2.44
<u>All Other Customers:</u>					
Standard Domestic Water	\$2.61	\$2.57	\$2.52	\$2.47	\$2.42
Construction Flow Meter / Intertie / Fire	\$3.56	\$3.67	\$3.78	\$3.89	\$4.01
Untreated (Well) Water *	\$0.89	\$0.87	\$0.86	\$0.84	\$0.82
Recycled / Reclaimed Water **	\$1.57	\$1.54	\$1.51	\$1.48	\$1.45

* Non-potable water produced from District wells for Municipal Irrigation. Pursuant to Resolution No. VWD 14-009, Section 3.a.iii., the consumption charge per hundred cubic feet will continue at a rate of thirty-four percent (34%) of the consumption charge of the Standard Domestic Water rate.

** Non-potable water purchased from the Industrial Wastewater Treatment Plant or other sources as available. Pursuant to Resolution No. VWD 12-002, Section 4.a.iv., the consumption charge per hundred cubic feet will continue at a rate of sixty percent (60%) of the consumption charge of the Standard Domestic Water rate.

c. **Fixed Water Service (Meter) Charge.** The fixed periodic charge is based on the size of the water meter serving a property. This charge is assessed on an approximately monthly basis and prorated for billing periods less than twenty (20) days or more than forty (40) days. The meter charge is assessed to each property where water is made available, whether or not water is actually used and shall be as set forth in the following table.

Monthly Fixed Water Service Charge (Meter Charge)	New Water Rates and Effective Dates				
	08/01/2021	07/01/2022	07/01/2023	07/01/2024	07/01/2025
	27% Fixed / 73% Variable	30% Fixed / 70% Variable	33% Fixed / 67% Variable	37% Fixed / 63% Variable	40% Fixed / 60% Variable
<u>Fixed Service Charges:</u>					
¾ inch	\$15.24	\$17.68	\$20.25	\$22.96	\$25.81
1 inch	\$23.31	\$27.04	\$30.97	\$35.12	\$39.48
1 ½ inch	\$43.49	\$50.45	\$57.78	\$65.51	\$73.66
2 inch	\$67.71	\$78.54	\$89.96	\$101.99	\$114.67
3 inch	\$132.28	\$153.44	\$175.75	\$199.26	\$224.03
4 inch	\$204.93	\$237.71	\$272.27	\$308.69	\$347.06
6 inch	\$406.72	\$471.78	\$540.38	\$612.67	\$688.81
8 inch	\$1,133.18	\$1,314.45	\$1,505.58	\$1,706.99	\$1,919.12
10 inch	\$1,698.21	\$1,969.86	\$2,256.28	\$2,558.12	\$2,876.03

Monthly Fixed Water Service Charge Table, Continued					
Monthly Fixed Water Service Charge (Meter Charge)	New Water Rates and Effective Dates				
	08/01/2021	07/01/2022	07/01/2023	07/01/2024	07/01/2025
	27% Fixed / 73% Variable	30% Fixed / 70% Variable	33% Fixed / 67% Variable	37% Fixed / 63% Variable	40% Fixed / 60% Variable
Fire Fixed Service Charges:					
¾ inch	\$3.13	\$3.63	\$4.16	\$4.72	\$5.30
1 inch	\$4.14	\$4.67	\$5.23	\$5.83	\$6.45
1 ½ inch	\$5.15	\$5.71	\$6.31	\$6.93	\$7.59
2 inch	\$6.36	\$6.96	\$7.60	\$8.26	\$8.96
3 inch	\$10.19	\$10.92	\$11.68	\$12.47	\$13.30
4 inch	\$17.26	\$18.20	\$19.19	\$20.22	\$21.30
6 inch	\$35.42	\$36.94	\$38.52	\$40.16	\$41.86
8 inch	\$59.63	\$61.91	\$64.28	\$66.74	\$69.28
10 inch	\$91.91	\$95.22	\$98.64	\$102.18	\$105.84

d. **Drought Rate Schedule.** Should extraordinary measures to combat drought within FY 2022 and /or FY 2023 result in water conservation reaching the percentages shown in the first column of the Drought Rate Schedule below, the Board of Directors may take action to impose the rates set forth in the table below to ensure the District receives sufficient revenues to recover costs of providing water service when consumption decreases. Imposition, as well as subsequent adjustment or repeal, of any of the rates in the Drought Rate Schedule, will only occur after adoption of a resolution by the Board of Directors and the mailing of written notices are mailed to affected property owners at least thirty (30) days prior to the date any such new rate becomes effective.

Drought Rate Schedule	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Rates for Single Family Residential Tier 1 Water Consumed (per hcf)					
20%	\$1.45	\$1.03	After year 2, revenue losses from drought reductions are offset by marginal cost reductions.		
30%	\$1.48	\$1.04			
40%	\$1.53	\$1.05			
50%	\$1.59	\$1.07			
Rates for Single Family Residential Tier 2 Water Consumed (per hcf)					
20%	\$3.63	\$2.52	After year 2, revenue losses from drought reductions are offset by marginal cost reductions		
30%	\$3.66	\$2.53			
40%	\$3.70	\$2.54			
50%	\$3.76	\$2.56			
Rates for Standard Domestic Water Consumed (per hcf)					
20%	\$2.66	\$2.73	After year 2, revenue losses from drought reductions are offset by marginal cost reductions.		
30%	\$2.69	\$2.74			
40%	\$2.73	\$2.75			
50%	\$2.79	\$2.77			
Rates for Construction Flow Meter / Intertie / Filler Spout Water (per hcf)					
20%	\$3.61	\$3.68	After year 2, revenue losses from drought reductions are offset by marginal cost reductions.		
30%	\$3.64	\$3.69			
40%	\$3.69	\$3.70			
50%	\$3.75	\$3.72			

SECTION 4. FINDINGS.

The Board of Directors of the Victorville Water District hereby further finds and determines all of the following:

- a. That at the close of the Public Hearing, the District received _____ written protests against the proposed New Water Rates set forth in the mailed written notices and in Section 3 of this Resolution. The District Secretary has certified the tabulation of written protests. As written protests were not presented by a majority of record owners of parcels upon which the proposed New Water Rates are to be imposed, the Board of Directors is authorized to adopt and impose the New Water Rates set forth in Section 3 of this Resolution.
- b. That as demonstrated by the Study, the revenues derived from the New Water Rates will be utilized to meet the costs of operation, maintenance, regulatory compliance, administration, and capital improvements necessary to provide water service within the District's service area, and shall not exceed the funds required to provide water services.
- c. That the revenues derived from New Water Rates will not be used for any purpose other than providing water service, which service includes water capital projects that upgrade and/or repair infrastructure within the District's service area.
- d. That the Study has created a rate structure which ensures that the amounts of the New Water Rates imposed on any parcel or person as an incident of property ownership will not exceed the proportional cost of the service attributable to the parcel.
- e. That the New Water Rates will be imposed only for water or water services actually used or immediately available for use by the parcels on which they are imposed.
- f. That the revenues derived from the New Water Rates will not be used for general governmental services, including police, fire, ambulance or library services.

SECTION 5. SUPERSESION OF PRIOR OR CONFLICTING RESOLUTIONS.

All resolutions or administrative actions by the Board of Directors, or parts thereof that are inconsistent with any provision of this Resolution are hereby superseded only to the extent of such inconsistency.

SECTION 6. COMPLIANCE WITH LAW; SEVERABILITY.

If any section, subsection, clause or phrase in this Resolution is for any reason held invalid, the validity of the remainder of this Resolution shall not be affected thereby.

SECTION 7. CERTIFICATION.

The District Secretary is directed to fill in the number of written protests received in Section 4.a, above; shall certify to the passage and adoption of this Resolution; shall enter the same in the book of original Resolutions of the District; and shall make a

minute of passage and adoption thereof in the records of the proceedings of the District, in the minutes of the meeting at which this Resolution is passed and adopted.

SECTION 8. EFFECTIVE DATE.

This Resolution shall take effect immediately upon its adoption.