

RESOLUTION 862-23

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE MONTE VISTA WATER DISTRICT,
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA,
ESTABLISHING WATER RATES PURSUANT TO ORDINANCE 28**

WHEREAS, pursuant to California Water Code Section 31007, the Board of Directors (“Board”) of the Monte Vista Water District (“District”) is required to establish water rates and charges at a level which will yield an amount of revenue sufficient to pay for operating expenses, provide for repairs and depreciation of works, and pay the principal and interest on any bonded debt; and, pursuant to District Ordinance 28, Section 7, District water rates are to be adjusted from time to time to ensure that revenues cover expenses; and

WHEREAS, the District completed its 2024-2027 Financial Master Plan and Cost of Service Rate Study (“Rate Study”), which reflects that (1) water rates need to be adjusted to cover actual costs incurred by the District in providing water service to its customers, including funds for capital improvements and an appropriate level of reserves; and (2) the proposed water rate adjustments will not produce revenues in excess of the costs of such service; and

WHEREAS, the District’s Rate Study requires capital expenditures in excess of \$37 million over the next four (4) years for new and replacement facilities; and

WHEREAS, pursuant to the requirements of Article XIII D, Section 6 of the California Constitution and Section 53755 of the Government Code, the District provided mailed notice of the proposed water rates (“Notice”) to all District customers of record and parcel owners within the District’s service area, advising them of (1) a public hearing to be conducted by the District Board on November 8, 2023, and (2) the opportunity to protest the proposed rates in writing, which Notice was mailed more than forty-five (45) days prior to the public hearing; and

WHEREAS, on November 8, 2023, the Board (1) conducted a public hearing on the proposed water rates as provided in the Notice, (2) considered all written protests to the proposed water rates filed with the District prior to the conclusion of the public hearing, and (3) determined that the written protests filed with the District represent fewer than fifty percent (50%) of the number of parcels within the District’s service; and

WHEREAS, pursuant to Section 53756 to the Government Code, the District may adopt a schedule of fees or charges that authorizes automatic adjustments that pass through (1) increases in wholesale charges for water or (2) adjustments for inflation for a period not to exceed five (5) years; and

WHEREAS, in accordance with Water Code Section 31007, Proposition 218 (Article XIII C and D of the California Constitution), and the District’s Rate Study, the Board desires to adjust its water rates effective January 1, 2024, within the confines of the District’s water rate schedule published in its Notice.

THEREFORE, BE IT RESOLVED THAT the Board of Directors of the Monte Vista Water District do hereby resolve, determine, and order as follows:

Section 1: Water Rates

(a) Rates for delivery of water for the District shall be as set forth below:

(1) Bi-monthly Readiness-to-Serve Charges per Meter Size:

Meter Size (inches)	Effective 1/1/2024	Effective 1/1/2025	Effective 1/1/2026	Effective 1/1/2027
0.75 (or smaller)	\$53.01	\$57.26	\$61.85	\$66.80
1	72.30	78.09	84.34	91.09
1.5	136.62	147.55	159.36	172.11
2	188.07	203.12	219.37	236.92
3	381.03	411.52	444.45	480.01
4	651.16	703.26	759.53	820.30
6	1,397.24	1,509.02	1,629.75	1,760.13
8	2,374.86	2,564.85	2,770.04	2,991.65
10	3,558.229	3,842.96	4,150.40	4,482.44

(2) Commodity Charges per 100 Cubic Feet (HCF) of Water:

Single-Family Residential	Effective 1/1/2024	Effective 1/1/2025	Effective 1/1/2026	Effective 1/1/2027
Tier 1	\$2.37	\$2.56	\$2.77	\$3.00
Tier 2	4.27	4.62	4.99	5.39
Tier 3	4.96	5.36	5.79	6.26
Tier 4	5.92	6.40	6.92	7.48

Dedicated Irrigation	Effective 1/1/2024	Effective 1/1/2025	Effective 1/1/2026	Effective 1/1/2027
Tier 1	\$3.45	\$3.73	\$4.03	\$4.36
Tier 2	5.06	5.47	5.91	6.39

All Other Customers	Effective 1/1/2024	Effective 1/1/2025	Effective 1/1/2026	Effective 1/1/2027
Domestic	\$3.17	\$3.43	\$3.71	\$4.01
Recycled	2.34	2.53	2.74	2.96

- (b) The commodity charge for single-family residential customers shall be calculated based on the allocation criteria shown in the table below (one unit = 100 HCF = 748 gallons).

Residential Tier 1	17 units per bi-monthly billing period
Residential Tier 2	Up to 0.032 units per square foot of irrigated land per year
Residential Tier 3	The sum of 50% of Tier 1 and 50% of Tier 2 allocation
Residential Tier 4	All usage above Tier 3

- (c) The commodity charge for dedicated irrigation meter customers shall be calculated based on the allocation criteria shown in the table below (one unit = 100 HCF = 748 gallons).

Irrigation Tier 1	Up to 0.037 units per square foot of irrigated land per year
Irrigation Tier 2	All usage above Tier 2

- (d) Single-family residential and dedicated irrigation meter customers may request a variance to adjust their tier allocations due to special circumstances. The District shall grant or deny variance requests based on the Water Budget Variance Policy incorporated herein by reference.

Section 2: Pass-Through Adjustments

The following pass-through adjustments shall be imposed in order to pass through any amount of wholesale water service charges which exceed, in any fiscal year, the amount of scheduled increase in the District’s Rate Study. Provided, however, that (1) any increase in the District’s water rates, set forth above in Section 1, as a result of any pass-through adjustment shall not exceed ten percent (10%) per year of the tiered rates described above in Section 1; and (2) in no event shall such rates be increased more than the cost of providing water service.

- (a) Metropolitan Water District of Southern California (MWD) Pass-Through Adjustment. Should MWD elect to impose an increase in wholesale rates, which exceeds those used in the Rate Study to establish the commodity charges provided for in Section 1, such an increase shall be passed on to District customers as an MWD Pass-Through Adjustment.
- (b) Inland Empire Utilities Agency (IEUA) Pass-Through Adjustment. Should IEUA elect to impose an increase in wholesale rates, which exceeds those used in the Rate Study to establish the commodity charges provided for in Section 1, such an increase shall be passed on to District customers as an IEUA Pass-Through Adjustment.

The District shall provide customers with written notice of any such pass-through adjustments not less than thirty (30) days prior to the effective date of the adjustments.

Section 3: Demand Reduction Rates

The following demand reduction rates shall be imposed as needed when, in any fiscal year, customer demand is projected to be below the demand estimates used to establish the District’s commodity charges as set forth in Section 1 above.

- (a) **Stage 1 Demand Reduction Rate.** Should customer demand be projected to be ten percent (10%) below the demand estimates used in the District’s Rate Study to establish the District’s commodity charges set forth in Section 1, the following rates may be adopted in place of the commodity charges set forth in Section 1:

Rate Category	Effective 1/1/2024	Effective 1/1/2025	Effective 1/1/2026	Effective 1/1/2027
Residential Tier 1	\$2.46	\$2.66	\$2.88	\$3.12
Residential Tier 2	4.67	5.05	5.46	5.90
Residential Tier 3	5.55	6.00	6.48	7.00
Residential Tier 4	7.06	7.63	8.25	8.91
Irrigation Tier 1	3.72	4.02	4.35	4.70
Irrigation Tier 2	5.55	6.00	6.48	7.00
Domestic Flat Rate	3.35	3.62	3.91	4.23

- (b) **Stage 2 Demand Reduction Rate.** Should customer demand be projected to be twenty percent (20%) below the demand estimates used in the District’s Rate Study to establish the District’s commodity charges as set forth in Section 1, the following rates may be adopted in place of the commodity charges set forth in Section 1:

Rate Category	Effective 1/1/2024	Effective 1/1/2025	Effective 1/1/2026	Effective 1/1/2027
Residential Tier 1	\$2.58	\$2.79	\$3.02	\$3.27
Residential Tier 2	5.21	5.63	6.09	6.58
Residential Tier 3	6.23	6.73	7.27	7.86
Residential Tier 4	8.05	8.70	9.40	10.16
Irrigation Tier 1	4.38	4.74	5.12	5.53
Irrigation Tier 2	6.77	7.32	7.91	8.55
Domestic Flat Rate	3.58	3.87	4.18	4.52

- (c) **Stage 3 Demand Reduction Rate.** Should customer demand be projected to be thirty percent (30%) below the demand estimates used in the District’s Rate Study to establish the District’s commodity charges as set forth in Section 1, the following rates may be adopted in place of the commodity charges set forth in Section 1:

Rate Category	Effective 1/1/2024	Effective 1/1/2025	Effective 1/1/2026	Effective 1/1/2027
Residential Tier 1	\$2.73	\$2.95	\$3.19	\$3.45
Residential Tier 2	5.78	6.25	6.75	7.29
Residential Tier 3	6.98	7.54	8.15	8.81
Residential Tier 4	9.24	9.98	10.78	11.65
Irrigation Tier 1	4.88	5.28	5.71	6.17
Irrigation Tier 2	7.69	8.31	8.98	9.70
Domestic Flat Rate	3.88	4.20	4.54	4.91

(d) Stage 4 Demand Reduction Rate. Should customer demand be projected to be forty percent (40%) below the demand estimates used in the District’s Rate Study to establish the District’s commodity charges as set forth in Section 1, the following rates may be adopted in place of the commodity charges set forth in Section 1:

Rate Category	Effective 1/1/2024	Effective 1/1/2025	Effective 1/1/2026	Effective 1/1/2027
Residential Tier 1	\$2.89	\$3.13	\$3.39	\$3.67
Residential Tier 2	6.55	7.08	7.65	8.27
Residential Tier 3	8.01	8.66	9.36	10.11
Residential Tier 4	12.57	13.58	14.67	15.85
Irrigation Tier 1	6.66	7.20	7.78	8.41
Irrigation Tier 2	10.98	11.86	12.81	13.84
Domestic Flat Rate	4.27	4.62	4.99	5.39

The District shall provide customers with written notice of the adoption of any demand reduction rate not less than thirty (30) days prior to the effective date of the new rates.

Section 4: Validity

If any section, subsection, clause, phrases, or portion of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Resolution.

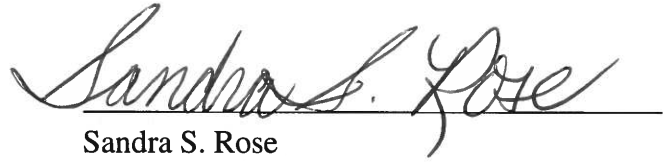
Section 5: Effective Date

This Resolution shall be effective on January 1, 2024.

Section 6: Repeal and Rescind

Upon adoption of this Resolution, Resolution 760-20 shall be repealed and rescinded, effective January 1, 2024, except for Section 1(a)(2) of Resolution 760-20, which established the fire service charge. Section 1(a)(2) shall remain in full force and effect unless and until repealed and rescinded in a subsequent Board resolution.

APPROVED AND ADOPTED this 8th day of November 2023.



Sandra S. Rose
President of the Board of Directors
MONTE VISTA WATER DISTRICT

ATTEST:



Justin M. Scott-Coe
Secretary to the Board of Directors
MONTE VISTA WATER DISTRICT