

RESOLUTION NO. SCV-216

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
ESTABLISHING RETAIL WATER RATES
FOR FISCAL YEARS 2022, 2023, 2024, 2025 AND 2026
AND MAKING AN EXEMPTION DETERMINATION
UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

WHEREAS, the Santa Clarita Valley Water Agency (SCVWA) is organized and exists under the provisions of California Water Code Appendix Section 145-1 *et seq.*, and is authorized to provide water service to customers within its service area and to impose fees and charges to recover the costs of providing such water services; and

WHEREAS, SCVWA is committed to providing the highest quality water services at the lowest possible rates for its customers. To meet this commitment, SCVWA undertook an evaluation of its operations and maintenance costs and capital infrastructure improvements needed to provide safe and reliable drinking water for the ensuing five fiscal years; and

WHEREAS, based on this evaluation, the Board of Directors has determined that rate changes are necessary to recover SCVWA's costs of providing water service, which include increased costs of operations and maintenance, materials and supplies, power and labor; and

WHEREAS, on or about April 20, 2021, SCVWA made available for review at SCVWA's administrative office the complete Retail Water Rate Cost Analysis and Rate Study Design report that provides evidentiary support for the rate changes, as well as the independent Ratepayer Advocate Report by Robert D. Niehaus, Inc. that provides an independent evaluation of the proposed rate increase; and

WHEREAS, SCVWA retail water service charges are comprised of five components: (1) a Fixed Charge, determined on the basis of the size of the meter serving the property (in inches); (2) a Water Supply Charge, determined on the basis of the number of metered units of water delivered (with each unit equal to one hundred cubic feet (CCF), or 748 gallons); (3) a Fixed Legacy Debt Charge designed to recover the debt service costs of legacy debt owed by the separate retail purveyors, determined on the basis of the legacy retail division and the meter servicing the property (in inches); (4) a Dedicated Fire Service Charge, determined on the basis of the diameter of the fire meter serving the property (in inches); and (5) a Recycled Water Use Charge, charged to customers that receive recycled water, determined on the basis of the number of metered units of recycled water delivered (with each unit equal to one hundred cubic feet (CCF), or 748 gallons); and

WHEREAS, the Fixed Charge is designed to recover a portion of SCVWA's fixed costs for (a) certain operations and maintenance costs (b) meter reading (c) billings (d) collections and (e) accounting costs. The Water Supply Charge is designed to recover a portion of SCVWA's fixed costs and its variable costs for (f) pumping and treating water and (g) energy costs for delivering water; and

WHEREAS, SCVWA's Water Supply Charge is a uniform volumetric rate structure for all classes of customers. SCVWA has five distinct customer classes: Single Family Residential,

Business/Commercial, Industrial, Irrigation (customers with dedicated irrigation meters), and All Other Customers (institutional, private fire, and construction); and

WHEREAS, the Dedicated Fire Service Charge is imposed only on properties that, as a condition of extending or initiating water service, are required to install a private fire suppression system, or have requested the delivery of water for the purpose of private fire meter service. This Dedicated Fire Service Charge is for private fire service protection only; and

WHEREAS, SCVWA obtains its water from two sources – imported water from the Sacramento-San Joaquin Delta (Delta) and local groundwater; and

WHEREAS, California Constitution Article XIII D, Section 6 (Article XIII D) requires that prior to imposing any change of the rates of its water service charges, SCVWA shall provide written notice (Notice) by mail of (1) the proposed changes to such rates of water service charges to the record owner of each parcel upon which the water service charges are proposed for imposition and any tenant directly liable for payment of the water service charges, (2) the amount of the rates for the water service charges proposed to be imposed on each parcel, (3) the basis upon which the rates of the water service charges were calculated, (4) the reason for the new or changed rates of the water service charges and (5) the date, time and location of a public hearing (the "Hearing") on the proposed rates of the water service charges; and

WHEREAS, pursuant to Article XIII D such Notice is required to be provided to the affected property owners and any tenant directly liable for the payment of the water service charges not less than forty-five days prior to the Hearing on the proposed water service charges; and

WHEREAS, there are 77,541 identified parcels that receive water service from SCVWA, of which a majority would be 38,771; and

WHEREAS, the Hearing was held on this day, June 15, 2021; and

WHEREAS, at the Hearing the SCVWA Board heard and considered all oral testimony, written materials and written protests concerning the establishment and imposition of the proposed rate changes for the water service charges, entered such written protests into the record of such Hearing, and at the close of the Hearing SCVWA did not receive written protests against the establishment and imposition of the proposed rate changes for water service from a majority of the affected property owners and tenants directly liable for the payment of water service charges; and

WHEREAS, revenue collected from the water service charges will be used to pay for water service actually provided to the property identified in the Notice and will not be used for general governmental purposes; and

WHEREAS, the revenues from water service charges will not and do not exceed the amount required to provide such water service; and

WHEREAS, the revenues collected from water service charges have been and will be used only to pay for the water services for which they were collected; and

WHEREAS, the water service charges are not standby charges, but are imposed for water immediately available to the property subject to the imposition of the fees.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SANTA CLARITA VALLEY WATER AGENCY RESOLVES AND ORDERS AS FOLLOWS:

1. The foregoing Recitals are all true and correct and are made findings of this SCVWA Board of Directors (Board).
2. Based upon substantial evidence presented to the Board, including the rate study report entitled "Retail Water Rate Cost Analysis and Rate Study Design report," the Board finds that the water rates adopted in this Resolution do not exceed the reasonable cost of providing the service and will be sufficient to fund the SCVWA (1) operating expenses, (2) purchasing or leasing of supplies, equipment and materials, (3) financial reserve needs and requirements and (4) capital projects necessary to maintain service within SCVWA's existing service area.
3. The Board hereby finds that the administration, operation, maintenance, and improvements of the SCVWA water system (System), which are to be funded by the water service charges set forth herein, are necessary to maintain service within SCVWA's existing service area. The Board further finds that the administration, operation, maintenance and improvements of the System, to be funded by the water service charges set forth herein, will not expand the System. The Board further finds that such water service charges are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the System.
4. The Board further determines that this Resolution and the activity that it approves are statutorily exempt from the California Environmental Quality Act ("CEQA"). Public Resources Code Section 21080(b)(8) and State CEQA Guidelines Section 15273(a) provide that CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates or other charges by a public agency that the public agency finds are for the purpose of (1) meeting operating expenses; (2) purchasing or leasing supplies, equipment, or materials; (3) meeting financial reserve needs and requirements; or (4) obtaining funds for capital projects necessary to maintain service within existing service areas. Here, as set forth above, the approval of the rates for water service charges as set forth herein are necessary for these very purposes. Accordingly, the Board hereby determines that this Resolution, the approval of the rate plan for water service charges, and the implementation of such rates are exempt from CEQA pursuant to California Public Resources Code Section 21080(b)(8) and State CEQA Guidelines Section 15273(a).
5. The Board has evaluated and hereby approves the rates for water service charges and shall be effective as of July 1, 2021, and each July 1 thereafter through and including July 1, 2025 in the amounts and effective on the dates set forth in Exhibit A.
6. SCVWA staff is hereby directed to take any and all steps necessary to implement such rates, including but not limited to filing a notice of exemption and paying any applicable fees.
7. SCVWA staff is hereby directed to provide the Finance and Administration Committee with an update on the upcoming proposed rate change each year within this rate cycle, which will include information on financial performance and rate setting assumptions.

8. This Resolution shall be effective as of the date of adoption. The rate changes for the water service charges set forth herein shall become effective as authorized herein.
9. All resolutions or administrative actions by the Board, or parts thereof that are inconsistent with any provision of this Resolution, are hereby superseded only to the extent of such inconsistency.
10. If any section, subsection, subdivision, sentence, clause, or phrase in this Resolution or any part thereof is for any reason held to be unconstitutional, invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Resolution or any part thereof. The Board hereby declares that it would have adopted each section irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses or phrases be declared unconstitutional, invalid or ineffective. If the water rates established by this Resolution are declared invalid or otherwise set aside by any court of competent jurisdiction, the water rates in effect prior to the effective date of this Resolution shall be deemed by this Resolution to be restored, revived and brought to full force and effect.



President

I, the undersigned, hereby certify: That I am the duly appointed and acting Secretary of the Santa Clarita Valley Water Agency, and that at a regular meeting of the Board of Directors of said Agency held on June 15, 2021, the foregoing Resolution No. SCV-216 was duly and regularly adopted by said Board, and that said resolution has not been rescinded or amended since the date of its adoption, and that it is now in full force and effect.

DATED: June 15, 2021



Secretary



EXHIBIT A

RETAIL WATER SERVICE RATE TABLES

POTABLE AND RECYCLED WATER CHARGES

WATER USE CHARGE Note: Water Use Charge is per unit of water used (ccf) (1 ccf = 748 gallons)					
Class	Proposed charge effective 7/1/2021	Proposed charge effective 7/1/2022	Proposed charge effective 7/1/2023	Proposed charge effective 7/1/2024	Proposed charge effective 7/1/2025
Potable	\$2.09	\$2.22	\$2.37	\$2.52	\$2.68
Recycled	\$1.67	\$1.78	\$1.90	\$2.02	\$2.14
MONTHLY FIXED CHARGES (Potable and Recycled)					
Meter Size	Proposed charge effective 7/1/2021	Proposed charge effective 7/1/2022	Proposed charge effective 7/1/2023	Proposed charge effective 7/1/2024	Proposed charge effective 7/1/2025
5/8-in	\$13.64	\$14.52	\$15.47	\$16.47	\$17.54
3/4-in	\$18.38	\$19.58	\$20.85	\$22.21	\$23.65
1-in	\$27.87	\$29.69	\$31.62	\$33.67	\$35.86
1 1/2-in	\$51.60	\$54.96	\$58.53	\$62.33	\$66.39
2-in	\$80.08	\$85.28	\$90.83	\$96.73	\$103.02
2 1/2-in	\$94.32	\$100.45	\$106.97	\$113.93	\$121.33
3-in	\$146.52	\$156.04	\$166.18	\$176.99	\$188.49
4-in	\$241.43	\$257.13	\$273.84	\$291.64	\$310.60
6-in	\$478.72	\$509.84	\$542.98	\$578.27	\$615.86
8-in	\$763.47	\$813.09	\$865.94	\$922.23	\$982.17
10-in	\$1,095.67	\$1,166.89	\$1,242.74	\$1,323.51	\$1,409.54
12-in	\$2,044.82	\$2,177.74	\$2,319.29	\$2,470.04	\$2,630.59

MONTHLY LEGACY DEBT FIXED CHARGE		
Meter Size	Santa Clarita Division effective 7/1/21*	Valencia Division effective 7/1/21*
5/8-in	\$6.80	\$4.34
3/4-in	\$10.20	\$6.50
1-in	\$17.01	\$10.84
1 1/2-in	\$34.02	\$21.68
2-in	\$54.42	\$34.69
2 1/2-in	\$64.63	\$41.20
3-in	\$102.05	\$65.05
4-in	\$170.08	\$108.41
6-in	\$340.15	\$216.83
8-in	\$544.24	\$346.92
10-in	\$782.35	\$498.70
12-in	\$1,462.65	\$932.36

*The Legacy Debt charge is effective on July 1, 2021, and will remain unchanged through the rate period (July 1, 2021 – June 30, 2026). It is billed monthly.

DEDICATED FIRE SERVICE CHARGES

WATER USE CHARGE Note: Water Use Charge is per unit of water used (ccf) (1 ccf = 748 gallons)					
Class	Proposed charge effective 7/1/2021	Proposed charge effective 7/1/2022	Proposed charge effective 7/1/2023	Proposed charge effective 7/1/2024	Proposed charge effective 7/1/2025
Potable	\$2.09	\$2.22	\$2.37	\$2.52	\$2.68
MONTHLY FIXED CHARGES					
Meter Size	Proposed charge effective 7/1/2021	Proposed charge effective 7/1/2022	Proposed charge effective 7/1/2023	Proposed charge effective 7/1/2024	Proposed charge effective 7/1/2025
3/4-in	\$5.71	\$6.08	\$6.47	\$6.90	\$7.34
1-in	\$6.29	\$6.70	\$7.14	\$7.60	\$8.10
1 1/2-in	\$7.76	\$8.26	\$8.80	\$9.37	\$9.98
2-in	\$9.51	\$10.13	\$10.79	\$11.49	\$12.24
2 1/2-in	\$10.39	\$11.07	\$11.79	\$12.55	\$13.37
3-in	\$13.61	\$14.50	\$15.44	\$16.44	\$17.51
4-in	\$19.47	\$20.73	\$22.08	\$23.52	\$25.04
6-in	\$34.10	\$36.32	\$38.68	\$41.20	\$43.87
8-in	\$51.67	\$55.03	\$58.60	\$62.41	\$66.47
10-in	\$72.16	\$76.85	\$81.85	\$87.17	\$92.83
12-in	\$130.71	\$139.21	\$148.25	\$157.89	\$168.15
14-in	\$192.19	\$204.68	\$217.98	\$232.15	\$247.24
16-in	\$272.98	\$290.73	\$309.63	\$329.75	\$351.18
18-in	\$433.70	\$461.89	\$491.91	\$523.89	\$557.94
20-in	\$546.41	\$581.92	\$619.75	\$660.03	\$702.93