



RESOLUTION NO. 11-2021

**ROWLAND WATER DISTRICT
RESOLUTION OF THE BOARD OF DIRECTORS
ADOPTING RATES AND SERVICE CHARGES FOR
POTABLE AND RECYCLED WATER**

WHEREAS, the Rowland Water District (“District”) is a county water district, organized and operating pursuant to Division 12 of the California Water Code; and

WHEREAS, the District imports potable water from the Metropolitan Water District of Southern California through its member agency, Three Valleys Municipal Water District, and also owns, operates, and maintains a recycled water system that distributes recycled water to customers within the District; and

WHEREAS, the District is authorized to fix and collect charges for the provision of services and facilities, including potable and recycled water; and

WHEREAS, the District retained NBS to conduct a water rate study, and determined that it is necessary to adopt new rates for its potable and recycled water service charges to: (1) meet revenue requirements; (2) ensure revenue stability; and (3) provide adequate funding for capital improvements; and

WHEREAS, the proposed rate structure for the potable and recycled water service charges has three customer classes: Single-Family Residential Customers, All Other Customers (commercial, industrial, governmental, institutional, and multi-family residential), and Recycled Water Customers.

WHEREAS, the rate structure consists of five components: (1) fixed monthly service charges (the “Fixed Service Charges”); (2) volumetric potable water commodity charges (“Potable Water Commodity Charges”); (3) volumetric recycled water commodity charges (“Recycled Water Commodity Charges”); (4) volumetric zonal surcharges (“Zonal Surcharges”), and (5) fixed monthly fire service charges (“Fire Service Charges”) (collectively herein, the “Charges”); and

WHEREAS, the rates for the Fixed Service Charges are fixed monthly charges established on the basis of the size of the meter serving a property and are calculated to recover a portion of the District’s fixed costs of operating and maintaining the water system, and are the same for potable and recycled water customers; and

WHEREAS, the rates for the Potable Water Commodity Charges are variable charges imposed per unit of potable water delivered during a billing period. One unit is equal to one hundred cubic

feet (“HCF”), or 748 gallons. For Single-Family Residential Customers, the rate structure for the Potable Water Commodity Charges consists of three tiers which impose higher rates as the level of consumption increases. For All Other Customers, the rates for Potable Water Commodity Charges are uniform charges imposed per unit of water delivered during a billing period.

WHEREAS, the rates for the Recycled Water Commodity Charges are variable charges imposed per unit of recycled water delivered during a billing period. The rates for Recycled Water Commodity Charges are uniform charges imposed per unit of water delivered during a billing period for all Recycled Water Customers; and

WHEREAS, the Zonal Surcharges are variable charges per unit of potable water delivered to customers in higher elevations across six different pressure zones and are based on the cost to maintain and pump water to customers across pressure zones; and

WHEREAS, the fire service charges (“Fire Service Charges”) are fixed monthly charges established on the basis of the size of the meter supplying private fire suppression systems/hydrants, and are only applicable to those customers with private fire suppression systems or hydrants serving their property; and

WHEREAS, on July 8, 2021, the Governor of the State of California issued Executive Order N-10-21 calling on Californians to voluntarily reduce their water consumption by 15% from their 2020 levels; and

WHEREAS, the drought rates (“Drought Rates”) for the Potable Water Commodity Charges will ensure there is sufficient revenue for the operation of the District in the event of increased or new conservation requirements and may be implemented during declared drought levels. The Drought Rates vary depending on the level or percentage of water conservation sought and the amount of water consumed while under those water use restrictions); and

WHEREAS, the Charges will take effect January 1, 2022, and will be adjusted each January 1 thereafter, through and including January 1, 2026, based on the schedule in Exhibit A; and

WHEREAS, the Charges are subject to Article XIII D, section 6 of the California Constitution (“Article XIII D”), which creates certain procedural and substantive requirements for the imposition of any new or increase in any existing property-related fees and charges, and meets these requirements as set forth below; and

WHEREAS, the revenues derived from the Charges will not exceed the funds required to provide the services and shall be used exclusively for the operation and maintenance of the water system; and

WHEREAS, the amount of the Charges will not exceed the proportional cost of the services attributable to each parcel upon which they are proposed for imposition; and

WHEREAS, the Charges will not be imposed on a parcel unless the water services are actually used by, or immediately available to, the owner of the parcel; and

WHEREAS, Article XIII D requires that prior to imposing any new Charges, the District shall provide written notice (the “Notice”) by mail of the proposed Charges to the record owner of each parcel upon which the Charges are proposed for imposition and any tenant directly liable for payment of the Charges, the amount of the Charges proposed to be imposed on each parcel, the basis upon which the Charges were calculated, the reason for the Charges, and the date time and location of a public hearing (the “Hearing”) on the proposed 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 Charges not less than forty-five days prior to the Hearing on the proposed Charges; and

WHEREAS, the District did provide such Notice to the affected property owners and tenants in compliance with Article XIII D; and

WHEREAS, the Hearing was held on this day, November 9, 2021; and

WHEREAS, at the Hearing, the Board of Directors of the District (“Board”) considered all written materials and written protests to the proposed Charges received prior to the close of the Hearing, and heard oral testimony concerning the establishment and imposition of the proposed Charges, and at the close of the Hearing the District determined that it did not receive written protests against the establishment and imposition of the proposed Charges from a majority of the affected property owners or tenants directly liable for the payment of such Charges; and

WHEREAS, the Board now desires to establish and impose the proposed Charges as set forth in Exhibit A.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Rowland Water District as follows:

1. Incorporation of Recitals. The Recitals set forth above are made findings of this Board and are incorporated herein and made an operative part of this Resolution.
2. Inconsistency with other Fees and Charges. To the extent any Charges established by this Resolution are inconsistent with water service fees and charges previously adopted, it is the explicit intention of the Board that the Charges adopted pursuant to this Resolution shall prevail.
3. Charges. The Board hereby adopts the Charges at the rates, in the amounts, and on the effective dates set forth in Exhibit A. The Drought Rates may be activated as a result of a drought, a statewide order mandating water use reduction, or other natural disaster or event that results in a water shortage and an unforeseen drop in water demand.
4. Authorization. The Board of Directors hereby authorizes and directs the General Manager of the District to collect the Charges as set forth in Exhibit A, and to take all actions necessary to effectuate and implement the rates for such Charges.
5. CEQA Compliance. The Board finds that the administration, operation, maintenance, and improvements of the District water system, which is to be funded by the Charges, is necessary to maintain service within the District’s existing water service area as described herein. The Board

further finds that the administration, operation, maintenance and improvements of the District's water system, to be funded by the Charges, will not expand the District's water system. The Board further finds that the adoption of the Charges is necessary and reasonable to fund the administration, operation, maintenance and improvement of the District's water system. Based on these findings, the Board determines that the adoption of the Charges is exempt from the requirements of the California Environmental Quality Act pursuant to section 21080(b)(8) of the Public Resources Code and section 15273(a) of the State CEQA Guidelines. The documents and materials that constitute the record of proceedings on which these findings have been based are located at the Rowland Water District, 3021 Fullerton Road, Rowland Heights, CA 91748. The custodian for these records is the Board Secretary of the District.

6. Severability. If any section, subsection, clause or phrase in this Resolution or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Resolution or the application of such provisions to other persons or circumstances shall not be affected thereby. The Board hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof to any person or circumstance be held invalid.

7. Effective Date. This Resolution shall become effective immediately upon its adoption.

ADOPTED AT A REGULAR MEETING OF THE ROWLAND WATER DISTRICT HELD November 9, 2021 by the following roll call vote:

AYES: Directors Lima, Lu-Yang, Lewis, Bellah and Hsu

NOES: None

ABSTAIN: None

ABSENT: None

ANTHONY J. LIMA, President

I certify that the forgoing Resolution is a true and correct copy of the Resolution of the Board of Directors of the Rowland Water District adopted on November 9, 2021.

**TOM COLEMAN
General Manager/Board Secretary**

EXHIBIT “A” TO RESOLUTION NO. 11-2021

POTABLE AND RECYCLED WATER RATES

Table 1 - Rates for Monthly Potable and Recycled Water Service Charges (\$/Meter Size) and Effective Dates					
<i>Meter Size</i>	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026
5/8 inch	\$43.32	\$45.05	\$46.40	\$47.80	\$49.23
3/4 inch	\$43.32	\$45.05	\$46.40	\$47.80	\$49.23
1 inch	\$43.32	\$45.05	\$46.40	\$47.80	\$49.23
1.5 inch	\$198.78	\$206.73	\$212.93	\$219.32	\$225.90
2 inch	\$315.38	\$327.99	\$337.83	\$347.96	\$358.40
3 inch	\$626.30	\$651.35	\$670.89	\$691.01	\$711.75
4 inch	\$976.08	\$1,015.13	\$1,045.58	\$1,076.95	\$1,109.25
6 inch	\$1,947.71	\$2,025.62	\$2,086.39	\$2,148.98	\$2,213.45
8 inch	\$3,113.66	\$3,238.21	\$3,335.36	\$3,435.42	\$3,538.48
10 inch	\$8,166.13	\$8,492.77	\$8,747.55	\$9,009.98	\$9,280.28
12 inch	\$10,303.71	\$10,715.86	\$11,037.33	\$11,368.45	\$11,709.50

Table 2 - Rates for Monthly Potable Water Fire Service Charges (\$/Meter Size) and Effective Dates					
<i>Meter Size</i>	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026
1 inch	\$6.46	\$6.72	\$6.92	\$7.13	\$7.34
2 inch	\$10.87	\$11.30	\$11.64	\$11.99	\$12.35
3 inch	\$18.48	\$19.22	\$19.80	\$20.39	\$21.00
4 inch	\$32.51	\$33.81	\$34.83	\$35.87	\$36.95
6 inch	\$68.58	\$71.33	\$73.47	\$75.67	\$77.94
8 inch	\$116.68	\$121.35	\$124.99	\$128.74	\$132.60
10 inch	\$180.81	\$188.04	\$193.68	\$199.49	\$205.48
12 inch	\$216.88	\$225.56	\$232.32	\$239.29	\$246.47

Table 3 - Rates for Potable Water Commodity Charges and Effective Dates⁽¹⁾					
Customer Class	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026
<i>Single-Family Residential</i>					
Zone 1					
Tier 1: 1-8 HCF	\$3.18	\$3.31	\$3.41	\$3.51	\$3.62
Tier 2: 9-15 HCF	\$3.59	\$3.73	\$3.84	\$3.96	\$4.08
Tier 3: 16+ HCF	\$4.66	\$4.84	\$4.99	\$5.14	\$5.29
Zone 2					
Tier 1: 1-8 HCF	\$3.34	\$3.47	\$3.57	\$3.68	\$3.80
Tier 2: 9-15 HCF	\$3.74	\$3.89	\$4.01	\$4.13	\$4.25
Tier 3: 16+ HCF	\$4.81	\$5.00	\$5.15	\$5.31	\$5.47
Zone 3					
Tier 1: 1-8 HCF	\$3.47	\$3.61	\$3.72	\$3.84	\$3.96
Tier 2: 9-15 HCF	\$3.88	\$4.03	\$4.16	\$4.28	\$4.42
Tier 3: 16+ HCF	\$4.95	\$5.15	\$5.30	\$5.47	\$5.63
Zone 4					
Tier 1: 1-8 HCF	\$3.82	\$3.97	\$4.10	\$4.23	\$4.36
Tier 2: 9-15 HCF	\$4.22	\$4.39	\$4.53	\$4.67	\$4.82
Tier 3: 16+ HCF	\$5.29	\$5.50	\$5.68	\$5.85	\$6.04
Zone 5					
Tier 1: 1-8 HCF	\$4.02	\$4.18	\$4.31	\$4.45	\$4.60
Tier 2: 9-15 HCF	\$4.42	\$4.60	\$4.75	\$4.90	\$5.05
Tier 3: 16+ HCF	\$5.49	\$5.71	\$5.89	\$6.08	\$6.27
Zone 6					
Tier 1: 1-8 HCF	\$4.29	\$4.46	\$4.61	\$4.76	\$4.91
Tier 2: 9-15 HCF	\$4.69	\$4.88	\$5.04	\$5.20	\$5.37
Tier 3: 16+ HCF	\$5.76	\$5.99	\$6.19	\$6.38	\$6.59
<i>All Other Customers:⁽²⁾</i>					
Zone 1 Uniform Rate	\$3.60	\$3.74	\$3.85	\$3.97	\$4.09
Zone 2 Uniform Rate	\$3.75	\$3.90	\$4.02	\$4.14	\$4.27
Zone 3 Uniform Rate	\$3.89	\$4.04	\$4.17	\$4.30	\$4.43
Zone 4 Uniform Rate	\$4.23	\$4.40	\$4.54	\$4.68	\$4.83
Zone 5 Uniform Rate	\$4.43	\$4.61	\$4.76	\$4.91	\$5.07
Zone 6 Uniform Rate	\$4.70	\$4.89	\$5.05	\$5.21	\$5.38

⁽¹⁾ The rates in Table 3 are equal to the sum of the Potable Water Commodity Charges for each tier in each year, and the applicable Zonal Surcharges.

⁽²⁾ "All Other Customers" includes commercial, industrial, governmental, institutional, and multi-family residential customers.

Table 4 - Rates for Recycled Water Commodity Charges and Effective Dates					
	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026
Uniform Rate	\$2.39	\$2.51	\$2.63	\$2.77	\$2.90

Table 5 - Drought Rates for Potable Water Commodity Charges (\$/HCF) and Effective Dates⁽¹⁾					
Drought Rates – Level 1	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026
<i>Single-Family Residential:</i>					
Tier 1 1-8 hcf	\$3.23	\$4.27	\$5.30	\$6.33	\$7.36
Tier 2 9-15 hcf	\$3.70	\$4.74	\$5.77	\$6.80	\$7.83
Tier 3 16+ hcf	\$5.19	\$6.23	\$7.26	\$8.29	\$9.32
<i>All Other Customers:</i>					
Uniform Rate	\$3.69	\$4.73	\$5.76	\$6.79	\$7.82
Drought Rates – Level 2					
<i>Single-Family Residential:</i>					
Tier 1 1-8 hcf	\$3.29	\$4.33	\$5.36	\$6.39	\$7.42
Tier 2 9-15 hcf	\$3.85	\$4.89	\$5.92	\$6.95	\$7.98
Tier 3 16+ hcf	\$6.02	\$7.06	\$8.09	\$9.12	\$10.15
<i>All Other Customers:</i>					
Uniform Rate	\$3.81	\$4.85	\$5.88	\$6.91	\$7.94
Drought Rates – Level 3					
<i>Single-Family Residential:</i>					
Tier 1 1-8 hcf	\$3.37	\$4.41	\$5.44	\$6.47	\$7.50
Tier 2 9-15 hcf	\$4.07	\$5.11	\$6.14	\$7.17	\$8.20
Tier 3 16+ hcf	\$7.42	\$8.46	\$9.49	\$10.52	\$11.55
<i>All Other Customers:</i>					
Uniform Rate	\$3.96	\$5.00	\$6.03	\$7.06	\$8.09
Drought Rates – Level 4					
<i>Single-Family Residential:</i>					
Tier 1 1-8 hcf	\$3.48	\$4.52	\$5.55	\$6.58	\$7.61
Tier 2 9+ hcf	\$6.17	\$7.21	\$8.24	\$9.27	\$10.30
<i>All Other Customers:</i>					
Uniform Rate	\$4.17	\$5.21	\$6.24	\$7.27	\$8.30
Drought Rates – Level 5					
<i>Single-Family Residential:</i>					
Tier 1 1-8 hcf	\$3.62	\$4.66	\$5.69	\$6.72	\$7.75
Tier 2 9+ hcf	\$7.95	\$8.99	\$10.02	\$11.05	\$12.08
<i>All Other Customers:</i>					
Uniform Rate	\$4.45	\$5.49	\$6.52	\$7.55	\$8.58
Drought Rates – Level 6					
<i>Single-Family Residential:</i>					
Tier 1 1-8 hcf	\$3.84	\$4.88	\$5.91	\$6.94	\$7.97
Tier 2 9+ hcf	\$11.98	\$13.02	\$14.05	\$15.08	\$16.11
<i>All Other Customers:</i>					
Uniform Rate	\$4.88	\$5.92	\$6.95	\$7.98	\$9.01

⁽¹⁾ The Drought Rates replace the standard tiered or uniform Potable Water Commodity Charge rates set forth in Table 3, during the applicable water shortage level declared by the Board. The Drought Rates set forth in this Table 5 do not include the Zonal Surcharges set forth in Table 6, which will be added to the Drought Rates as applicable.

Table 6 - Zonal Surcharges (\$/HCF) and Effective Dates					
Applicable Pressure Zone	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026
Zone 2	\$0.15	\$0.16	\$0.16	\$0.17	\$0.18
Zone 3	\$0.29	\$0.30	\$0.31	\$0.33	\$0.34
Zone 4	\$0.63	\$0.66	\$0.69	\$0.71	\$0.74
Zone 5	\$0.83	\$0.87	\$0.90	\$0.94	\$0.98
Zone 6	\$1.11	\$1.15	\$1.20	\$1.24	\$1.29