



COACHELLA VALLEY WATER DISTRICT

Established in 1918 as a public agency

CERTIFICATION OF TRUE COPY

STATE OF CALIFORNIA
COUNTY OF RIVERSIDE

I, *SYLVIA M. BERMUDEZ*, Clerk of the Board of the Board of Directors of the Coachella Valley Water District, California, do hereby certify that the foregoing Certification of True Copy containing one copy, nine pages, is a full, true and correct copy of Ordinance No. 1441 of the Coachella Valley Water District, entitled:

An Ordinance of the Board of Directors of the Coachella Valley Water District Adopting Rates for Domestic Water Service Charges

Ordinance No. 1441 was adopted by the Coachella Valley Water District Board of Directors on the 8th day of June, 2021.

Dated: June 9, 2021

SYLVIA M. BERMUDEZ, Clerk of the Board
Coachella Valley Water District

(SEAL)

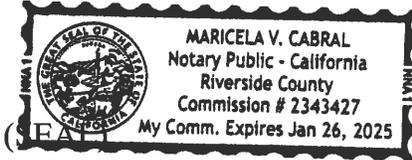
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF RIVERSIDE)

Subscribed and sworn to me this 9th day of June, 2021, by Sylvia M. Bermudez, proved to me on the basis of satisfactory evidence to be the person who appeared before me.



Maricela V. Cabral, Notary Public in
and for said County and State



COMMISSION NO. 2343427

MY COMMISSION EXPIRES JANUARY 26, 2025

CAPACITY CLAIMED BY SIGNER: Clerk of the Board

SIGNER IS REPRESENTING: Coachella Valley Water District

ORDINANCE NO. 1441

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE COACHELLA VALLEY WATER DISTRICT ADOPTING RATES FOR DOMESTIC WATER SERVICE CHARGES

WHEREAS, the Coachella Valley Water District (“District”) is a County Water District operating under the County Water District Law, commencing with California Water Code section 30000; and

WHEREAS, the District is authorized to fix and collect charges for the provision of domestic water services; and

WHEREAS, the District engaged a financial consultant to perform a comprehensive cost of service domestic water rate study (the “Study”) that evaluated the service and infrastructure needs, programs, and operation and maintenance costs of the District’s Domestic Water System; and

WHEREAS, based on the Study the District has determined that it is necessary to increase the rates for its domestic water service charges (collectively herein, the “Charges”) to: (1) recover current and projected increases in the costs of operating and maintaining the Domestic Water System; (2) construct capital infrastructure improvements needed to repair, replace and update the District’s aging domestic water system; (3) maintain the operational and financial stability of the Domestic Water Fund; (4) avoid operational deficits and depletion of reserves; and (5) construct capital infrastructure to comply with regulatory requirements; and

WHEREAS, pursuant to Water Code section 31007, the proposed rates for the Charges to be collected by the District for domestic water services are structured to yield an amount sufficient to do each of the following:

- (a) pay the operating expenses of the Domestic Water Fund;
- (b) provide for repairs and depreciation of works owned or operated by the District;
- (c) pay the interest on any bonded debt; and
- (d) so far as possible, provide a fund for the payment of the principal of the bonded debt as it becomes due; and

WHEREAS, the District’s rate structure for the Charges has four customer classes—Single Family residential, Multi-family residential, Commercial, and Landscape Irrigation. For all customers, the rate structure is comprised of a Fixed Charge component and a Volumetric Charge component; and

WHEREAS, the District also imposes three additional fixed charges on certain customers: (1) a fixed monthly Fire Protection Charge on properties that are required to install or have installed a

private fire suppression system; (2) a surcharge on customers who are served by but located outside of District's service area (the "Outside Customer Surcharge"); and (3) a Backflow Charge on all accounts that require a backflow device. The Fire Protection Charge, Outside Customer Surcharge, and Backflow Charge remain in place and unchanged by this Ordinance; and

WHEREAS, the Volumetric Charge is determined on the basis of the amount of water served to a parcel of property (measured in hundreds cubic feet ("ccf")) and consists of tiers (each a "Tier") which impose higher rates as the level of consumption increases; and

WHEREAS, each customer is allocated a reasonable amount of water use based on that customer's particular needs (referred to as a "water budget"); and

WHEREAS, Single Family and Multi-Family residential customers are given both an indoor water budget and an outdoor water budget; Commercial customers are provided only an indoor water budget, and Landscape Irrigation customers are provided only an outdoor water budget; and

WHEREAS, residential customers' indoor water budgets are calculated using three factors: (1) 50 gallons of water per person per day; (2) the number of people in the household (assumed to be 4 unless otherwise requested by the customer); and (3) the number of days in the billing cycle; and

WHEREAS, outdoor water budgets will be calculated using 3 factors: (1) the amount of irrigated area per parcel (assumes 45% of the residential parcel size is the irrigated area, unless the parcel is larger than 1 acre, in which case the landscaped area is measured by the District's Geographic Information System); (2) historical daily plant water loss ("evapotranspiration") for the billing period; and (3) a "plant factor" that reflects the water needs of specific types of turf and plants that are native to the District's service area and guidelines provided by State law; and

WHEREAS, for Commercial customers their indoor water budget is based on the number of equivalent dwelling units ("EDUs") assigned to the property by the District's Development Services Department when the business was established or repurposed. Each EDU is given 8 ccf for its water budget; and

WHEREAS, residential customers whose water use remains within their water budget are billed at the rates in the first two Tiers, and irrigation and commercial customers who remain with their water budget are billed at the Tier 2 rate. Customers who exceed their water budget by inefficiently using water are billed at higher rates for the amount of water they use above their water budget; and

WHEREAS, the Fixed Charge and the Outside Customer Surcharge are established on the basis of the size of the meter (in inches) serving a property; and

WHEREAS, the Fire Protection Charge is based on the size of the service lateral that supplies water to private fire suppression facilities; and

WHEREAS, the Backflow Charge is imposed at a uniform fixed rate per month; and

WHEREAS, the basis and method for calculating the Charges are more particularly described in the Study; and

WHEREAS, in accordance with California Constitution article XIII D, section 6, and the Proposition 218 Omnibus Implementation Act (California Government Code section 53750 et seq.) (the “Law”), the Board of Directors determined to hold a public hearing to consider the adoption of modifications to the rates of the District’s Charges; and

WHEREAS, the Board of Directors directed the Clerk of the Board to provide notice of the public hearing and the proposed modifications to and increases in the rates of the District’s Charges as required by the Law; and

WHEREAS, the District provided the notice of a public hearing and the proposed modifications and increases in accordance with the Law; and

WHEREAS, the Board of Directors conducted a public hearing at a regular meeting on June 8, 2021, and at the public hearing the Board of Directors of the District heard all oral testimony, and considered all written materials and written protests concerning the adoption and imposition of the proposed rate adjustments and increases to the rates for the Charges, and at the close of the public hearing the District did not receive written protests against the establishment and imposition of the proposed rate increases and adjustments to the rates for the Charges from a majority of the affected property owners or tenants directly liable for the payment of the potable water service charges (i.e., domestic water customers who are not property owners); and

WHEREAS, the District also imposes a Construction Water Charge on any person requesting temporary water for construction purposes, which charge is imposed on at a uniform rate on a dollar per acre foot basis; and

WHEREAS, the Board of Directors has determined to increase the rates for the Fixed Charge and Volumetric Charge.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Coachella Valley Water District as follows:

Section 1: The matters set forth in the Recitals to this Ordinance are true and correct statements and are made legislative findings and determinations of the Board of Directors, and by this reference made an operative part of this Ordinance.

Section 2: In accordance with the California Environmental Quality Act (CEQA) and the CEQA Guidelines, District staff has determined that the increases in potable water service charges are exempt from CEQA pursuant to Section 15378 and Section 15273 of the CEQA Guidelines and Public Resources Code section 21080(b)(8) because: (i) the increased charges are for the purpose of meeting operational and maintenance expenses of the aforementioned services; and (ii) the charges constitute the creation of a funding mechanism/other governmental fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. The documents and materials that constitute the record of proceedings on which these findings have been based are located at 75515 Hovley Lane East, Palm Desert, CA 92211. The custodian for these records is the Clerk of the Board.

Section 3: The Board of Directors finds that the revenues derived from the Charges established by this Ordinance (1) do not exceed the funds required to provide domestic water services; (2) shall not be used for any other purpose than that for which the Charges are imposed; (3) do not exceed the proportional cost of the service attributable to each domestic Water customer; (4) provide services which are immediately available to each domestic water customer; and (5) are not levied for general governmental purposes.

Section 4: The Board of Directors of the District has evaluated and hereby adopts the rates for the Charges as set forth in Exhibit "A," attached hereto and by this reference incorporated herein. The rates shall be in effect for bills generated on and after July 1, 2021, and shall be similarly imposed and increased each July 1 thereafter, through and including July 1, 2025, at the rates and in the amounts set forth in Exhibit "A."

Section 5: If any section, subsection, subdivision, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional or invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The Board of Directors 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.

Section 6: All resolutions, ordinances, or administrative actions by the Board of Directors, or parts thereof that are inconsistent with any provision of this Ordinance are hereby superseded only to the extent of such inconsistency.

Section 7: This Ordinance shall become effective immediately upon its adoption.

ADOPTED this 8th day of June, 2021.

* * * * *

STATE OF CALIFORNIA)
COACHELLA VALLEY WATER DISTRICT) ss.
OFFICE OF THE SECRETARY)

I, Sylvia M. Bermudez, Clerk of the Board of Directors of the Coachella Valley Water District, DO HEREBY CERTIFY that the foregoing is a full, true and correct copy of Ordinance No. 1441 adopted by the Board of Directors of said District at a regular meeting thereof duly held and convened on the 8th day of June, 2021, at which meeting a quorum of said Board was present and acting throughout. The Ordinance was adopted by the following vote:

Ayes: Powell, Estrada, Nelson, Aguilar

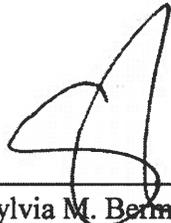
Noes: Bianco

Abstain: None

Absent: None

Dated this 8th day of June, 2021.

(SEAL)



Sylvia M. Bermudez, Clerk of the Board
Coachella Valley Water District

EXHIBIT “A”
 TO ORDINANCE NO. 1441
 RATES FOR DOMESTIC WATER SERVICE CHARGES

WATER BUDGETS

Tier 1 – Excellent	8 ccf
Tier 2 – Efficient	Up to 100% of water budget
Tier 3 – Inefficient	101% up to 175% of water budget
Tier 4 – Excessive	176% up to 300% of water budget
Tier 5 – Wasteful	300% of more of water budget
Irrigation Efficiency	70%
Summer Plant Factor	0.55
Winter Plant Factor	0.65
Shoulder Plant Factor	0.60

I. Residential and Multi-Family Water Customers Water Budget Calculations:

A. Indoor Water Budget

The indoor water budget is calculated using the following three factors:

1. 50 gallons of water per person per day (gpcd).
2. The number of people in the household (assumed to be 4).
3. The number of days in the billing cycle.

As an equation, the indoor water budget allocation is expressed as follows:

$$\text{Indoor Water Allocation} = [\text{Household Size}] \times [50 \text{ gallons}] \times [\text{Days Billed}]$$

B. Outdoor Water Budget

The outdoor water budget is calculated based on the following three factors:

1. Amount of irrigated area per parcel (45% of the parcel size unless the parcel is larger than 1 acre, in which case the landscaped area is measured by the District’s Geographic Information System).
2. Historical daily evapotranspiration (ET) as measured at local weather stations that calculate data for microclimate zones within District’s service area. ET is the amount of water that is lost due to evaporation and plant transpiration. ET will vary due to factors such as wind, humidity and temperature.
3. An “ET Adjustment Factor” which reflects the water needs of landscaped areas. The ET Adjustment Factor is the quotient of dividing the Plant Factor (a.k.a. the crop coefficient, which describes the water needs of specific types of plants) by the Irrigation Efficiency of 70% (how much irrigated water is actually delivered to the plant roots). The District uses a Plant Factor of 0.55 to 0.65 (depending on the time of

year since lawns grow different types of grasses during summer vs. winter, yielding an ET Adjustment Factor of 0.786 in summer and 0.929 in winter).

As an equation, the outdoor water budget calculation is expressed as follows:

$$\text{Outdoor Water Allocation} = [\text{Actual evapotranspiration (inches)}] \times [\text{Irrigation Area (ft}^2\text{)}] \times [\text{ET Coefficient}]$$

The tier thresholds for Residential and Multifamily customer rates are as follows:

- Tier 1 – Up to indoor water budget
- Tier 2 – Up to 100% of total water budget (indoor plus outdoor water budget)
- Tier 3 – Up to 175% of total water budget.
- Tier 4 – Up to 300% of total water budget.
- Tier 5 – All water usage above 300% of total water budget.

II. Landscape Irrigation Customers Water Budget Calculation:

The tier thresholds for Landscape Irrigation customers are as follows (Tier 1 is not applicable to Landscape Irrigation customers):

- Tier 1 – not applicable
- Tier 2 – Up to 100% of outdoor water budget
- Tier 3 – Up to 175% of total water budget.
- Tier 4 – Up to 300% of water budget.
- Tier 5 – All water usage above 300% of total water budget.

III. Commercial Customers Water Budget Calculation:

The water budgets for Commercial customers are based on the number of equivalent dwelling units (EDUs) as assigned by the District's Development Services Department when the business was established or repurposed. Consistent with the policy for residential accounts, each EDU is given 8 ccf for its water budget. The tier thresholds for Commercial Customers are as follows (Tier 1 is not applicable to Commercial customers):

- Tier 1 – not applicable
- Tier 2 – 100% of water budget (based on account's assigned EDUs)
- Tier 3 – Up to 175% of total water budget.
- Tier 4 – Up to 300% of water budget.
- Tier 5 – All water usage above 300% of total water budget

RATES FOR VOLUMETRIC CHARGE (\$/CCF)

Tier	Threshold	Current	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Tier 1	Up to 8 CCF	\$0.98	\$0.94	\$1.00	\$1.12	\$1.23	\$1.31
Tier 2	Up to 100% of Budget	1.37	1.17	1.25	1.40	1.53	1.64
Tier 3	Up to 175% of Budget	2.55	3.59	3.83	4.30	4.71	5.04
Tier 4	Up to 300% of Budget	4.83	4.21	4.48	5.04	5.52	5.91
Tier 5	300% or More of Budget	6.34	6.44	6.86	7.70	8.44	9.04

**SINGLE FAMILY RESIDENTIAL CUSTOMERS
RATES PER MONTH FOR FIXED CHARGE (\$/METER SIZE IN INCHES)**

Meter Size	Current	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
3/4 - Inch	\$7.92	\$12.65	\$13.46	\$15.12	\$16.58	\$17.75
1 - Inch	13.18	15.15	16.12	18.11	19.86	21.26
1 1/2 - Inch	26.36	21.40	22.77	25.60	28.06	30.05
2 - Inch	42.19	28.90	30.75	34.58	37.90	40.59
3 - Inch	79.06	46.40	49.37	55.53	60.86	65.18
4 - Inch	131.77	71.40	75.97	85.46	93.66	100.31

**MULTI-FAMILY RESIDENTIAL CUSTOMERS
RATES PER MONTH FOR FIXED CHARGE (\$/METER SIZE IN INCHES)**

Meter Size	Current	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
3/4 - Inch	\$9.05	\$12.78	\$13.60	\$15.28	\$16.75	\$17.94
1 - Inch	15.07	15.37	16.35	18.38	20.14	21.58
1 1/2 - Inch	30.21	21.83	23.24	26.13	28.63	30.68
2 - Inch	48.30	29.59	31.50	35.43	38.81	41.60
3 - Inch	90.56	47.70	50.77	57.13	62.56	67.08
4 - Inch	150.90	73.57	78.30	88.13	96.49	103.48

**COMMERCIAL CUSTOMERS
RATES PER MONTH FOR FIXED CHARGE (\$/METER SIZE IN INCHES)**

Meter Size	Current	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
3/4 - Inch	\$5.68	\$12.71	\$13.53	\$15.19	\$16.66	\$17.84
1 - Inch	9.46	15.25	16.24	18.23	19.99	21.41
1 1/2 - Inch	18.93	21.60	23.00	25.83	28.33	30.35
2 - Inch	30.27	29.22	31.12	34.95	38.33	41.07
3 - Inch	56.70	47.00	50.07	56.23	61.66	66.08
4 - Inch	94.55	72.40	77.14	86.63	94.99	101.81

**LANDSCAPE IRRIGATION CUSTOMERS
RATES PER MONTH FOR FIXED CHARGE (\$/METER SIZE IN INCHES)**

Meter Size	Current	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
3/4 - Inch	\$19.63	\$16.15	\$17.19	\$19.30	\$21.17	\$22.67
1 - Inch	32.74	20.98	22.34	25.08	27.51	29.46
1 1/2 - Inch	65.46	33.07	35.20	39.53	43.36	46.45
2 - Inch	104.79	47.57	50.64	56.87	62.38	66.83
3 - Inch	196.46	81.40	86.67	97.33	106.76	114.38
4 - Inch	327.39	129.73	138.14	155.13	170.16	182.31