

ORDINANCE NO. 24-2

AN ORDINANCE OF THE BOARD OF DIRECTORS OF UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT REPEALING ORDINANCE NO. 23-2 AND ADOPTING WATER RATES AND CHARGES FOR CALENDAR YEAR 2025

WHEREAS, the Metropolitan Water District of Southern California ("MWD" herein) has adopted water rates and charges for its classes and conditions of service effective January 1, 2025 and the Upper San Gabriel Valley Municipal Water District ("Upper District" herein) wishes to reflect MWD's new rates and charges in the water rates and charges of the Upper District; and

WHEREAS, MWD has established charges in its rate structure including a Readiness-to-Serve (RTS) Charge, Capacity Charge, and Commodity Charges; and

WHEREAS, the RTS Charge is adopted by MWD and charged to its member agencies to recover capital expenditures for infrastructure projects needed to provide emergency storage capacity and available capacity needed to maintain reliable deliveries during outages and service interruptions and during periods of hydrologic variability; and

WHEREAS, Upper District requested that MWD continue its standby charge in Upper District's service area with the intention that the above referenced RTS Charge be paid in whole or in part from the funds generated from said standby charge for Calendar Year 2025; and

WHEREAS, the standby charge collected by MWD in Upper District's service area is no longer sufficient to fully recover Upper District's share of the RTS charge; and

WHEREAS, clean water is essential to public health and safety and necessary to improve the quality of life of residents within Upper District's service area; and

WHEREAS, the Board of Directors has reviewed and determined the revenue requirements for the Fiscal Year 2024-25 Operating and Capital Budget; and

WHEREAS, the Board of Directors has determined to allocate costs on a fair and equitable basis to all customers it serves, while also ensuring the District is able to recover its cost of providing service while maintaining financial stability; and

WHEREAS, in the adoption of this Ordinance, the Upper District desires to adjust certain water rates and service charges for 2025.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF UPPER DISTRICT
ORDAINS AS FOLLOWS:**

Section 1. The above recitals are all true and correct and are incorporated herein by reference.

Section 2. Ordinance No. 23-2, adopted on July 12, 2023, is hereby repealed.

Section 3. The water rate increases are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the District's water system.

Section 4. The following water rates are established and will remain effective for Calendar Year 2025:

Normal Supply Rates

	Rate and Charges
Class of Service	
Full Service – Treated	\$1,498 per AF
Full Service – Untreated	\$1,015 per AF
Recycled Water Service	By Contract
Capacity Charge	\$13,000 per CFS
MWD Readiness-to-Serve Charge	\$5.11 million
Minimum Service Connection Charge (per year)	\$1,300
Groundwater Replenishment Ready-to-Serve	\$42 per CFS/\$6,300 per month

Section 5. Description of Service Classes:

Full Service Treated

For Calendar Year 2025, the Upper District's treated water deliveries will be sold at the rate of \$1,498 per acre-foot (subject to alternative pricing imposed under MWD's Water Supply Allocation during droughts).

Full Service Untreated

Full Service untreated deliveries will be billed at the rate of \$1,015 per acre-foot effective January 1, 2025 (subject to alternative pricing imposed under MWD's Water Supply Allocation during droughts).

Annual Capacity Charges

The Full Service rate per acre-foot assumes a reasonable and normal annual maximum daily average capacity usage per acre-foot of water deliveries. Upper District will pass through MWD's capacity charge for use of the imported water distribution system during the May through September time period, as determined by MWD. For Calendar Year 2025, MWD's capacity charge will be calculated at \$13,000 for each CFS of peak capacity utilized during the period of May through September period for the three calendar years ending 2023.

Annual MWD Readiness-to-Serve Charge

Beginning July 1, 2025, Upper District will pass through MWD's readiness-to-serve charge, net of the standby charge collected by MWD in Upper District's service area. The net readiness-to-serve charge will be passed through and allocated to producers and the Main San Gabriel Basin Watermaster based on a ten-fiscal year rolling average of imported water purchases.

Section 6. Each groundwater replenishment customer shall pay Upper District a monthly ready-to-serve charge in addition to the water rate for groundwater replenishment service. This monthly ready-to-serve charge will be \$42 for each cubic foot per second of groundwater replenishment service connection capacity, at an amount not-to-exceed \$6,300 per month, payable in advance.

Section 7. A minimum charge, equivalent to ten percent (10%) or one-tenth (1/10) of the value of one CFS of capacity (\$13,000) and amounting to \$1,300 per year effective January 1, 2025, will be billed to the sub-agencies prorated on a monthly basis irrespective of the amount of water used.

Section 8. All sales, deliveries and availability of water at the rates established herein shall be subject to the ability of the Upper District to sell, deliver and make available such water under operating conditions determined by the General Manager of Upper District and of MWD, and subject to the water service regulations of Upper District and of MWD. All agencies that purchase treated or untreated water must comply with all rules, requirements, and regulations of Upper District's Urban Water Management Plan adopted on or about June 2020 and any amendments or supplements thereto.

Section 9. The Board of Directors finds the rates, fees, and charges set forth herein are for the purpose of meeting operating expenses, including employee wages and benefits; purchasing or leasing of supplies, equipment or materials; meeting financial reserve needs and requirements; obtaining funds for capital projects necessary to maintain service within existing service areas, and obtaining funds to meet long-term debt costs. None of the rates, fees, and charges described above exceed the reasonable cost of providing the service for which the rate, fee, or charge is levied.

Section 10. The Board of Directors recognizes that Southern California is facing water supply challenges arising from both reccurring droughts and environmental factors. These factors have created uncertainty regarding the reliability of all sources of water for the foreseeable future. As such, the Board reserves the authority to modify, alter, or suspend any or all sections of this resolution as determined prudent to properly respond to new developments in water supply circumstances.

Section 11. The Secretary of Upper District shall cause a copy of this Ordinance to be mailed to all current purchasers of water from Upper District including the users of water replenishment service connections.

INTRODUCED AND ADOPTED this 9th day of October, 2024.

SANTANA: AYE

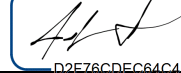
FELLOW: AYE

GARCIA: AYE

CHAVEZ: AYE

TREVIÑO: ABSENT

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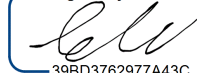


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Jennifer Santana, President

ATTEST:

Signed by:



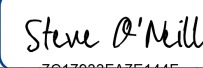
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Ed Chavez, Secretary

(SEAL)

APPROVED AS TO FORM:

Signed by:



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Steven P. O'Neill, District Counsel