

RESOLUTION NO. 2019-39

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
COACHELLA VALLEY WATER DISTRICT ESTABLISHING RATES FOR
NONPOTABLE WATER USE

WHEREAS, the Coachella Valley Water District (“District”) is organized and operates pursuant to the County Water District Law (Water Code section 30000, *et seq.*): and

WHEREAS, the District is authorized to acquire, construct, and operate facilities to furnish water, and fix and collect charges for the sale and distribution of water and the provision of such services pursuant to Water Code sections 31000, 31001, 31007, 31020, and 31025; and

WHEREAS, the District makes recycled water, canal water, and a blend of recycled/canal water available to customers who apply to participate in the Nonpotable Water Program; and

WHEREAS, Water Code section 32601 allows the pricing of nonpotable water based on reasonable costs, including consideration of pricing nonpotable water at rates that are comparable to, or less than, potable water; and

WHEREAS, the District and nonpotable water customers agree to certain stipulations outlined in a Nonpotable Water Agreement, including the amount of the Nonpotable Water Charge (NPWC) that the nonpotable water customer will pay for nonpotable water; and

WHEREAS, the District desires to establish the NPWC for three nonpotable water customer types: (1) Type A: customers that use nonpotable water in lieu of groundwater or domestic water whose water use is within the West Whitewater Replenishment Subbasin Area of Benefit; (2) Type B: customers that use nonpotable water in lieu of groundwater or domestic water for agricultural irrigation whose water use is within Irrigation District No. 1; and (3) Type C: non-agricultural customers who have a direct connection from the Mid-Valley Pipeline or the canal water distribution system and whose alternate source of water is groundwater in the East Whitewater Replenishment Subbasin Area of Benefit; and

WHEREAS, the District must, from time to time, supply nonpotable water at a pressure high enough and consistent enough to directly supply nonpotable water to a customer’s irrigation system, in lieu of supplying the nonpotable water directly to a lake. Under such circumstances, the District desires to establish a Pressure Surcharge of \$38 per acre foot at times when a customer requires high pressure nonpotable water service; and

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Coachella Valley Water District that this Board finds and determines:

1. The forgoing Recitals are true and correct and are made findings and determinations of the Board of Directors, and by this reference made an operative part of this Resolution.

2. An ongoing Nonpotable Water Program is necessary because groundwater production within the West Whitewater and East Whitewater Subbasins continues to exceed natural inflow.

3. The funds derived from the NPWC are needed for the financial support of the District's Nonpotable Water Program.

4. The rates for the NPWC in effect beginning September 25, 2019 for each type of nonpotable water customer are set forth in Exhibit A. Such rates shall be adjusted each July 1 as follows:

- The Type A NPWC will be calculated at 85% of the RAC rate plus PC, where RAC is the Replenishment Assessment Charge for the West Whitewater Replenishment Subbasin Area of Benefit then in effect on July 1 of each year, and the PC is the average pumping cost established at \$54.57 per acre foot, to be escalated by 3% on July 1 of each year, at the Board's discretion.
- The Type B NPWC will be calculated at the Canal Class 1 Canal Water rate then in effect on July 1 of each year, plus the Quagga Mussel Mitigation surcharge then in effect on July 1 of each year.
- The Type C NPWC will be calculated at 85% of the RAC rate plus PC, where RAC is the Replenishment Assessment Charge for the East Whitewater River Replenishment Subbasin Area of Benefit then in effect on July 1 of each year, and the PC is the pumping cost established at \$35.70 per acre foot, to be escalated by 3% on July 1 of year, at the Board's discretion.

5. The District hereby adopts a Pressure Surcharge in the amount of \$38 per acre foot. The Pressure Surcharge shall be imposed on any nonpotable water customer when the District must

provide nonpotable water at a pressure high enough and consistent enough to directly supply nonpotable water to the customer's irrigation system. The Pressure Surcharge shall be in effect beginning September 25, 2019.

6. If any section, subsection, clause or phrase in this Resolution No. 2019-39 or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Resolution No. 2019-39 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 Resolution No. 2019-39 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. All ordinances, resolutions, or administrative actions by the Board of Directors, or parts thereof, which are insistent with any provision of this Resolution are hereby superseded by this Resolution to the extent of such inconsistency.

8. This Resolution shall take effect immediately upon its adoption.

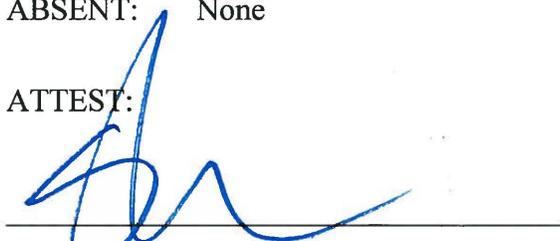
PASSED AND ADOPTED on this 24th day of September 2019, at a Regular Meeting of the Board of Directors of the Coachella Valley Water District, by the following roll call vote:

AYES: Powell, Nelson, O'Dowd, Bianco, Estrada

NOES: None

ABSENT: None

ATTEST:



Sylvia Bermudez
Clerk of the Board

EXHIBIT A TO RESOLUTION NO. 2019-39

Type A Customer Rate (\$/Acre Foot) Calculation	
West RAC rate per acre-foot- September 24, 2019	\$143.80
Pumping Charge (PC) per acre-foot - September 24, 2019	<u>\$54.57</u>
Total (\$/Acre Foot)	\$198.37
Nonpotable Water Charge (85% of Total)	\$168.61

Type B Customer Rate Calculation	
Canal Class 1 Rate - September 24, 2019	\$34.32
Quagga Mussel Surcharge- September 24, 2019	<u>\$2.78</u>
Total Rate Per Acre-Foot	\$37.10

Type C Customer Rate Calculation	
East RAC rate per acre-foot- September 24, 2019	\$66.00
Pumping Charge (PC) per acre-foot - September 24, 2019	<u>\$35.70</u>
Total (\$/Acre Foot)	\$101.70
85% of Total	\$86.45