

**RESOLUTION NO. SCV-469**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SANTA CLARITA VALLEY WATER AGENCY  
ESTABLISHING RETAIL WATER RATES  
FOR FISCAL YEARS 2026, 2027, 2028, 2029, and 2030  
AND MAKING AN EXEMPTION DETERMINATION  
UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

**WHEREAS**, the Santa Clarita Valley Water Agency (SCV Water) 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**, SCV Water is committed to providing the highest quality water services at the lowest possible rates for its customers. To meet this commitment, SCV Water 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 SCV Water'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 January 21, 2025, SCV Water made available for review at SCV Water'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**, SCV Water retail water service charges are comprised of four components: (1) a Fixed Charge, determined on the basis of the size of the meter serving the property (in inches); (2) a Water Use Charge, determined on the basis of the type of water serving the parcel, and 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); and (4) a Dedicated Fire Service Charge, determined on the basis of the diameter of the fire meter serving the property (in inches); and

**WHEREAS**, the Fixed Charge is designed to recover a portion of SCV Water'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 SCV Water's fixed costs and its variable costs for (f) pumping and treating water and (g) energy costs for delivering water; and

**WHEREAS**, SCV Water's Water Supply Charge is a uniform volumetric rate structure for all classes of customers. SCV Water has two distinct customer classes: Potable and Recycled; 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**, 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, SCV Water 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 75,756 identified parcels that receive water service from SCV Water, of which a majority would be 37,879; and

**WHEREAS**, the Hearing was held on this day, April 1, 2025; and

**WHEREAS**, at the Hearing the SCV Water 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 SCV Water 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; and

**WHEREAS**, in addition to the requirements under Proposition 218, SCV Water included language in its Notice inviting members of the public to file legal objections with SCV Water in accordance with Government Code section 53759.1; and

**WHEREAS**, all legal objections have been responded to and presented to the Board and are made a part of this record.

**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 SCV Water Board of Directors (Board).
2. Based upon substantial evidence presented to the Board, including the rate study report entitled "Retail Water Rate and Cost Analysis Design Study," 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 SCV Water (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 SCV Water's existing service area.
3. The Board hereby finds that the administration, operation, maintenance, and improvements of the SCV Water water system (System), which are to be funded by the water service charges set forth herein, are necessary to maintain service within SCV Water'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, 2025, and each July 1 thereafter through and including July 1, 2029 in the amounts and effective on the dates set forth in Exhibit A.

6. In addition, as part of the rate-setting process, SCV Water projects the revenue needed in future years based on assumptions and projections on cost increases including, among other things, inflation and construction. SCV Water conservatively projects such cost increases based on historical data and trends. The proposed annual increases for the water rates and charges are based on the following expense escalation factors:

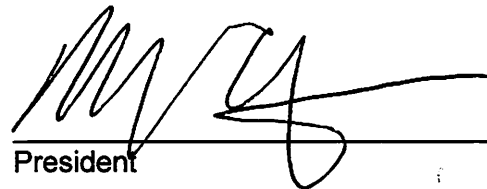
Expense Escalation Factor	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30
Overall Inflation Rate	3.80%	3.80%	3.10%	3.10%	2.69%
Construction Inflation Rate	6.10%	6.10%	6.10%	6.10%	6.10%

7. It is possible that, due to factors outside of SCV Water’s control, overall inflation or construction inflation may increase in amounts that exceed those set forth in the table above. Pursuant to Government Code section 53756, SCV Water will pass-through such unforeseen inflationary increases directly to customers in future years as follows:
- Should the annual change in the Consumer Price Index (“CPI”), Los Angeles-Long Beach-Anaheim, measured from February to February exceed the “Overall Inflation Rate” listed in the table above for the applicable year, SCV Water proposes to pass through to its customers the difference by adjusting the Overall Inflation Rate upwards to match CPI; and
  - Should the annual change in the Engineering News Record Construction Cost Index (“CCI”) measured from February to February, exceed the “Construction Inflation Rate” listed in the table above for the applicable year, SCV Water proposes to pass through to its customers the difference by adjusting the Construction Inflation Rate to match CCI.

Collectively, the adjustments described above are referred to as the “Pass Throughs.” SCV Water may implement the Pass-Throughs at any time commencing July 1, 2025, through and including June 30, 2030, provided that should SCV Water determine it is necessary to implement a Pass-Through, SCV Water will mail notice of such adjustment to each impacted property owner and customer of record at least 30 days prior to implementation. The Pass-Throughs may be applied to the Fixed Charges, the Water Use Charges, or the Private Fire Service Charges as applicable, provided that the impacted proposed water rates and charges shall not increase by more than 10% in any fiscal year as a result of implementation of the Pass-Throughs, and in no event shall the Pass-Throughs cause the proposed rates to exceed the cost of providing water service.

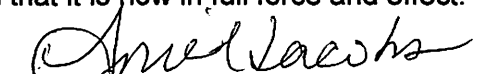
8. SCV Water staff is hereby directed to take any and all steps necessary to implement such rates, including but not limited to filing a notice of exemption and paying any applicable fees.
9. SCV Water staff is hereby directed to provide the Finance and Administration Committee with an update on the upcoming proposed rate change each year within this rate cycle, which will include information on financial performance and rate setting assumptions.
10. 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.

11. 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.
12. 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.

  
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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 scheduled meeting of the Board of Directors of said Agency held on April 1, 2025 the foregoing Resolution No. SCV-469 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: April 1, 2025

  
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Secretary



## EXHIBIT A

### RETAIL WATER RATE SERVICE TABLES

Potable Water Use Charge	7/1/2025	7/1/2026	7/1/2027	7/1/2028	7/1/2029
\$ per ccf	\$2.77	\$3.03	\$3.29	\$3.58	\$3.89

Recycled Water Use Charge	7/1/2025	7/1/2026	7/1/2027	7/1/2028	7/1/2029
\$ per ccf	\$2.21	\$2.41	\$2.62	\$2.84	\$3.08

Fixed Charge	7/1/2025	7/1/2026	7/1/2027	7/1/2028	7/1/2029
5/8-in	\$17.10	\$18.83	\$20.65	\$22.64	\$24.82
3/4-in	\$23.60	\$25.99	\$28.50	\$31.25	\$34.26
1-in	\$36.60	\$40.31	\$44.19	\$48.46	\$53.13
1 1/2-in	\$69.09	\$76.10	\$83.44	\$91.48	\$100.30
2-in	\$108.08	\$119.05	\$130.53	\$143.11	\$156.91
2 1/2-in	\$127.58	\$140.52	\$154.07	\$168.93	\$185.22
3-in	\$199.07	\$219.26	\$240.41	\$263.59	\$289.00
4-in	\$329.04	\$362.43	\$397.37	\$435.69	\$477.70
6-in	\$653.99	\$720.34	\$789.79	\$865.95	\$949.45
8-in	\$1,043.92	\$1,149.83	\$1,260.70	\$1,382.26	\$1,515.54
10-in	\$1,498.84	\$1,650.90	\$1,810.09	\$1,984.62	\$2,175.99
12-in	\$2,798.61	\$3,082.54	\$3,379.77	\$3,705.66	\$4,062.97

### MONTHLY LEGACY DEBT FIXED CHARGE

Meter Size	Santa Clarita Division Effective 7/1/2025*	Valencia Division Effective 7/1/2025*
5/8-in	\$5.26	\$4.88
3/4-in	\$7.89	\$7.32
1-in	\$13.14	\$12.20
1 1/2-in	\$26.29	\$24.40
2-in	\$42.06	\$39.03
2 1/2-in	\$49.95	\$46.35
3-in	\$78.87	\$73.19
4-in	\$131.44	\$121.98
6-in	\$262.88	\$243.97
8-in	\$420.61	\$390.34
10-in	\$604.63	\$561.12
12-in	\$1,130.40	\$1,049.05

\*The Legacy Debt Charge is effective on July 1, 2025, and will remain unchanged through the rate period (July 1, 2025 - June 30, 2030).  
The Legacy Debt Charge is billed monthly.

**DEDICATED FIRE SERVICE CHARGES**

<b>Fixed Charge</b>	<b>7/1/2025</b>	<b>7/1/2026</b>	<b>7/1/2027</b>	<b>7/1/2028</b>	<b>7/1/2029</b>
3/4-in	\$4.27	\$4.70	\$5.16	\$5.65	\$6.20
1-in	\$4.27	\$4.70	\$5.16	\$5.65	\$6.20
1 1/2-in	\$4.59	\$5.05	\$5.54	\$6.07	\$6.66
2-in	\$5.13	\$5.65	\$6.19	\$6.79	\$7.45
2 1/2-in	\$7.08	\$7.80	\$8.55	\$9.38	\$10.28
3-in	\$10.45	\$11.51	\$12.62	\$13.84	\$15.18
4-in	\$22.55	\$24.84	\$27.23	\$29.86	\$32.74
6-in	\$43.41	\$47.82	\$52.43	\$57.48	\$63.03
8-in	\$74.79	\$82.38	\$90.33	\$99.04	\$108.59
10-in	\$118.29	\$130.29	\$142.85	\$156.63	\$171.73
12-in	\$163.96	\$180.60	\$198.01	\$217.10	\$238.04
14-in	\$227.91	\$251.03	\$275.23	\$301.77	\$330.87
16-in	\$317.43	\$349.63	\$383.34	\$420.31	\$460.83
18-in	\$442.76	\$487.68	\$534.70	\$586.26	\$642.78
20-in	\$618.22	\$680.94	\$746.60	\$818.58	\$897.52