

ORDINANCE NO. 64

ORDINANCE OF PICO WATER DISTRICT ADOPTING INCREASED RATES AND CHARGES

WHEREAS, the Board of Directors of Pico Water District (the "District") has previously adopted certain rates and charges for water service provided by the District; and

WHEREAS, the District hired Bartle Wells Associates, an independent public finance advisory group, to review its financial situation, including the revenues being generated by water sales, its operating expenses and revenue requirements, as well as its funding needs with respect to various capital improvements.

WHEREAS, Bartle Wells Associates, based on its analysis, prepared the 2020 Water Rate Study Final Report dated November 11, 2020 (the "Rate Study"), which demonstrates the need for the District to raise its water rates and charges to meet increased operational costs and to provide funds for capital improvements identified in the Rate Study; and

WHEREAS, at its meeting on October 26, 2020, the District's Board of Directors preliminarily approved certain proposed increases and revisions to the District's water rates and charges, as described in Section 1 of this Ordinance, to be effective for the first billing to occur on or about February 14, 2021, and then with subsequent increases to be effective for the first billings after February 14, 2022, February 14, 2023, February 14, 2024 and February 14, 2025, respectively, to provide revenues to meet increased operating costs and contemplated capital improvement costs (the "Proposed Rate Increase"); and

WHEREAS, a public hearing was conducted by the District's Board of Directors on December 16, 2020, after mailing out notices to all District customers on November 1, 2020 setting forth the notice of the public hearing to consider the Proposed Rate Increase and complying with all requirements of law, including the required details concerning the Proposed Rate Increase, and holding a public workshop on November 19, 2020 to inform the public on the Proposed Rate Increase; and

WHEREAS, the District's Board of Directors finds and determines that: (i) the Proposed Rate Increase is necessary for the District to continue to be able to provide safe and potable water to its residents and customers; and (ii) that a majority written protest to the Proposed Rate Increase pursuant to Article XIID, Section 6(a)(1) of the California Constitution has not been presented; and

WHEREAS, pursuant to Section 15273 of the CEQA Guidelines, the Board of Directors hereby finds that the proposed and projected rates and charges are for the purpose of meeting operating expenses, including employee wage rates and fringe benefits, purchasing or leasing supplies, equipment, or material, meeting financial reserve needs and requirements, and obtaining funds for capital projects, necessary to maintain service within existing service areas, and therefore the California Environmental Quality Act does not apply to the approval of the proposed and projected rates and charges,

NOW, THEREFORE, BE IT ORDAINED that the Board of Directors of Pico Water District hereby:

Section 1. Adopts new and increased water rates and charges as set forth in Exhibit A hereto, which is fully incorporated herein by this reference, to increase such water rates and charges by six percent (6%), to be effective on or about February 14, 2021 and to be implemented for the first full billing cycle after that date; and to further increase such water rates and charges annually by six percent (6%), to be effective after each of February 14, 2022, February 14, 2023, February 14, 2024 and February 14, 2025, and to be implemented for the first full billing cycles after each of those respective dates.

Section 2. Adopts the new and increased water rates as described in Section 1, above, and as set forth in said Exhibit A with the understanding that the increases detailed in that table include estimates of: (i) increases in the replenishment assessment imposed on the District's groundwater production by the Water Replenishment District of Southern California, and that if those estimates of future costs are subsequently determined by the Board of Directors to not cover the actual costs the District incurs for that expense, then pursuant to Government Code Section 53756 with at least 30 days' notice to its customers, the District may subsequently increase its rates to pass-through any increases in that expense that is not otherwise covered in the previously approved rate schedule.

Section 3. Authorizes and directs District staff to take all action necessary to implement the above-referenced increases in accordance with Section 1, above.

Section 4. Authorizes and directs District staff to amend any provisions of the District's Rules and Regulations to effectuate the above-referenced increases.

Section 5. Within seven days after adoption of this Ordinance, this Ordinance shall be published in a newspaper of general circulation in Pico Water District and shall be subject to referendum for thirty (30) days following its adoption.

Section 6. Absent any petition for referendum, this Ordinance shall become effective thirty (30) days after its adoption.

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ADOPTED, APPROVED AND EXECUTED BY THE BOARD OF DIRECTORS OF PICO WATER DISTRICT the 16th day of December, 2020.

The vote on this Ordinance was as follows:

AYES: Caballero, Ramirez, Gonzales

NOES: None

ABSTENTIONS: None


David R. Gonzales, President

ATTEST:


Mark J. Grajeda, Secretary



EXHIBIT A



**PICO WATER DISTRICT
WATER AND FIXED RATES EFFECTIVE FEBRUARY 14, 2021**

Volumetric Rates	2020		FEB 14 2021	FEB 14 2022	FEB 14 2023	FEB 14 2024	FEB 14 2025
<i>Existing</i>							
Existing Structure							
Tier 1 (0-8 CCF)	\$1.30	(All CCF)	\$1.88*	\$2.00*	\$2.12*	\$2.25*	\$2.39*
Tier 2 (8-12 CCF)	\$1.60						
Tier 3 (12+ CCF)	\$2.15						
Monthly Fixed Rates (All Customers)			FEB 14 2021	FEB 14 2022	FEB 14 2023	FEB 14 2024	FEB 14 2025
<i>Meter Size Existing</i>							
Fixed Water Service Charges							
Single Family Residential			\$16.21	\$17.19	\$18.23	\$19.33	\$20.49
5/8"	\$15.29		\$16.21	\$17.19	\$18.23	\$19.33	\$20.49
1"	\$21.05		\$35.90	\$38.06	\$40.35	\$42.78	\$45.35
1 1/2"	\$38.22		\$68.70	\$72.83	\$77.20	\$81.84	\$86.76
2"	\$61.16		\$108.07	\$114.56	\$121.44	\$128.73	\$136.46
3"	\$152.91		\$199.94	\$211.94	\$224.66	\$238.14	\$252.43
4"	\$382.26		\$331.17	\$351.05	\$372.12	\$394.45	\$418.12
6"	\$764.53		\$659.25	\$698.81	\$740.74	\$785.19	\$832.31
Fixed Private Fire Charges							
1 1/2"	\$16.41		\$13.12	\$13.91	\$14.75	\$15.64	\$16.58
2"	\$16.41		\$21.00	\$22.26	\$23.60	\$25.02	\$26.53
4"	\$45.54		\$39.37	\$41.74	\$44.25	\$46.91	\$49.73
6"	\$68.86		\$65.62	\$69.56	\$73.74	\$78.17	\$82.87
8"	\$84.12		\$131.23	\$139.11	\$147.46	\$156.31	\$165.69
10"	\$106.70		\$301.84	\$319.96	\$339.16	\$359.51	\$381.09

***Future Pass-Through Adjustments for Wholesale Water Rate/WRD Replenishment Assessment Increases**

The proposed water rates assume that the Water Replenishment District of Southern California (WRD) will charge the following rates for groundwater Replenishment Assessment (RA): \$0.88 per hundred cubic feet (CCF) through June 30, 2021, \$0.93 per CCF through June 30, 2022, \$0.99 per CCF through June 30, 2023, \$1.04 per CCF through June 30, 2024, \$1.11 per CCF through June 30, 2025, and \$1.17 per CCF through June 30, 2026. Pursuant to California Government Code 53756, the District may pass through any additional increases in the WRD RA above the projected rates listed above. Future pass-through adjustments will be implemented by increasing the District's Volumetric Rate by an amount not to exceed the level of WRD RA rate increases (in cents per CCF) in excess of the projected WRD rates listed above. For example, if WRD increases its RA rate to \$0.95 per CCF on July 1, 2021, the District's Water Volumetric Rate could be increased by up to \$0.02 per CCF, equal to the difference between \$0.95 and the projected rate of \$0.93 shown above. Prior to initiating any pass-through adjustment, the District will notify all customers at least 30 days prior to implementation.