



PICO WATER DISTRICT • 4843 S. CHURCH STREET PICO RIVERA, CA 90660

PROPOSITION 218 NOTIFICATION

NOTICE OF PUBLIC HEARING ON WATER RATE INCREASES

DECEMBER 16, 2020, AT 6:00 p.m.

Why Rate Increases Are Needed

Pico Water District (District) provides water services to ratepayers within its boundaries. While the District strives to be efficient and competitive with its rates, its costs continue to rise due to the replacement of aging infrastructure and undersized mainlines, drilling of new wells and the installation of a new treatment system to remove per- and poly-fluoroalkyl substances (PFAS), the collective term for a group of synthetic chemicals detected in some of the District's wells. The District is proposing predictable, incremental increases to keep pace with these costs. The District engaged an independent consultant to prepare a rate study to determine the appropriate user rates for services from 2021 through 2025.

The proposed rate increases are necessary to enable the District to: (1) recover current and projected increases in the costs of operating and maintaining the water system; (2) maintain the operational and financial stability of the District; (3) avoid operational deficits and depletion of reserves; (4) construct capital infrastructure improvements needed to repair, replace and update the District's aging systems; (5) replace aging equipment; and (6) comply with state and federal regulatory requirements. For further information regarding the rates and analysis, please refer to the 2020 Water Rate Study, which is available for review on the District's website PicoWaterDistrict.net or by request. For any questions, please contact the District Office at **(562) 692-3756**.

Public Hearing & Protests

The District's Board will hold a public hearing on December 16, 2020, at 6:00 p.m.

In accordance with the current State of Emergency for COVID-19 and the Governor's Executive Orders that temporarily suspend requirements of the Brown Act, teleconferencing will be used during the Public Hearing. Members of the public are invited to participate by Zoom meeting.

JOIN THE LIVE ZOOM MEETING:

<https://us02web.zoom.us/j/87906688334?pwd=N2dvekRLK2p4ZzFCMTkzQm1ELORxZz09>

Meeting ID: 879 0668 8334

Passcode: 244481

Or listen in using this information and dialing (669) 900-9128

Customers directly responsible for the payment of the rates and/or property owners, if different, may submit a written protest against the noticed rate changes; however, only one protest will be counted per identified parcel.

Any written protest must: (1) specifically identify what is being protested; (2) provide the location of the identified parcel (by assessor's parcel number or street address); and (3) include the printed name and signature of the person who is listed on the utility account and is responsible for paying the utility bill and/or the property owner.

Written protests must be submitted by mail to the District Secretary at **P.O. Box 758, Pico Rivera, CA 90660-0758**, or in person by utilizing the drop box located at **4843 S. Church St., Pico Rivera, CA 90660-2102**, or during the Public Hearing, provided they are received prior to the conclusion of the public comment portion of the Public Hearing. For any protest, please identify on the front of the envelope, "Attn: Public Hearing on Rate Increases," whether mailed or submitted in person to the District Secretary.

The Board will hear and consider all written and oral protests to the proposed rate increase at the Public Hearing on **December 16, 2020, at 6:00 p.m.** Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. If there is no majority protest upon the conclusion of the Public Hearing, the Board will consider and may adopt the increased rates.

Pico Water District will also hold a virtual community meeting to provide details of the proposed rate adjustment on **November 19, 2020, at 6:00 p.m.** People can participate by using the same Zoom meeting ID, Passcode and/or phone number listed above.

For more information, please contact the District office at **(562) 692-3756**.

Proposed Water Rates

Currently, a water customer is charged a monthly fixed rate and volumetric rates based on three usage tiers. The proposed rates include a monthly fixed charge based on a customer’s meter size and one volumetric rate as shown in the table below. If approved, the new rates would take effect February 14, 2021, and each February 14 through 2025.

Volumetric Rates (All Customers)	Existing	Proposed Rates – All CCF*				
Existing Tier Structure	2020	Effective Feb 14, 2021	Effective Feb 14, 2022	Effective Feb 14, 2023	Effective Feb 14, 2024	Effective Feb 14, 2025
Tier 1 (0-8 CCF*)	\$1.30	\$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 Charges (All Customers)	Existing	Proposed Charges				
Meter Size	2020	Effective Feb 14, 2021	Effective Feb 14, 2022	Effective Feb 14, 2023	Effective Feb 14, 2024	Effective Feb 14, 2025
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

*One hundred cubic feet of water

Future Pass-Through Adjustments for Wholesale Water Rate Increases

The proposed water rates assume that the Water Replenishment District of Southern California (WRD) will charge the following rates for groundwater: \$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 WRD rates 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 rate increases (in cents per CCF) in excess of the projected WRD rates listed above. For example, if WRD increases its 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.

For further details regarding the proposed rate increases to the District’s water rates or for any questions you may have regarding the proposed fees that may be imposed on your parcel, please contact the District office at **(562) 692-3756** and ask to speak with **Mark Grajeda, General Manager**.