

PWS-519

ORDINANCE NO. 61

**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 has recently reviewed its financial situation, including the revenues being generated by water sales, as well as its funding needs with respect to various capital improvements called for in its 2008 Water System Master Plan and Water Program Plan, which demonstrate the need for the District to raise its water rates and charges to meet increased operational costs and to establish a new infrastructure replacement charge to provide funds for capital improvements identified in the Water System Master Plan; and

WHEREAS, at its meeting on August 20, 2014, the District’s Board of Directors approved certain proposed increases 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 after December 14, 2014, and then with subsequent increases to be effective for the first billings after December 14, 2015, December 14, 2016, December 14, 2017 and December 13, 2018, respectively, to provide revenues to meet increased operating costs (the “Proposed Rate Increase”); and

WHEREAS, in addition, at its meeting on August 20, 2014, the District’s Board of Directors approved the establishment of a proposed infrastructure replacement charge to be determined in a range from \$5.00 to \$7.00 per meter per month to provide revenues necessary to fund the construction and installation of capital improvements, with the exact amount of that charge to be determined by the District’s Board of Directors at the public hearing required by Article XIIIID, Section 6 of the California Constitution (the “Proposed Infrastructure Charge”); and

WHEREAS, a public hearing was conducted by the District’s Board of Directors on November 12, 2014, after mailing of notice of hearing and compliance with all requirements of law, and

WHEREAS, the District's Board of Directors finds and determines that: (i) the Proposed Rate Increase and Proposed Infrastructure Charge are 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 and Proposed Infrastructure Charge pursuant to Article XIID, Section 6(a) (1) of the California Constitution has not been presented,

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 five percent (5%), to be effective after December 14, 2014 and to be implemented for the first full billing cycle after that date; and to further increase such water rates and charges annually by five percent (5%), to be effective after each of December 14, 2015, December 14, 2016, December 14, 2017 and December 13, 2018, and to be implemented for the first full billing cycles after each of those respective dates; and establishes an infrastructure replacement charge of \$6.50 per meter per month, to be effective after December 14, 2014 and to be implemented for the first full billing cycle after that date.

Section 2. Adopts new and increased water rates 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, (ii) increased power costs (Southern California Edison rate increases); and (iii) increases in the Consumer Price Index CPI-U for Los Angeles-Riverside-Orange County (calculated on a September 1-August 31 annual basis), 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 those expenses, 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 those expenses that are 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.

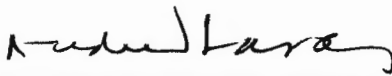
ADOPTED, APPROVED AND EXECUTED BY THE BOARD OF DIRECTORS OF PICO WATER DISTRICT the 12th day of November, 2014.

The vote on this Ordinance was as follows:

AYES: Director Gonzales, Director Salazar, Vice President Caballero, and President Lara

NOES: Director Ramirez

ABSTENTIONS: None



Andrew Lara, President

ATTEST:



Mark J. Grajeda, Secretary



**Pico Water District
Current and Proposed Meter Charges and Commodity Rates
New Rates Take effect in December of Fiscal Years 2014, 2015, 2016, 2017 & 2018**

**Table 1
Current and Proposed Commodity Rates**
Water Rates: 1 unit equals 100 cubic feet = 748 gallons

	December					
	FY 2014 Current Rates	FY 2014 Proposed Rates	FY 2015 Proposed Rates	FY 2016 Proposed Rates	FY 2017 Proposed Rates	FY 2018 Proposed Rates
Less than 8 units per month	1.02	1.07	1.12	1.18	1.24	1.30 per unit
At least 8 but less than 12 units per month	1.25	1.31	1.38	1.45	1.52	1.60 per unit
12 units or more per month	1.69	1.77	1.86	1.95	2.05	2.15 per unit

**Table 2
Current and Proposed Monthly Meter Charges**

Meter Size	<u>Meter Charge</u>					
	FY 2014 Current Charges	December FY 2014 Proposed Charges	FY 2015 Proposed Charges	FY 2016 Proposed Charges	FY 2017 Proposed Charges	FY 2018 Proposed Charges
5/8"	11.98	12.58	13.21	13.87	14.56	15.29
1"	16.49	17.31	18.18	19.09	20.04	21.05
1-1/2"	29.95	31.45	33.02	34.67	36.40	38.22
2"	47.92	50.32	52.83	55.47	58.25	61.16
3"	119.81	125.80	132.09	138.70	145.63	152.91
4"	299.51	314.49	330.21	346.72	364.06	382.26
6"	599.03	628.98	660.43	693.45	728.12	764.53
Fire Service						
1.5"	12.86	13.50	14.18	14.89	15.63	16.41
2"	12.86	13.50	14.18	14.89	15.63	16.41
4"	35.68	37.46	39.34	41.30	43.37	45.54
6"	53.95	56.65	59.48	62.45	65.58	68.86
8"	65.91	69.21	72.67	76.30	80.11	84.12
10"	83.60	87.78	92.17	96.78	101.62	106.70

**Table 3
Proposed Infrastructure Replacement Monthly Surcharge per Meter Except Fire Service**

Existing Rate	\$ - per meter per month
New Rate	\$ 6.50 per meter per month

Table 4
Current and Proposed Monthly Additional Facilities Charges
Facilities Charge Portion for Multiple Consumer Units Served Through a Single Meter

Category	Meter Size	FY 2014	December	FY 2015	FY 2016	FY 2017	FY 2018	
		Current Charges	FY 2014 Proposed Charges	Proposed Charges	Proposed Charges	Proposed Charges	Proposed Charges	
Houses	5/8"	2.68	2.81	2.95	3.10	3.26	3.42	per house
	1"	5.34	5.61	5.89	6.18	6.49	6.82	per house
Duplexes	MUHA - 5/8"	2.68	2.81	2.95	3.10	3.26	3.42	per house
	5/8"	2.68	2.81	2.95	3.10	3.26	3.42	per unit, after first meter
	1"	5.34	5.61	5.89	6.18	6.49	6.82	per unit, after first meter
	1.5"	5.34	5.61	5.89	6.18	6.49	6.82	per unit, after first meter
Triplexes	MUDA - 5/8"	2.68	2.81	2.95	3.10	3.26	3.42	per unit, after first meter
	5/8"	2.68	2.81	2.95	3.10	3.26	3.42	per unit, after first meter
	1"	5.34	5.61	5.89	6.18	6.49	6.82	per unit, after first meter
Apartments	1.5"	5.34	5.61	5.89	6.18	6.49	6.82	per unit, after first meter
	5/8"	2.01	2.11	2.22	2.33	2.44	2.57	per unit
	1"	2.68	2.81	2.95	3.10	3.26	3.42	per unit
	1-1/2"	3.34	3.51	3.68	3.87	4.06	4.26	per unit
	2"	4.01	4.21	4.42	4.64	4.87	5.12	per unit
	3"	4.01	4.21	4.42	4.64	4.87	5.12	per unit
Trailer Parks	6"	4.01	4.21	4.42	4.64	4.87	5.12	per unit
	1"	2.68	2.81	2.95	3.10	3.26	3.42	per developed space
	1-1/2"	3.34	3.51	3.68	3.87	4.06	4.26	per developed space
Motels	2"	4.01	4.21	4.42	4.64	4.87	5.12	per developed space
	N.A.	1.33	1.40	1.47	1.54	1.62	1.70	per unit, after first meter
Commercial Shops	5/8"	2.68	2.81	2.95	3.10	3.26	3.42	per unit
	1"	3.34	3.51	3.68	3.87	4.06	4.26	per unit
	1-1/2"	4.01	4.21	4.42	4.64	4.87	5.12	per unit
	2"	4.01	4.21	4.42	4.64	4.87	5.12	per unit