Rates & Charges

PICO WATER DISTRICT RATES

On November 12, 2014 the Pico Water District “District” held a Public Hearing to consider a rate increase. The Public Hearing was held at the Pico Park Multi-Purpose Room in Pico Rivera. The rate increase covered the monthly meter charge, the water charge and a new monthly infrastructure charge. The District received four protest letters prior to the meeting, and had two members of the public and four members of staff attend the meeting. On September 25, 2014 the District sent out separate notices to all customers.

In preparation for the Public Hearing the District held two workshops at the Pico Park Multi-Purpose room one on Tuesday October 7th at 2:00 PM, and the second on Wednesday October 22nd at 7:00 PM.

Why does the District need to increase rates? For the past several years the District’s financial position has ebbed between a positive and negative financial position, mainly dependent on water sales. Based on the current water rates the District does not generate sufficient revenues to cover all of the District expenses such as labor, benefits, insurance, increased regulatory oversight, increases from other utilities, and fund capital improvement projects. For years the District has managed to keep their water rates one of the lowest in the Central Basin. However, keeping rates low is what every water agency strives for; maintaining a competitive and reasonable rate is what is needed to keep our water system reliable. The District’s water system was established in 1926 and many of the original wells are still in operation and must be retired and replaced with new wells. Drilling a new well is estimated to be over one million dollars per well. The District has over 31,000 feet of four-inch diameter pipe and smaller, which the District plans to replace.

Increasing the water and monthly service rates by 5% over the next five years should generate
and maintain the District’s water facilities. This year for the first time the Board implemented a new infrastructure surcharge of $6.50 per meter/month. This surcharge will be used to pay down a loan the District is seeking in the range of five to seven million dollars. All monies from the loan will be used solely for the replacement of older wells and mainlines equal to and smaller than four-inch diameter.

- District Water Rates - Ordinance 61
- District Miscellaneous Fees - Appendix D
- 2014 Water Rate Proposition 218 Notice