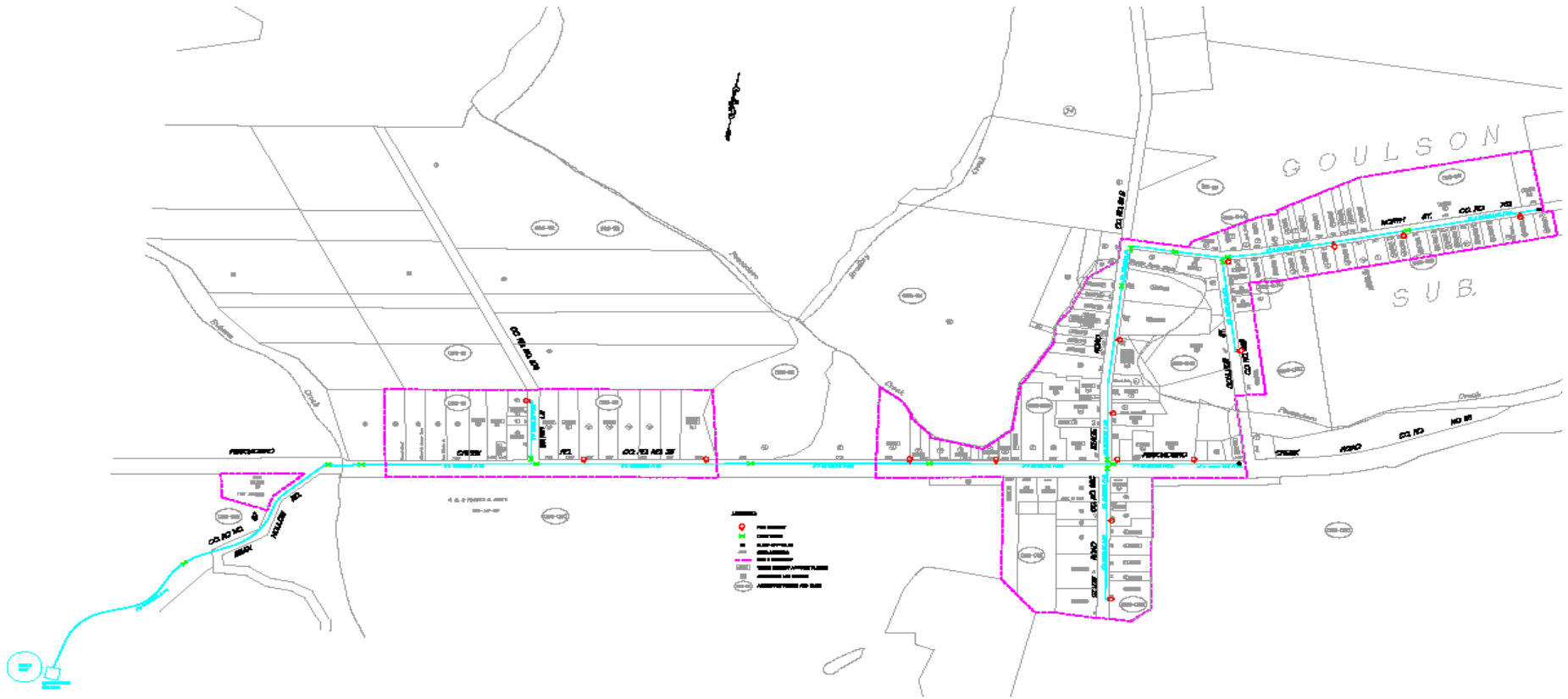


County Service Area No. 11 (Pescadero Community Water System)

**Proposed Water Service Rate Increases for
Fiscal Years 2025-26 through 2029-30**

**Tuesday, April 8, 2025 at 9:00 a.m.
Board of Supervisors Chambers
500 County Center, 1st Floor, Redwood City**

System Overview – County Service Area 11 (CSA 11)



System Overview

- 101 customers in CSA 11 boundary
- System includes:
 - Well #1 – Production Well
 - Well #2 – Standby/Emergency Well
 - Well #3 – Production Well
 - Two Storage Tank with a combined capacity of 298,000 gallons
 - Water Distribution Pipeline -11,660 linear feet

System Overview

- County Board of Supervisors is the governing body
- Department of Public Works provides staff for operation, maintenance and administration of CSA 11 and CSA 7 (La Honda Water System), the only two water systems operated by the County
- Regulatory Compliance/Oversight/Permit – Department of Water Resources Division of Drinking Water (DDW)
- Operator - Responsible for operating and maintaining system; must be State certified. Bracewell Engineering, Inc. has been under contract with the County to serve as the operator of CSA 11 (and CSA 7) since 2011

Operation and Maintenance Overview

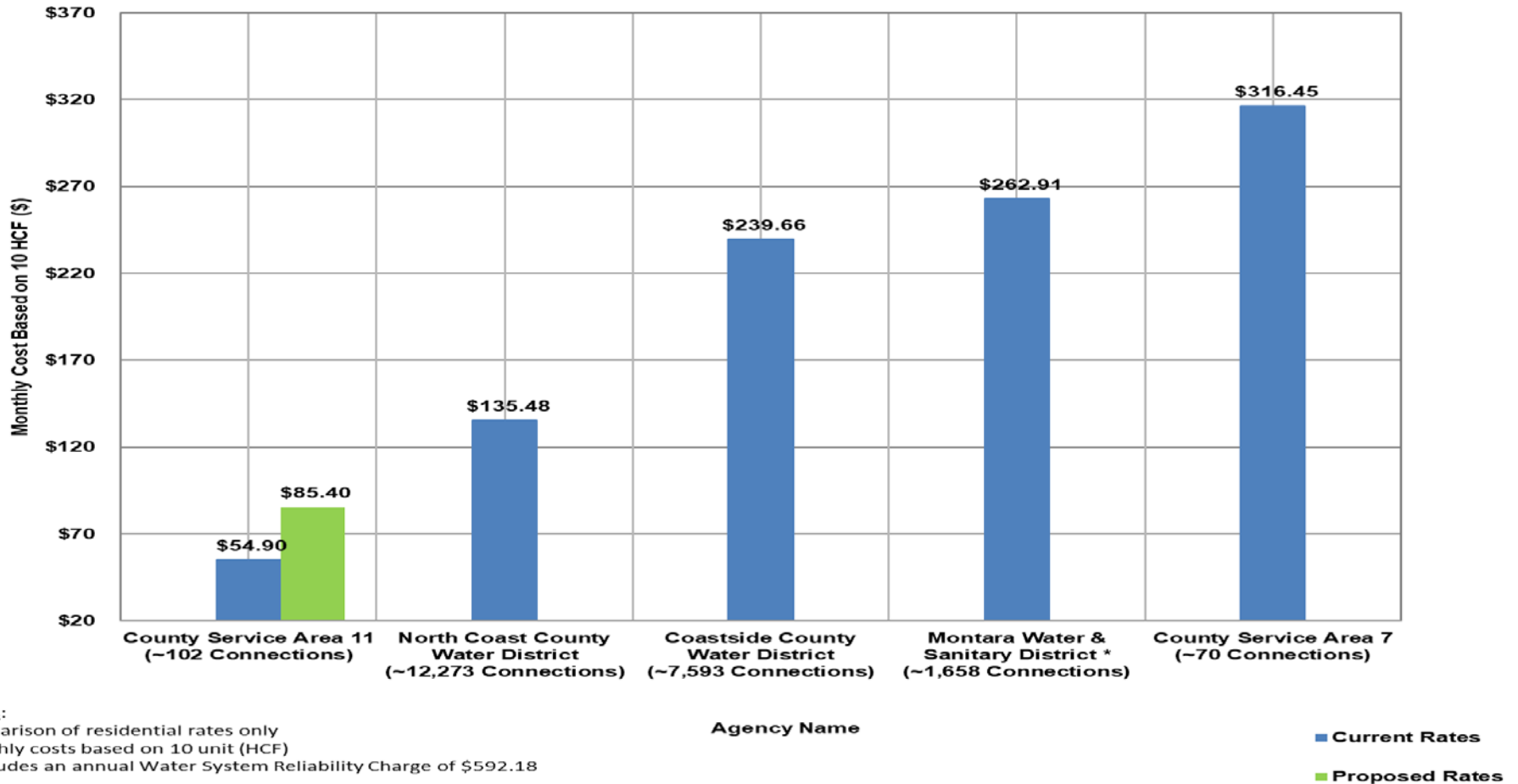
- Ongoing monitoring, maintenance and repair of wells, pumps, storage tanks, and related components
- Monthly and annual distribution system water sample testing, and well monitoring reports to DDW
- Bi-monthly water meter reading
- Annual Consumer Confidence Report
- Alarm system testing
- Annual backflow prevention assembly inspection, repair, and certification (102 devices)
- Annual hydrant flushing and gate valve exercising
- Emergency response and repair (investigation, communication with customers/DDW, posting notices, water quality sampling, etc.)

Financial Overview

- Water meter service and usage charges are the primary sources of revenue for the system
- Receives no property taxes (formed after Prop 13)
- Fund reserve as of 06/30/2024 - \$28,133
- Need new rates to support:
 - Cost increases for operation and maintenance
 - Repayment of outstanding loan (\$58,800 + interest) obtained during the 2011 water outage
 - Minimum fund reserve target (50% annual O&M costs + 3% Replacement Value of water system, approx. \$150,000)
 - Long-term capital improvement needs, including meter replacement and addressing limitations of aquifer

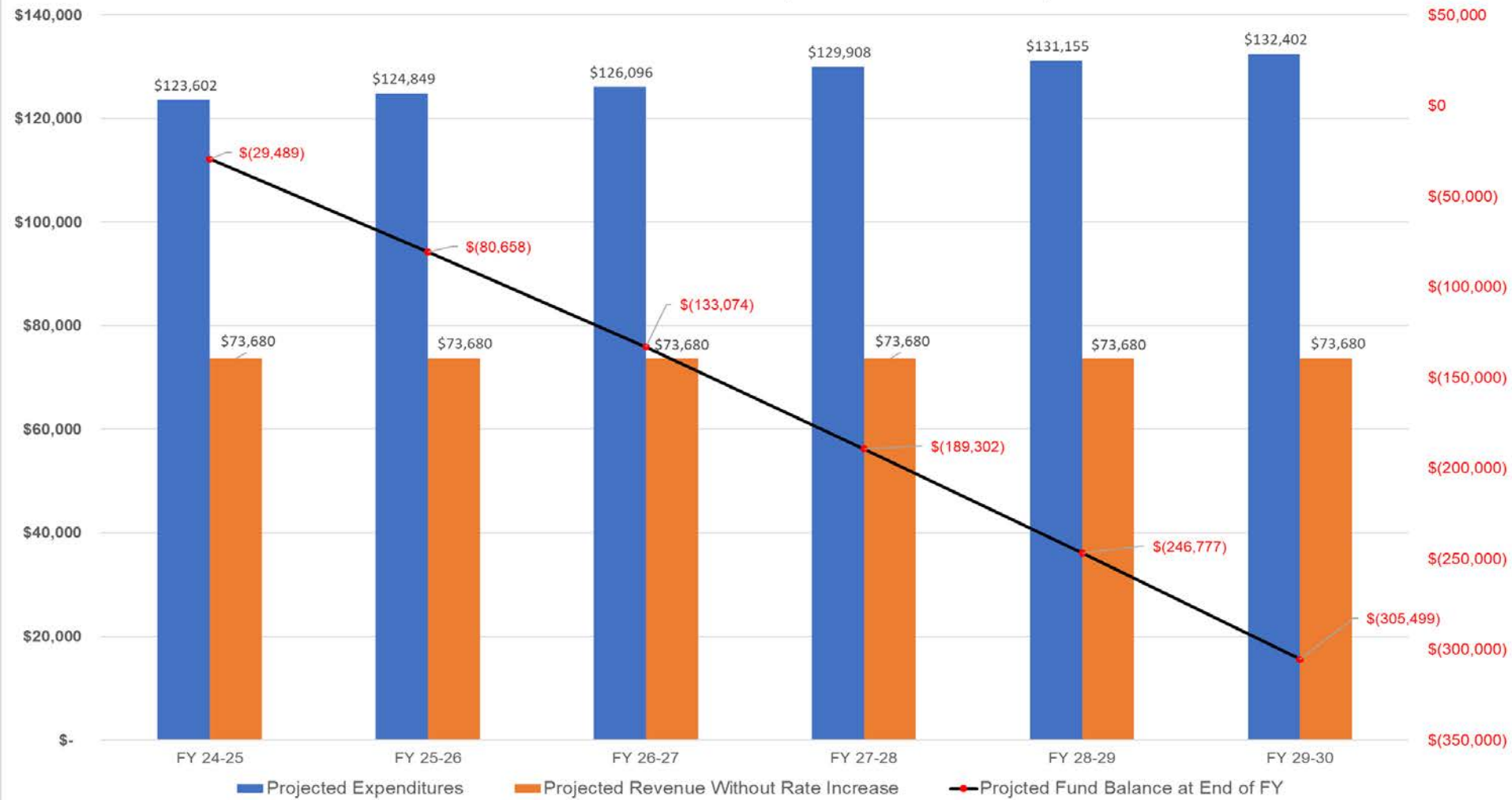
CSA 11 Rate Comparisons as of Jan. 2025

CSA 11 Rates vs. Neighboring Agency Rates



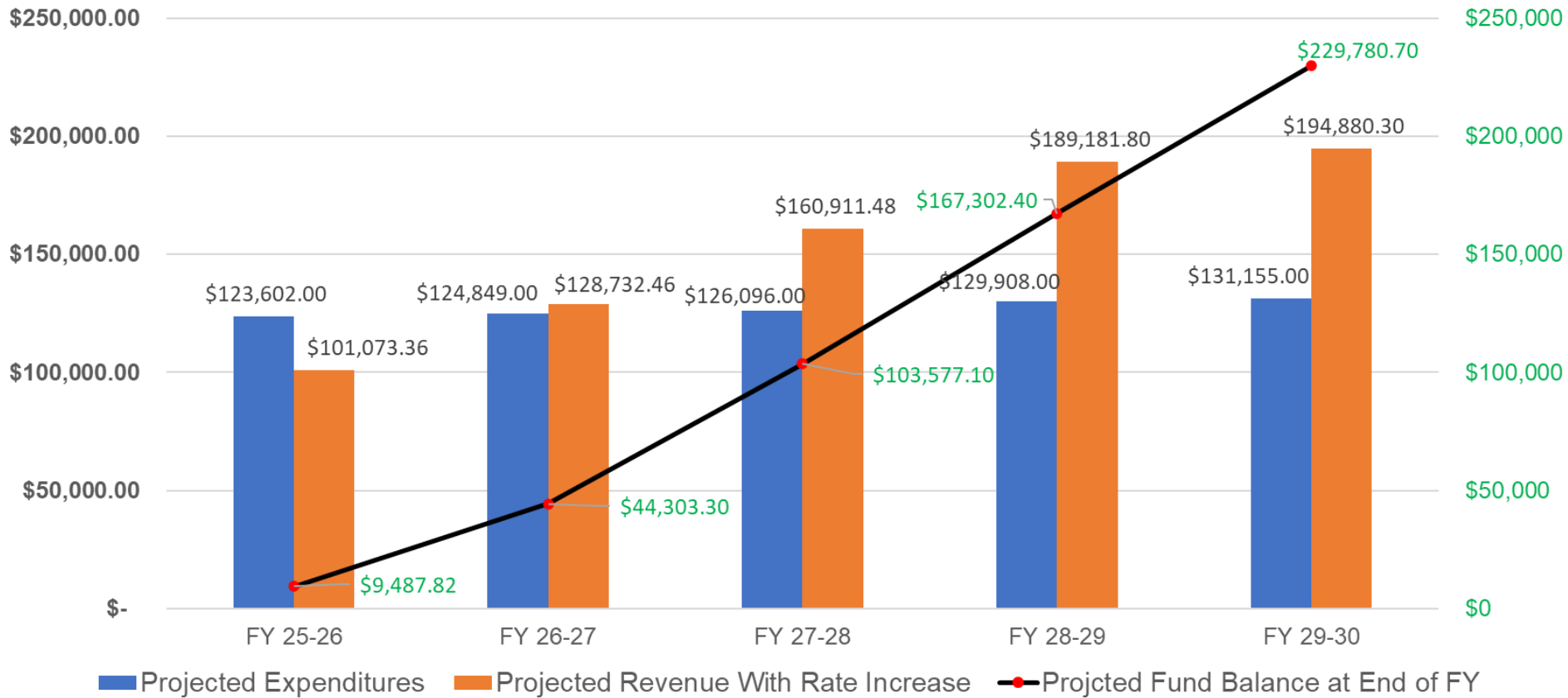
CSA 11 Finances

No Rate Increase (FY2024 - 2029)



CSA 11 Rates

Anticipated Revenue and Expenditures After Rate Increase (FY2025 - 2029)



CSA 11 Rates – Proposed Meter and Water Charges

Water Service Description	Current Rates	Proposed Rates (\$ Increase/Month or \$ Increase/Unit)				
		Effective July Billing, 2025	Effective July Billing, 2026	Effective July Billing, 2027	Effective July Billing, 2028	Effective July Billing, 2029
5/8" Meter Monthly Charge (87 Accounts)	\$28.00	\$36.40 (+\$100.80/yr or \$8.40/mo)	\$45.50 (+\$109.20/yr or \$9.10/mo)	\$56.88 (+\$136.56/yr or \$11.38/mo)	\$68.26 (+\$136.56/yr or \$11.38/mo)	\$70.31 (+\$24.60/yr or \$2.05/mo)
1" Meter Monthly Charge (2 Accounts) *	N/A	\$45.00	\$56.25 (+\$135.00/yr or \$11.25/mo)	\$70.31 (+\$168.72/yr or \$14.06/mo)	\$84.37 (+\$168.72/yr or \$14.06/mo)	\$86.90 (+\$30.36/yr or \$2.53/mo)
1-1/2" Meter Monthly Charge (10 Accounts)	\$42.00	\$54.60 (+\$151.20/yr or \$12.60/mo)	\$68.25 (+\$163.80/yr or \$13.65/mo)	\$85.31 (+\$204.72/yr or \$17.06/mo)	\$102.37 (+\$204.72/yr or \$17.06/mo)	\$105.44 (+\$36.84/yr or \$3.07/mo)
2" Meter Monthly Charge (2 Account) *	N/A	\$85.00	\$106.25 (+\$255.00/yr or \$21.25/mo)	\$132.81 (+\$318.72/yr or \$26.56/mo)	\$159.37 (+\$318.72/yr or \$26.56/mo)	\$164.15 (+\$57.36/yr or \$4.78/mo)
4" Meter Monthly Charge (1 Account) *	N/A	\$450.00	\$562.50 (+\$1,350.00/yr or \$112.50/mo)	\$703.13 (+\$1,687.56/yr or \$140.63/mo)	\$843.76 (+\$1,687.56/yr or \$140.63/mo)	\$869.07 (+\$303.72/yr or \$25.31/mo)
Tier 1 Water Rate (0 - 11 HCF Bi-Monthly)	\$2.69	\$4.04 (+\$1.35/HCF)	\$5.25 (+\$1.21/HCF)	\$6.56 (+\$1.31/ HCF)	\$7.54 (+\$0.98/ HCF)	\$7.77 (+\$0.23/ HCF)
Tier 2 Water Rate (12 - 25 HCF Bi-Monthly)	\$4.04	\$6.06 (+\$2.02/ HCF)	\$7.88 (+\$1.82/ HCF)	\$9.85 (+\$1.97/ HCF)	\$11.33 (+\$1.48/ HCF)	\$11.67 (+\$0.34/ HCF)
Tier 3 Water Rate (26-40 HCF Bi-Monthly)	\$5.45	\$8.18 (+\$2.73/ HCF)	\$10.63 (+\$2.45/ HCF)	\$13.29 (+\$2.66/ HCF)	\$15.28 (+\$1.99/ HCF)	\$15.74 (+\$0.46/ HCF)
Tier 4 Water Rate (> 40 HCF Bi-Monthly)	\$7.36	\$11.04 (+\$3.68/ HCF)	\$14.35 (+\$3.31/ HCF)	\$17.94 (+\$3.59/ HCF)	\$20.63 (+\$2.69/ HCF)	\$21.25 (+\$0.62/ HCF)

* Denotes new meter size category



Rate Setting Timeline

Key Dates	Actions
January 21, 2025	In-person public meeting was held with property owners and active account holders in Pescadero to discuss the proposed water service rates, and to obtain input.
January 28, 2025	The Board of Supervisors adopted a resolution to schedule a time and place for the public hearing on the proposed increase in water service rates and charges for CSA 11.
February 10, 2025	Sent Proposition 218 notice to property owners with proposed rates (more than 45 days prior to public hearing).
February 26, 2025 March 5, 2025	Posted public notification in newspaper.
April 8, 2025	Hold public hearing, pending no majority protest, adopt a resolution setting rates.
July, 2025	Proposed rates will be effective with July 2025 billings, which includes water use during May to June, if the proposed rates are adopt.

Information regarding the proposed rates is available on the Department web page at:
<https://publicworks.smcgov.org/water-services>



Public Comment Period

- From February 10, 2025 to April 8, 2025
- At the time of preparing this presentation, the Department has received 4 written protests from the property owners/account holders.

No. of Parcels with Active Accounts	Valid Protests	Percent (%)
87	4	5%

Thank You

