



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Department of Public Works



Date: June 7, 2012
Board Meeting Date: June 26, 2012
Special Notice / Hearing: Complied with Required
Notification
Vote Required: Majority

To: Honorable Board of Supervisors
From: James C. Porter, Director of Public Works
Subject: **Executive Summary** – Adoption of Water Rates and Charges for County Service Area No. 11, Pescadero Area

RECOMMENDATION:

Acting as the Governing Board of County Service Area No. 11, and after conducting the public hearing, adopt a Resolution adopting the water rates and meter service charges for County Service Area No. 11.

BACKGROUND:

On September 9, 2003, your Board adopted Resolution No. 066229, adopting the current water service rates and meter service charges for County Service Area No. 11 (CSA 11). Revenue generated from these rates is not sufficient to adequately operate, maintain, and administer CSA 11.

On May 8, 2012, your Board adopted Resolution No. 071932, which set 9:00 a.m. on June 26, 2012, in your Chambers as the time and place for a public hearing to consider the proposed water rates and meter service charges for CSA 11 and directed the Director of Public Works to send the necessary notices for said hearing.

The process to be followed for adopting the water service rates includes:

1. Hold a public hearing and receive testimony on the proposed water rates and meter service charges.
2. After considering all written and oral objections to the proposed water rates and meter service charges, close the public hearing and determine if there is a majority protest to the proposed water rates and meter service charges.

3. If there is a majority protest, terminate consideration of adopting the proposed water rates and meter service charges.
4. If there is not a majority protest, adopt the Resolution and set the water rates and meter service charges effective July 1, 2012.

DISCUSSION:

The May 8, 2012 Board Report on this topic explained the need for the current water rates and meter service charges to be increased and recommended the water rates be based on a tiered rate structure. The water rates, meter service charges, and other associated CSA 11 charges are described in Exhibit A of the Resolution.

After the Board meeting on May 8, 2012, the Department sent a letter which provided property owners and customers with the proposed rates and information about the time and place of the public hearing. This notice complied with Article XIIC and XIID of the State Constitution (Proposition 218) by individually noticing each property owner and customer of record of the proposed water service increase and a mechanism for rejecting the proposed rates via a “majority protest” at the public hearing.

At the time this report was prepared, the Department had not received any written protests to the proposed water rates and meter service charges. We will report to your Board on any written protests that are received up to and including the date of the public hearing.

We believe the recommended water rates and meter service charges are appropriate as they have been calculated to provide the funding necessary to maintain the water supply and distribution system of CSA 11 and meet current State and Federal requirements.

County Counsel has reviewed and approved the Resolution as to form, and we will provide an alternate form of resolution if there is a majority protest in CSA 11.

Your Board’s adoption of the water rates and meter service charges contributes to the Shared Vision 2025 outcome of a Healthy Community by providing revenue to CSA 11 and allowing for uninterrupted potable water service to CSA 11 customers.

FISCAL IMPACT:

There is no direct impact to the General Fund. However, water service charges are levied on properties that are either leased or owned by the County and provided water by CSA 11, such as the County Fire Station Number 59 located on Pescadero Creek Road.