



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Public Works and Parks



Date: February 19, 2013
Board Meeting Date: March 26, 2013
Special Notice / Hearing: Complied with Required
Notification
Vote Required: Majority

To: Honorable Board of Supervisors
From: James C. Porter, Director of Public Works and Parks
Subject: **Executive Summary** – Water Rates and Charges for County Service Area No. 7, La Honda Area

RECOMMENDATION:

Acting as the Governing Board of County Service Area No. 7 and after conducting the public hearing adopt:

- A) An Ordinance amending Sections 4.104.010 and 4.104.020 of Chapter 4.104 of Title 4, of the San Mateo County Ordinance Code, setting the water rates for FYs 2012-13 through 2014-15 for County Service Area No. 7, previously introduced on January 29, 2013 and waiver of reading the Ordinance in its entirety; and
- B) A Resolution authorizing the imposition of water service rates and meter service charges.

BACKGROUND:

On June 24, 1997, your Board adopted Ordinance No. 03781 adopting the water regulations and rates for CSA 7 and establishing a CSA 7 Customer Advisory Committee (Committee) to be an advisory group to the Director of Public Works. On June 1, 1999, your Board adopted Ordinance No. 03909 adopting the current water rates and charges for CSA 7.

On January 29, 2013, your Board adopted Resolution No. 072349, which set 9:00 a.m. on March 26, 2013, in your Chambers as the time and place for a public hearing to consider the water rates for FYs 2012-13 through 2014-15 for CSA 7.

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

1. Hold a public hearing and receive testimony on the water rate and meter service charge increases for CSA 7.

2. After considering all written and oral objections to the water rates and meter service charges for CSA 7, 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 your consideration of imposing the water rate and meter service charge increases.
4. If there is not a successful majority protest, adopt the ordinance amending Sections 4.104.010 and 4.104.020 of Chapter 4.104 of Title 4, of the San Mateo County Ordinance Code, setting the water rates for FYs 2012-13 through 2014-15 for County Service Area No. 7.
5. Adopt the Resolution authorizing the imposition of water service rates and meter service charges for FYs 2012-13 through 2014-15 beginning with the June billings for each fiscal year (June 2013, 2014, and 2015).

DISCUSSION:

The January 29, 2013 Board Report explained the need for water rates and meter service charges to be increased. After the Board meeting on January 29, 2013, the Department sent a letter, which complied with Article XIII C and XIII D of the State Constitution (Proposition 218), to property owners and customers with the proposed rates and information about the time and place of the public hearing, and explained a mechanism for rejecting the proposed rates via a “majority protest”.

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.

The Department is recommending that the proposed rates be approved and be evaluated annually to determine their adequacy. Staff will continue to work with the Committee to evaluate the financial condition of CSA 7 and develop long-term rates that will be acceptable to the ratepayers while adequately meeting the financial obligations of CSA 7.

County Counsel has reviewed and approved an Ordinance and Resolution as to form, and we will provide an alternate form of resolution if there is a majority protest in CSA 7.

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 7 and allowing for uninterrupted potable water service to CSA 7 customers.

FISCAL IMPACT:

There is no direct impact to the General Fund. Other associated CSA 7 charges are described in the Ordinance.