

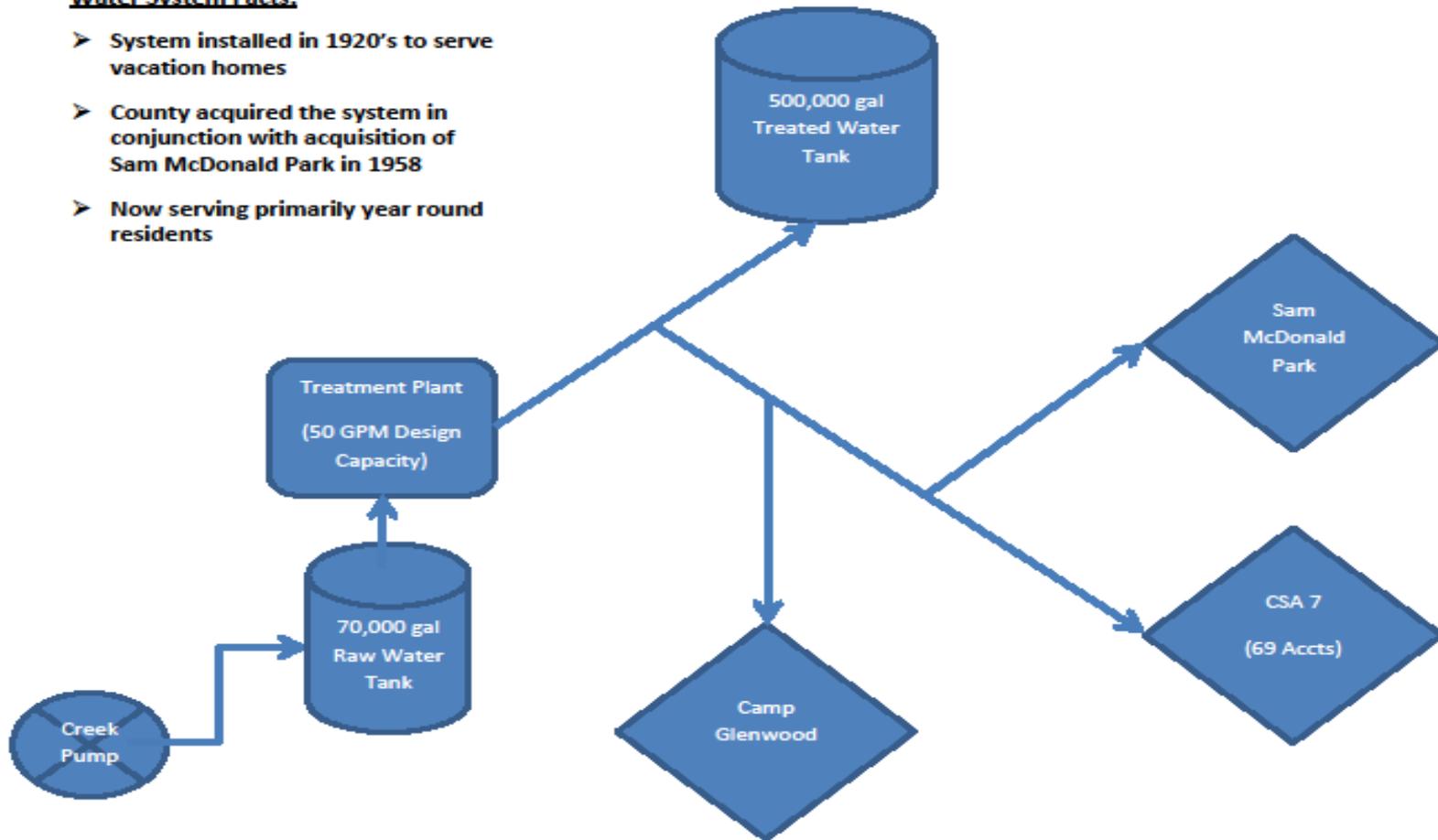
# **County Service Area No. 7 (La Honda Community Water System)**

**Proposed Water Service Rate Increases for  
Five Fiscal Years - 2021-2022 through 2025-2026**

**Tuesday, May 4, 2021 at 9:00 a.m.  
Board of Supervisors Chambers  
Hall of Justice and Records  
400 County Center, Redwood City**

**Water System Facts:**

- System installed in 1920's to serve vacation homes
- County acquired the system in conjunction with acquisition of Sam McDonald Park in 1958
- Now serving primarily year round residents



**CSA 7 Water System Schematic**

# WATER SYSTEM REVENUE SOURCE AND FUNDING NEEDS

- Water meter service and usage charges are the primary sources of revenue for the system
- These charges are a Fee For Service, Not a Tax
- Current average annual revenue - \$95,784
- Current average annual expenditures for supply, treatment, operation and maintenance (O&M) only - \$103,712
- Fund reserve as of 6/30/2020 - \$47,685
- CSA 7 is an expensive system to operate – location, water source, condition and location of water system pipes
- Proposed rate increases are needed to support required O&M and contribute to a modest reserve for unanticipated costs
- As recommended by the Advisory Committee, the proposed rates do not include a component for current and future capital improvements

# CSA 7 Capital Improvements List

Measure K (\$3.6M allocation) funded capital improvement projects include:

➤ Projects **completed**

1. Disinfection By-Product (TTHM) Treatment Spray System
2. Treated Water Tank Seismic Retrofit
3. New Plant Chemical Containment System
4. New Plant Chemical Feed Pumps
5. Various treatment plant electrical upgrades
6. Replaced 600 feet of water main on Pope Road

➤ Projects **under design**

1. Plant Flocculation Chamber Recoating
2. Plant Sand Media of Filters Replacement
3. Permanent Emergency Generator for Power Outages & PSPS



# CSA 7 Capital Improvements List (Continued)

The following needed capital improvement projects cannot be completed with the anticipated remaining Measure K allocation:

1. Looping Water Main (Pescadero Creek Road between SR-84 and Treatment Plant)
2. Northern Area Water Distribution System Replacement (SR-84 between Pescadero Creek Road and Memory Lane)
3. New Code Compliant Raw Water Steel Tank
4. Additional Source of Raw Water
5. System-Wide Pipeline Replacement



# RATE SETTING TIMELINE

Key Dates	Actions
March 9, 2021	Introduce Ordinance with proposed water service rates and set Public Hearing for May 4, 2021.
March 15, 2021	Sent Proposition 218 notice to property owners with proposed rates (more than 45 days prior to public hearing).
March 17, 2021 March 24, 2021	Posted public notification on major County newspapers.
<b>May 4, 2021</b>	<b>Hold public hearing, adopt Ordinance setting rates.</b>
September, 2021	Proposed rates will be effective with September billings, which includes water use during July to September, 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 March 9, 2021 to May 4, 2021
- At the time of preparing this presentation, the Department has received 6 written protests from the property owners/account holders.

No. of Property Owners/Account Holders	Written Protests	Percent (%)
67	6	9.0%



# PROPOSED RATES FOR CONSIDERATION

	Current Rates	Proposed Rates **				
		FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
Monthly Meter Service Charge	\$58.73	\$85.16	\$87.71	\$90.34	\$93.05	\$95.84
Water Rate Per Unit*	\$14.10	\$20.45	\$21.06	\$21.69	\$22.34	\$23.01
% Increase		↑ 45%	↑ 3%	↑ 3%	↑ 3%	↑ 3%

\* 1 Unit = 748 gallons or 1,000 cubic feet of water

\*\* The Advisory Committee approved a significant increase in the first year with modest increases in subsequent years.

**The proposed rates do not support capital improvement project costs for CSA 7**

# PROPOSED ADJUSTMENT TO OTHER FEES

## Facilities Buy-in Charge

<u>Service Size</u>	<u>Current</u>	<u>Proposed</u>
All Meter Sizes	\$3,100	\$3,905*

## Account Set-up Fee

<u>Service Size</u>	<u>Current</u>	<u>Proposed</u>
All Meter Sizes	\$75	\$100

## Deposit for Rental Meter

<u>Rental Meter Size</u>	<u>Current</u>	<u>Proposed</u>
5/8" x 3/4"	\$100	\$200
2"	\$800	\$900

## Bulk Rate Water Permits (per tank basis)

<u>Tank Capacity</u>	<u>Current</u>	<u>Proposed</u>
1,500 gallons or less	\$1,500.00	\$2,000.00
Over 1,500 gallons	\$3,000.00	\$4,000.00

\* Buy-In Charges adjusted using July 1, 2020 ENR Construction Cost Index. Buy-In Charges to be adjusted annually on July 1 according to the ENR Construction Cost Index.



# PROPOSED ADJUSTMENT TO OTHER FEES (CONT.)

## Miscellaneous Fees

Reason		Current	Proposed
Restoration of Service Turned Off for Non-payment	Normal business hours	\$100	\$130
	After normal business hours	\$150	\$300
Meter Test (At Customer's Request)		\$200	\$300
Removal of Flow Restrictors		\$50	\$150
Reinstall Meter (Removed for Non-payment):	Meter size under 1"	\$250	\$275
	Meter size over 1"	\$300	\$350
Meter Replacement At Customer's Request:	Meter size under 1"	\$250	\$275
	Meter size over 1"	\$300	\$350
Fire Hydrant Flow Test Permit (For Pressure Determination)		\$85	\$100
Late Payment Charge		\$30	\$35

# What can you do to Reduce the Impact of the Rate Increase on Your Water Bill?

- Stop any leaks. Some leaks can go unnoticed.
- Use low flow fixtures. (toilets and shower heads)
- Don't use the toilet as a waste paper basket.
- Wash only full loads of laundry and dishwasher.
- Do not let the water run when brushing your teeth or shaving.
- If you have a well on your property, use it for outside water (landscaping).
- Select plants that are appropriate for your climate and are drought tolerant.
- Do not over water and water at the appropriate time of day (early in the morning or in the evening) when the winds are low.

Additional water saving information can be found on the internet, as well as, on our website at: <https://www.smcsustainability.org/energy-water/water-conservation/>.



# QUESTIONS AND COMMENTS

COUNTY OF SAN MATEO



**THANK YOU!**