



# County of San Mateo

## Inter-Departmental Correspondence

**Department:** GOVERNING BOARD

**File #:** 21-333

Board Meeting Date: 5/4/2021

**Special Notice / Hearing:** Complied with Required  
 Notification/ Public Hearing  
 Required  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors, Acting as the Governing Board of County Service Area No. 7

**From:** James C. Porter, Director of Public Works

**Subject:** Adoption of Proposed 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, conduct a public hearing:

- A) Open public hearing
- B) Close public hearing
- C) Adopt an ordinance to amend Section 4.104.020 of Chapter 4.104 of Title 4, of the San Mateo County Ordinance Code, setting the water rates for Fiscal Years 2021-22 through 2025-26 for County Service Area No. 7, previously introduced on March 9, 2021 and waive the reading the ordinance in its entirety; and
- D) Adopt a resolution authorizing the imposition of water rates and charges for County Service Area No. 7 for Fiscal Years 2021-22 through 2025-26.

**BACKGROUND:**

On June 24, 1997, this Board adopted Ordinance No. 03781 adopting the water regulations and rates for County Service Area No. 7 (CSA 7) and establishing a CSA 7 Customer Advisory Committee (Committee) to be an advisory group to the Director of Public Works.

On March 26, 2013, this Board adopted Ordinance No. 04652 amending Section 4.104.010 and 4.104.020 of Chapter 4.104 of Title 4, of the San Mateo County Ordinance Code, and setting the current water rates and charges for CSA 7.

On March 9, 2021, this Board adopted Resolution No. 078039, which set 9:00 a.m. on May 4, 2021,

at this regularly scheduled Board meeting as time and place for a public hearing to consider water rates and charges for Fiscal Years (FYs) 2021-22 through 2025-26 for County Service Area No. 7, and directed the Director of Public Works to send the necessary notices for said hearing.

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

1. Hold a public hearing and receive testimony on the increases to the water rates and charges for CSA 7.
2. After considering all written and oral objections to the increases to water rates and charges for CSA 7, close the public hearing and determine if there is a majority protest to the proposed water rates and charges.
3. If there is a majority protest, terminate this Board's consideration of imposing the increases to the water rates and charges.
4. If there is not a successful majority protest, adopt the ordinance amending Section 4.104.020 of Chapter 4.104 of Title 4, of the San Mateo County Ordinance Code, increasing the water rates and charges for FYs 2021-22 through 2025-26 for County Service Area No. 7.
5. Adopt the resolution authorizing the imposition of water rates and meter service charges for FYs 2021-22 through 2025-26 beginning with the September billings for each fiscal year (September 2021, September 2022, September 2023, September 2024, September 2025).

### **DISCUSSION:**

The March 9, 2021 Board Report prepared by the Department explained the need for the increases to the water rates and charges. Notices were sent to CSA 7 property owners and customers (approximately 68 mailing addresses), informing them of the proposed rate increases, the reason for the increases, and the date, time, and videoconference method that this Board would consider the proposed water rates and charges. This mailing complied with Article XIIC and XIID of the State Constitution by individually noticing each property owner of record and tenant directly liable for payment of the proposed increases in the property related fee and a mechanism for rejecting the fees via a "majority protest" during the public hearing.

Due to the current COVID-19 pandemic and public health concerns of staff and the rate payers, public meetings with property owners or customers were not held this year as was done for the 2013 increase. However, Department staff met with the Committee in multiple quarterly meetings during which time the rates were discussed, and the Committee unanimously approved the proposed increases. The Department has prepared and posted an informational document regarding the proposed rate increases on its website at: <https://publicworks.smcgov.org/water-services>. Customers were informed of this link and had the opportunity to submit questions. At the time this report was prepared, six written protests to the proposed water rates and charges have been received. Staff will report to this Board on any additional written protests that are received up to and including the date and time of the public hearing.

### **Alternates to Consider**

After the close of the hearing, if there is not a majority protest, this Board can approve the proposed water rates and charges or reduce the water rates and charges as may be determined appropriate.

However, reducing the proposed rates would require identifying a source of funding, such as a loan or grant, to support CSA 7 operations as the rates would not be sufficient to adequately support CSA 7 expenditures. Additional impacts to CSA 7 without rate increases could include reduced maintenance, deferred repairs and replacement of existing facilities, or CSA 7 not meeting State and Federal water quality requirements that could result in possible fines against CSA 7, all of which would negatively impact the CSA 7 water system and customers.

Staff will continue to work with the Committee to evaluate and report on the financial condition of CSA 7 and discuss long-term rates or explore other options that may not be acceptable to the rate payers, but necessary to sustainably operate the water system.

County Counsel has reviewed and approved an Ordinance and Resolution as to form. The Department will provide an alternate form of resolution if there is a majority protest.

**FISCAL IMPACT:**

The following are the current and proposed water and meter service rates for CSA 7:

Water Service Description	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 (1 Unit=748 gallons)	\$14.10	\$20.45	\$21.06	\$21.69	\$22.34	\$23.01

Other associated CSA 7 charges are described in the Ordinance.

There is no direct impact to the General Fund.

**RESOLUTION NO. 078145**

**BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA  
ACTING AS THE GOVERNING BOARD OF COUNTY SERVICE AREA NO. 7**

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**RESOLUTION AUTHORIZING THE IMPOSITION OF WATER RATES AND  
CHARGES FOR COUNTY SERVICE AREA NO. 7 FOR FISCAL YEARS 2021-22  
THROUGH 2025-26**

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**RESOLVED**, by the Board of Supervisors of the County of San Mateo, State of California, as the governing board of County Service Area No. 7, that

**WHEREAS**, on June 24, 1997, this Board adopted Ordinance No. 03781 establishing regulations and rate schedules for furnishing of water service within County Service Area No. 7; and

**WHEREAS**, on June 1, 1999, this Board adopted Ordinance No. 03909 amending the rate schedules for furnishing of water service within County Service Area No. 7; and

**WHEREAS**, on March 26, 2013, this Board adopted Ordinance No. 04652 amending Section 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 2012-2013 through 2014-15 for County Service Area No. 7; and

**WHEREAS**, on March 9, 2021, this Board adopted Resolution No. 078039 which set May 4, 2021, at 9:00 a.m. as the fixed time and date of a public hearing on the water rates and charges and directed the Director of Public Works to publish a notice of the public hearing in a newspaper of general circulation in County Service

Area No. 7 and send a written notice of the proposed water rates and charges to the record account holders and each property owner within County Service Area No.7; and

**WHEREAS**, the Director of Public Works has had said notice of the time and date of a public hearing published once a week for two successive weeks prior to the date of said hearing in a local newspaper of circulation in County Service Area No. 7; and

**WHEREAS**, this Board adopted the following water service rates for County Service Area No. 7:

Water Service Description	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 (1 Unit=748 gallons)	\$14.10	\$20.45	\$21.06	\$21.69	\$22.34	\$23.01

; and

**WHEREAS**, a public hearing as required by Sections 25215, et seq., of the California Government Code was duly held on May 4, 2021, at 9:00 a.m. at the regularly scheduled Board meeting; and

**WHEREAS**, this Board has heard and considered all protests and objections to said water rates and charges at said public hearing, has determined that a majority protest does not exist, and has determined that the water rates and charges should be adopted for FYs 2021-22 through 2025-26 beginning with the September billings for each fiscal year (September 2021, September 2022, September 2023, September 2024, September 2025).

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board of Supervisors does hereby adopt the water rates and charges imposed for County Service Area No. 7 for FYs 2021-22 through 2025-26 beginning with the September billings for each fiscal year (September 2021, September 2022, September 2023, September 2024, September 2025) to be computed on the basis of the provisions of Chapter 4.104 of the San Mateo County Ordinance code.

\* \* \* \* \*

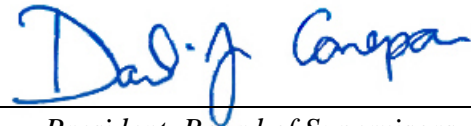
*Regularly passed and adopted this 4<sup>th</sup> day of May, 2021*

*AYES and in favor of said resolution:*

*Supervisors:* \_\_\_\_\_ *DAVE PINE*  
\_\_\_\_\_ *CAROLE GROOM*  
\_\_\_\_\_ *DON HORSLEY*  
\_\_\_\_\_ *WARREN SLOCUM*  
\_\_\_\_\_ *DAVID J. CANEPA*

*NOES and against said resolution:*

*Supervisors:* \_\_\_\_\_ *NONE*



\_\_\_\_\_  
*President, Board of Supervisors  
County of San Mateo  
State of California*

***Certificate of Delivery***

*I certify that a copy of the original resolution filed in the Office of the Clerk of the Board of Supervisors of San Mateo County has been delivered to the President of the Board of Supervisors.*



\_\_\_\_\_  
*Assistant Clerk of the Board of Supervisors*

**ORDINANCE NO. 4843**

**BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA  
ACTING AS THE GOVERNING BOARD OF COUNTY SERVICE AREA NO. 7**

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**ORDINANCE AMENDING SECTION 4.104.020 OF CHAPTER 4.104 OF TITLE 4, OF  
THE SAN MATEO COUNTY ORDINANCE CODE, SETTING THE WATER RATES  
FOR FY 2021-22 THROUGH FY 2025-26 FOR COUNTY SERVICE AREA NO. 7**

The Board of Supervisors of the County of San Mateo, State of California,

**ORDAINS** as follows

**SECTION 1.** Section 4.104.020 of Title 4, Sanitation and Health, of the San Mateo

(2) Facilities Buy-in Charge.

<b>Service Size</b>	<b>Charge</b>
All Meter Sizes	\$3,905.00
	Buy-In Charges reflect July 1, 2020 ENR Construction Cost Index. Buy-In Changes to be adjusted annually on July 1 according to the ENR Construction Cost Index

(3) Account Set-up Fee.

<b>Meter Size</b>	<b>Charge</b>
All Meter Sizes	\$100.00

(4) Deposit for Rental Meter.

<b>Meter Size</b>	<b>Charge</b>
Rental Meter – 5/8” x 3/4”	\$200.00
Rental Meter – 2”	\$900.00

(5) Flat Monthly Service Charge

<b>CSA 7</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
All Meter Sizes	\$85.16	87.71	\$90.34	93.05	\$95.84

Rates for each fiscal year effective with June billings

(6) Water Charge.



<b>CSA 7</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
Unit (per 100 cubic foot unit of water delivered)	\$20.45	\$21.06	\$21.69	\$22.34	\$23.01

Rates for each fiscal year effective with June billings

(7) Bulk Rate Water Permits (Permits issued on a per tank basis).

<b>Tank Capacity</b>	<b>Charge</b>
1,500 gallons or less	\$2,000.00
Over 1,500 gallons	\$4,000.00

(8) Miscellaneous Fees.

<b>Reason</b>	<b>Amount</b>
Restoration of service turned off for non-payment	
- Normal business hours	\$130.00
- After normal business hours	\$300.00
Returned Check Charge	\$25.00
Meter test (at customer's request)	\$300.00
Removal of flow restrictions	\$150.00
Reinstall meter (removed for non-payment):	
Meter size under 1"	\$275.00
Meter size over 1"	\$350.00
Reconnection of service from the water main	One half (1/2) the service connection charge for a new water service
Relocate water meter (from obstructions)	100% of the service connection charge for a new water service
Meter replacement at customer's request:	
Meter size under 1"	\$275.00
Meter size over 1"	\$350.00
Fire Hydrant Flow Test Permit (for pressure determination)	\$100.00
Late Payment Charge	\$35.00

**SECTION 2.**

This Ordinance shall be in full force and effect 30 days after its adoption.

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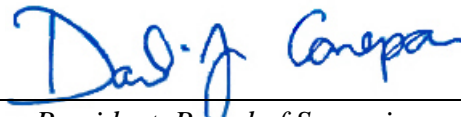
*Regularly passed and adopted this 4<sup>th</sup> day of May, 2021*

*AYES and in favor of said ordinance:*

*Supervisors:* \_\_\_\_\_ *DAVE PINE*  
\_\_\_\_\_ *CAROLE GROOM*  
\_\_\_\_\_ *DON HORSLEY*  
\_\_\_\_\_ *WARREN SLOCUM*  
\_\_\_\_\_ *DAVID J. CANEPA*

*NOES and against said ordinance:*

*Supervisors:* \_\_\_\_\_ *NONE*



\_\_\_\_\_  
*President, Board of Supervisors  
County of San Mateo  
State of California*

*Certificate of Delivery*

*I certify that a copy of the original ordinance filed in the Office of the Clerk of the Board of Supervisors of San Mateo County has been delivered to the President of the Board of Supervisors.*



\_\_\_\_\_  
*Assistant Clerk of the Board of Supervisors*