



# COUNTY OF SAN MATEO

BOARD OF SUPERVISORS  
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## Department of Public Works and Parks

JAMES C. PORTER  
DIRECTOR

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February 4, 2013

**Re: Proposition 218 Notice of Proposed Increase in County Service Area No. 7 (La Honda Community Water System) Water Service Rates**

**Este informe contiene información muy importante sobre su agua potable. Si necesita una traducción en Español de esta carta llame al numero (650) 599-1473**

Dear Property Owner or Account Holder:

This notice is to advise you of the County of San Mateo Board of Supervisors' (Board) proceedings to consider proposed increases in water rates and meter service charges for County Service Area No. 7 (CSA 7). On March 26, 2013, at 9:00 a.m., the Board will hold a public hearing to consider adoption of the proposed rates to be effective with the June 2013 billings, which would include water use during the months of April through June 2013. This notice is given in accordance with Proposition 218 and Article XIID of the California Constitution.

CSA 7 is a special district with its own budget, it is financially self-sufficient, and the Board serves as the governing body. CSA 7's budget is supported by funds collected within CSA 7 through water usage and service charges. These funds are spent solely on CSA 7 expenses. The cost to operate, maintain, administer, repair and replace infrastructure, such as pipes, pumps, storage tanks and treatment plant equipment, continues to increase. The cost to operate the system includes the expense of continuing to meet the regulatory requirements necessary for providing safe drinking water to CSA 7 customers. The system cannot be adequately operated or maintained without an increase in revenue.

The water rates and meter charges must support the following at a minimum:

- Operation and maintenance of CSA 7 water distribution system, including storage tanks, pumps, and the water treatment plant as required by the State Department of Public Health.
- Administration of CSA 7 to comply with reporting requirements, customer support, and customer billing.
- Emergency response and repairs.
- Installation of valves and hydrants to isolate areas to repair leaks and flush the distribution system.
- Minimum fund reserve to respond to emergency events.
- Long term capital improvements, including upgrading the distribution system (replacing main lines) and replacing undersized pipes.
- Compliance with local, state, and federal health, safety, and environmental protection regulations.

The Department of Public Works and Parks (Department) has notified the property owners and customers of the need and importance of increasing the water rates and meter charges through letters and public meetings. Information that has been provided by the Department or requested by attendees of the December 11, 2012 public meeting held in La Honda has been posted to our website at: [www.smcgov.org/water](http://www.smcgov.org/water).

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CSA 7 water charges are currently billed every three months (quarterly) and based on a rate per unit (1 unit = 100 cubic feet or 748 gallons of water) of water used and a monthly meter service charge. The following table lists the proposed water and meter service charges based on the rates the Department has recommended to the Board:

Water Service Description	Existing Rates	Proposed Rates Effective with June billings		
		FY 2012-13	FY 2013-14	FY 2014-15
<b>Monthly Meter Service Charge</b> (All meter sizes)	\$20	\$33.20	\$44.16	\$58.73
<b>Water Charge</b> (1 Unit = 100 cubic feet or 748 gallons of water)	\$4.80	\$7.97	\$10.60	\$14.10

The proposed rate increase is significant, but necessary to adequately support CSA 7. Department staff have been meeting with the CSA 7 Customer Advisory Committee (Committee), which is comprised of a group of 12 members who are property owners and customers in CSA 7, since August 2011 to discuss the operation of CSA 7 and the need to increase water rates. These communications have taken place through letters, Committee and public meetings, electronic mail, and telephone conversations. The Department's work with the Committee over the past several months has been focused on alternatives to major rate increases and considering different rate increase scenarios. The Committee members understand and agree that it is crucial to CSA 7's fiscal health that rate adjustments be for multiple years and be achieved before the end of this fiscal year. The Committee has, by majority vote, approved the Department's recommendation of a 66% increase for the 1st year of new rates and 33% increases for the 2nd and 3rd years to the water rate and meter service charge. The Committee also recommended that the Department focus on reducing expenses and develop a policy of periodic rate reviews to ensure CSA 7 achieves and maintains fiscal health.

The table below provides an example of the method used to calculate quarterly water service charges based on the existing and proposed rates for a customer that uses 5 units of water per month, which corresponds to the average monthly amount used by CSA 7 residential customers:

Calculation of Charges for 15 Units of Water (5 Units/mo.) Based on:	Existing Rate Structure		FY 2012-13 Proposed Rate Structure		FY 2013-14 Proposed Rate Structure		FY 2014-15 Proposed Rate Structure	
	Quarterly Service Charge	\$20.00 x 3 months	\$60.00	\$33.20 x 3 months	\$99.60	\$44.16 x 3 months	\$132.48	\$58.73 x 3 months
Water Usage Charge	\$4.80 x 15 units	\$72.00	\$7.97 x 15 units	\$119.55	\$10.60 x 15 units	\$159.00	\$14.10 x 15 units	\$211.50
<b>Total Quarterly Charges</b>		<b>\$132.00</b>		<b>\$219.15</b>		<b>\$291.48</b>		<b>\$387.69</b>
<b>Total Monthly Charges</b>		<b>\$44.00</b>		<b>\$73.05</b>		<b>\$97.16</b>		<b>\$129.23</b>

The Department has recommended to the Board that the proposed rates be approved and evaluated annually to determine their adequacy.

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

Start taking steps now to reduce your water use. Some suggestions for reducing your consumption include:

- Stop any leaks. Check your home or landscaping water systems for water leaks. Some leaks can go unnoticed and customers will be billed for the water used.
- Use low flow fixtures (toilets and shower heads). Older toilets, installed prior to 1992, use a lot of water. Low flow toilets use 1.6 gallons of water per flush.
- Don't use the toilet as a waste paper basket.
- Wash only full loads of laundry and adjust water based on the load size. Use Energy Star™ washing machines as they can use 35-50% less water and 50% less energy per load.
- Wash only full loads in the 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:

[www.smcgov.org/water](http://www.smcgov.org/water).

The Board has scheduled a Public Hearing on **Tuesday, March 26, 2013, at 9:00 a.m. in the Board of Supervisors Chambers, located in the Hall of Justice and Records, 400 County Center, Redwood City, California**, to consider adopting an ordinance to increase water rates and meter service charges for CSA 7. The Public Hearing will be open to the public and anyone interested may appear and be heard on this matter or submit a written statement. At the conclusion of the hearing, the Board is expected to adopt the ordinance setting the water rates and meter service charges for CSA 7 to be used for billing purposes.

Any property owner or tenant of real property who may be directly liable to pay for water service in CSA 7 may file a written protest against the proposed rate increase. Although the Board will consider all input, State law provides that only written protests from property owners or tenants of a parcel(s) subject to the proposed rates, may be counted to determine whether a majority protest to the proposed increase exists. If a majority protest exists, the Board may not impose the increased rates for CSA 7. The Clerk of the Board of Supervisors must receive a written protest not later than the end of the Public Hearing specified above to be counted. If, at the conclusion of the Public Hearing, a majority protest does not exist, the Board will consider adoption of the proposed ordinance. The written protest must include the name of the property owner or tenant (account holder), property service address, assessor's parcel number (first line of the address label on the envelope), and signature. If the name on the written protest is not shown on the last equalized assessment roll of the County as the owner of the property, the signer of the protest must also submit written evidence of ownership. Written protests submitted by tenants must be submitted by the account holder to be considered valid. You may receive more than one notice based on the address and account listings, but each parcel receives only one protest vote. Written protests may be hand delivered or mailed to:

**Clerk of the Board of Supervisors  
San Mateo County  
400 County Center, 1<sup>st</sup> Floor  
Redwood City, California 94063**

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A copy of the Board Report considered by the Board on January 29, 2013, regarding the rate increase and other associated CSA 7 charges may be obtained by visiting the Department of Public Works and Parks' website ([www.co.sanmateo.ca.us/water](http://www.co.sanmateo.ca.us/water)) or by visiting the Board's website at:

<http://sanmateo.siretechnologies.com/sirepub/mtgviewer.aspx?meetid=190&doctype=AGENDA>  
(under Consent Agenda, Governing Board)

Should you have any questions, need additional information, or need assistance calculating what your water charges would be based on the proposed rates, please call the Department of Public Works and Parks at (650) 363-4100 between 8:00 a.m. and 5:00 p.m., Monday through Friday.

Very truly yours,



James C. Porter  
Director of Public Works and Parks

JCP:AMS:MC:EVG:AM:cv

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