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March 15, 2021

Dear Property Owner or Account Holder:

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

**Aviso de Proposicion 218 - Propuesta de Incremento de Tarifas de Agua en el Area de Servicio No. 7 del Condado (Comunidad del Sistema de Agua el La Honda)**

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 May 4, 2021, at 9:00 a.m., the Board will hold a public hearing to consider adoption of the proposed rates to be effective with the September 2021 billings, which would include water use during the months of July through September 2021. This notice is given in accordance with Proposition 218 and Article XIID of the California Constitution.

The Board serves as the governing body of CSA 7. 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 Department of Public Works (Department) has prepared and posted an informational document regarding the proposed rates, what they must support, and the challenges and details of operating CSA 7 on our website by selecting "County Service Area No. 7 – Proposed Increases to Water Rates and Charges" at:

**<https://publicworks.smcgov.org/water-services>**

Additionally, the water rates and meter service charges must support the following at a minimum:

- Continued routine and emergency operation and maintenance of the CSA 7 treatment plant and distribution system to ensure compliance with water diversion and domestic water supply permits issued by the California Water Resources Control Board, Division of Drinking Water (DDW).
- Administration of CSA 7 to comply with reporting requirements, customer support, and customer billing.



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- Maintenance and repairs to the raw and treated water storage tanks.
- Maintenance and repairs to raw water intake and monitor creek water conditions during winter conditions to ensure sufficient water storage supply.
- Minimum fund reserve to respond to emergency and unanticipated events.
- Repayment of a previous water system loan to CSA 7 in five years.

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

Water Service Description	Current Rates	Proposed Rates Effective with September Billings				
		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

The proposed rate increase is significant, but necessary to adequately support CSA 7. Department staff continued 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, after the most recent rate increases in 2013 to discuss the operation of CSA 7 and the adequacy of the water rates in supporting the system. These communications have taken place through Committee meetings, electronic mail, and telephone conversations. The Department’s work with the Committee in the past years has been focused on operational options and 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 unanimously approved the Department’s recommendation of a 45% increase during the 1st year of new rates followed by a 3% increase each year to the water rate and meter service charges in the following four years. The Committee also understands that the Department’s recommended increases do not include the customers’ share of funding needed for capital improvements, but instead focuses on ensuring CSA 7’s fiscal health for operations and maintenance of the water system.

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 10 units of water per month, which corresponds to the average monthly amount used by CSA 7 residential customers:

Calculation of Charges for 30 Units of Water (10 Units/mo.) Based on:	Current Rates	Proposed Rates Effective with September Billings				
		FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26

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Quarterly Service Charge (x3 months)	\$58.73 x 3 = \$176.19	\$85.16 x 3 = \$255.48	\$87.71 x 3 = \$263.13	\$90.34 x 3 = \$271.02	\$93.05 x 3 = \$279.15	\$95.84 x 3 = \$287.52
Water Usage Charge (x 30 units)	\$14.10 x 30 = \$423.00	\$20.45 x 30 = \$613.50	\$21.06 x 30 = \$631.80	\$21.69 x 30 = \$650.70	\$22.34 x 30 = \$670.20	\$23.01 x 30 = \$690.30
<b>Total Quarterly Charges</b>	\$599.19	\$868.98	\$894.93	\$921.72	\$949.35	\$977.82
<b>Total Monthly Charges</b>	\$199.73	\$289.66	\$298.31	\$307.24	\$316.45	\$325.94

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

**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, business, 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: <https://www.smcsustainability.org/energy-water/water-conservation/>.

The Board has scheduled a Public Hearing on **Tuesday, May 4, 2021, at 9:00 a.m. by videoconference only per Executive Order N-29-20** to consider adopting an ordinance to increase water rates and meter service charges for CSA 7. **The Board Chambers are currently not open to the public for Board of Supervisors' meetings. The public should visit the Board's website at:**

<https://bos.smcgov.org/board-supervisors-agenda-information>.

The Public Hearing will be open to the public through videoconference only and anyone interested may participate and be heard on this matter or submit a written statement

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electronically. The Meeting Agenda provides details for how to participate in the meeting. 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 of rate payers submit written protests to the recommended rate adjustments, 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 must be mailed to:

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

A copy of the Board Report considered by the Board on March 9, 2021, regarding the rate increase and other associated CSA 7 charges may be obtained by visiting the Board's website at:

<https://bos.smcgov.org/board-supervisors-agenda-information> (under Access Agenda Files).

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 at (650) 363-4100 between 8:00 a.m. and 5:00 p.m., Monday through Friday or email [dpw\\_smc\\_utilities@smcgov.org](mailto:dpw_smc_utilities@smcgov.org).