

# **County Service Area No. 11 (Pescadero Community Water System)**

## **Pescadero Municipal Advisory Council Meeting Proposed Water Rate Increases**

**Tuesday, October 14, 2025**

# Agenda

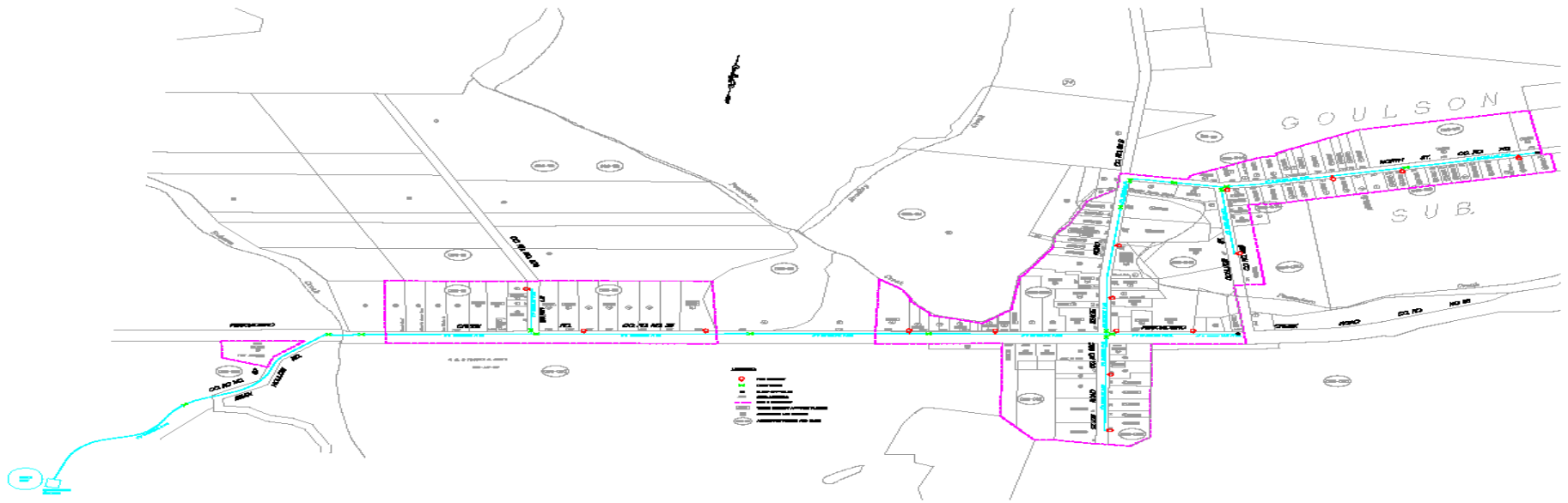
1. History & Operations of CSA 11
2. CSA 11 Finances
3. CSA 11 Rates
4. Rate Setting Process
5. Questions

There will be an opportunity at the end of the presentation to ask questions. Please hold your questions until the end.



# 1. History & Operations of CSA 11

- Provides water to 102 customers within CSA 11 boundary:
  - 80 Residential (Single and Multi-Family)
  - 13 Commercial (Stores, Restaurants)
  - 9 Others (Fire Station, School, Church)



# 1. History & Operations of CSA 11

## ➤ Original CSA 11 water system included:

- A 140,000 gallon capacity storage tank
- Well #1 – Production well
- Well #2 – Standby/emergency well
- Alarm and telemetry system
- Cathodic protection for storage tank to prevent corrosion
- Chlorination and pump building
- 8” diameter water main – 7,960 linear feet
- 6” diameter water main – 2,570 linear feet
- 4” diameter water main – 1,130 linear feet
- Backflow prevention devices and valves
- Service laterals and meter boxes
- 17 fire hydrants



# 1. History & Operations of CSA 11

- CSA 11 Water Supply Sustainability and New Storage Tank Project (total cost of \$2,076,075) was completed in 2018:
  - Constructed a deeper well and 2nd storage tank
  - Well #3 is 100' deeper than Well #1
  - DWR Proposition 84 Integrated Regional Water Management Grant funding of \$700,000
  - County General Fund of \$1,376,075
  - CSA 11 ratepayers did not pay for any portion of this Project



# 1. History & Operations of CSA 11

- Administration, Operation, and Maintenance:
  - County Board of Supervisors is the governing body
  - Department of Public Works provides staff for operation, maintenance and administration of CSA 11, as well as CSA 7 (La Honda Water System) the only two water systems operated by the County
  - Regulatory Compliance/Oversight/Permit – DWR Division of Drinking Water
  - Operator - Responsible for operating and maintaining system; must be State certified. Bracewell Engineering, Inc. has been under contract with the County to serve as the operator of CSA 11 (and CSA 7) since 2011

# 1. History & Operations of CSA 11



State Water  
Resources  
Control Board

## ➤ Administration, Operation, and

Maintenance – Required for permit compliance:

- Monthly water surface elevation monitoring (3 wells)
- Monthly and annual distribution system water sample testing, and well monitoring reports to DDW
- Bi-monthly water meter reading
- Annual Consumer Confidence Report
- Alarm system testing
- Storage tank level monitoring (2 tanks)
- Annual backflow prevention assembly inspection, repair, and certification (102 devices)
- Annual hydrant flushing and gate valve exercising
- Emergency response and repair (investigation, communication with customers/DDW, posting notices, water quality sampling, etc.)



# 1. History & Operations of CSA 11

- Administration, Operation, and Maintenance – Billing and Rate Structure:
  - Customers billed bi-monthly
  - Rates include meter service charge & water use charge
  - Meter charge is a per-connection flat rate based on meter size
  - Tiered rates are based on 2-month water usage; per-unit cost increases with total units consumed (1 unit = 748 gallons)
  - Other properties located within current CSA 11 boundaries can connect with payment of buy-in charge, connection fee, and meter deposit

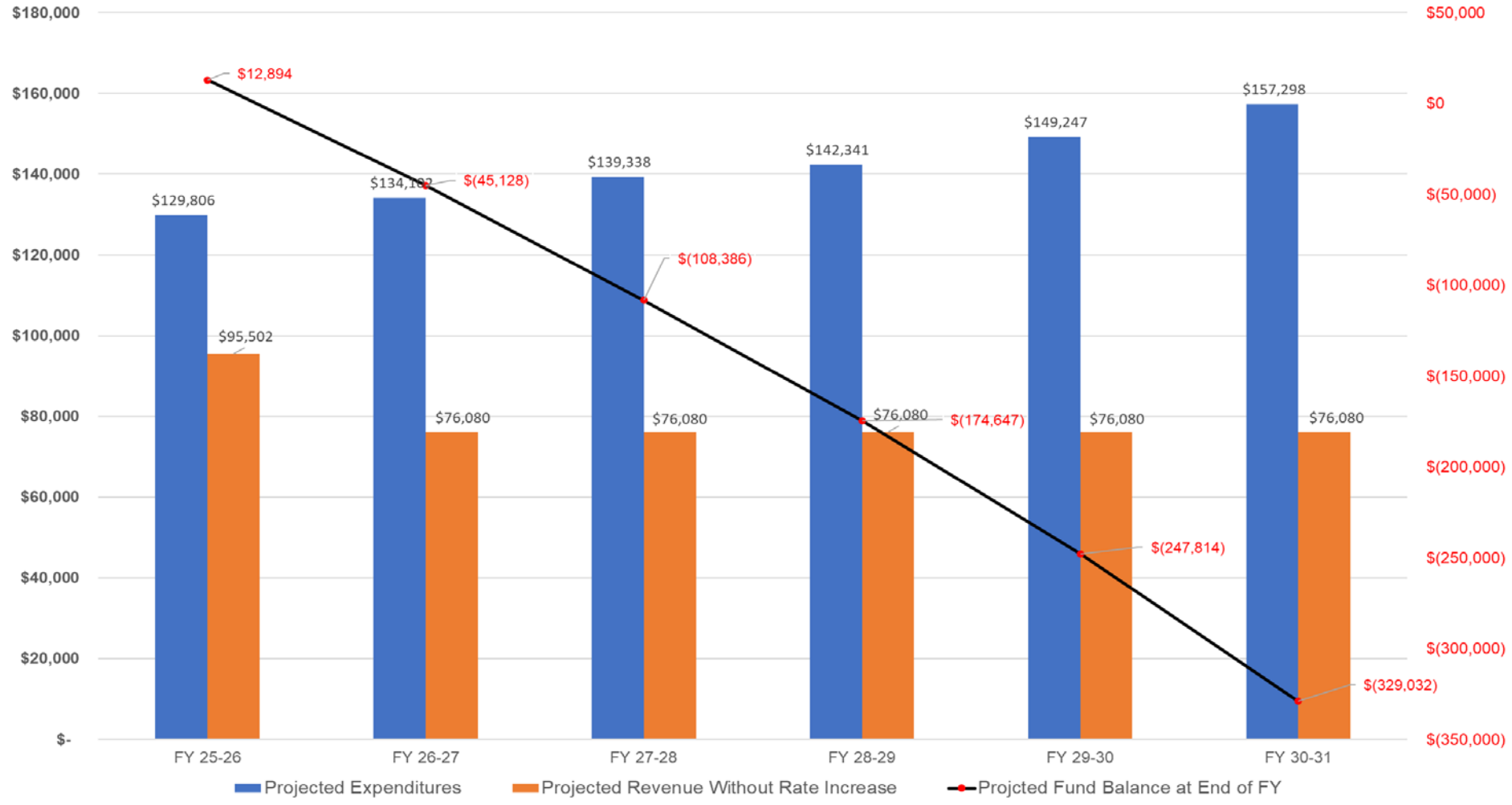


## 2. CSA 11 Finances

- Independent special district with own separate budget.
- Receives no property taxes because CSA 11 was formed after implementation of Proposition 13.
- Revenue from water sales and meter service charge.
- Current rates do not adequately support system operation and maintenance activities.
- Fund reserve as of 6/30/2025 – \$12,894

# 2. CSA 11 Finances

## No Rate Increase (FY2025 - 2030)



### 3. CSA 11 Rates

#### ➤ Proposed rates:

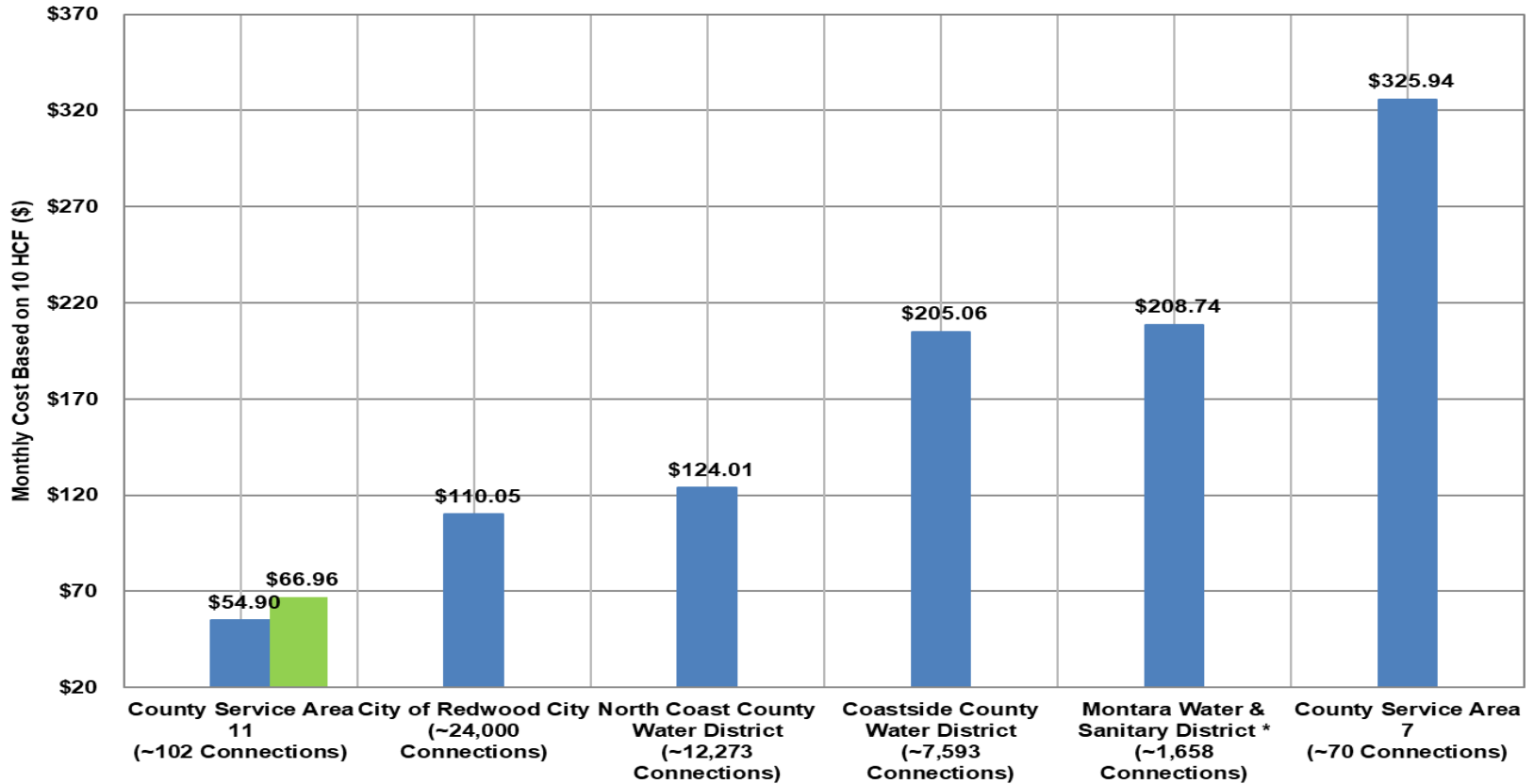
- Continue tiered rate structure to encourage conservation
- New rates are consistent with Construction Cost Index published by the Engineering News Record over the last 13 years (2012 to 2025)
- Significant increases (22% annually from FY26-27 through FY30-31) proposed to align rates with where they would be if annual adjustments had been made over the 12-year period
- Consumer Price Index for fuels and utilities in the San Francisco Bay Area over the same 13-year period was 116%
- Set rates for 5 years to reduce costs

#### ➤ Rates to support:

- Projected cost increases for operations and maintenance of CSA 11
- Repayment of outstanding loan (\$58,800 + interest) obtained during the 2011 water outage
- Minimum fund reserve target (50% annual O&M costs + 3% Replacement Value of water system, approx. \$160,000)
- Long-term capital improvement needs, including meter replacement and addressing limitations of aquifer

# 3. CSA 11 Rates

CSA 11 Rates vs. Neighboring Agency Rates



**Notes:**

Comparison of residential rates only

Monthly costs based on 10 unit (HCF)

\* Includes an annual Water System Reliability Charge of \$684.20

■ Current Rates  
■ Proposed Rates

# 3. CSA 11 Rates – Proposed starting July 2026

Current

\$2.69



**Tier 1**

0-11 HCF

\$4.04



**Tier 2**

12-25 HCF

\$5.45



**Tier 3**

26-40 HCF

\$7.36



**Tier 4**

40+ HCF

\$28.00



**Meter Charge**

5/8" Size

Proposed  
July 2026

\$3.28



**Tier 1**

0-11 HCF  
(22% Increase)

\$4.93



**Tier 2**

12-25 HCF  
(22% Increase)

\$6.65



**Tier 3**

26-40 HCF  
(22% Increase)

\$8.98



**Tier 4**

40+ HCF  
(22% Increase)

\$34.16



**Meter Charge**

5/8" Size  
(22% Increase)

# 3. CSA 11 Rates – Proposed Subsequent Years

Effective  
July 2027

\$4.00



**Tier 1**  
0-11 HCF  
(22% Increase)

\$6.01



**Tier 2**  
12-25 HCF  
(22% Increase)

\$8.11



**Tier 3**  
26-40 HCF  
(22% Increase)

\$10.96



**Tier 4**  
40+ HCF  
(22% Increase)

\$41.68



**Meter Charge**  
5/8" Size  
(22% Increase)

Effective  
July 2028

\$4.88



**Tier 1**  
0-11 HCF  
(22% Increase)

\$7.33



**Tier 2**  
12-25 HCF  
(22% Increase)

\$9.89



**Tier 3**  
26-40 HCF  
(22% Increase)

\$13.37



**Tier 4**  
40+ HCF  
(22% Increase)

\$50.85



**Meter Charge**  
5/8" Size  
(22% Increase)

# 3. CSA 11 Rates – Proposed Subsequent Years

Effective  
July 2029

\$5.95



**Tier 1**  
0-11 HCF  
(22% Increase)

\$8.94



**Tier 2**  
12-25 HCF  
(22% Increase)

\$12.07



**Tier 3**  
26-40 HCF  
(22% Increase)

\$16.31



**Tier 4**  
40+ HCF  
(22% Increase)

\$62.04



**Meter Charge**  
5/8" Size  
(22% Increase)

Effective  
July 2030

\$7.26



**Tier 1**  
0-11 HCF  
(22% Increase)

\$10.91



**Tier 2**  
12-25 HCF  
(22% Increase)

\$14.73



**Tier 3**  
26-40 HCF  
(22% Increase)

\$19.90



**Tier 4**  
40+ HCF  
(22% Increase)

\$75.69



**Meter Charge**  
5/8" Size  
(22% Increase)

# 3. CSA 11 Rates – Proposed Meter and Water Charges

Water Service Description	Current Rates	Proposed Rates (\$ Increase/Month or \$ Increase/Unit)				
		Effective July Billing, 2026	Effective July Billing, 2027	Effective July Billing, 2028	Effective July Billing, 2029	Effective July Billing, 2030
5/8" Meter Monthly Charge (87 Accounts)	\$28.00	\$34.16 (+\$73.92/yr or \$6.16/mo)	\$41.68 (+\$90.24/yr or \$7.52/mo)	\$50.85 (+\$110.04/yr or \$9.17/mo)	\$62.04 (+\$134.28/yr or \$11.19/mo)	\$75.69 (+\$163.80/yr or \$13.65/mo)
1" Meter Monthly Charge (2 Accounts) *	N/A	\$45.00	\$54.90 (+\$118.80/yr or \$9.90/mo)	\$66.98 (+\$144.96/yr or \$12.08/mo)	\$81.72 (+\$176.88/yr or \$14.74/mo)	\$99.70 (+\$215.76/yr or \$17.98/mo)
1-1/2" Meter Monthly Charge (10 Accounts)	\$42.00	\$51.24 (+\$110.88/yr or \$9.24/mo)	\$62.51 (+\$135.24/yr or \$11.27/mo)	\$76.26 (+\$165/yr or \$13.75/mo)	\$93.04 (+\$201.36/yr or \$16.78/mo)	\$113.51 (+\$245.64/yr or \$20.47/mo)
2" Meter Monthly Charge (2 Accounts) *	N/A	\$85.00	\$103.70 (+\$224.40/yr or \$18.70/mo)	\$126.51 (+\$273.72/yr or \$22.81/mo)	\$154.34 (+\$333.96/yr or \$27.83/mo)	\$188.29 (+\$407.40/yr or \$33.95/mo)
4" Meter Monthly Charge (1 Account) *	N/A	\$450.00	\$549.00 (+\$1188.00/yr or \$99.00/mo)	\$669.78 (+\$1449.36/yr or \$120.78/mo)	\$817.13 (+\$1768.20/yr or \$147.35/mo)	\$996.90 (+\$2157.24/yr or \$179.77/mo)
6" Meter Monthly Charge (0 Accounts) *	NA	\$1000.00	\$1220.00 (+\$2640.00/yr or \$220.00/mo)	\$1488.40 (+\$3220.80/yr or \$268.40/mo)	\$1815.85 (+\$3929.40/yr or \$327.45/mo)	\$2215.34 (+\$4793.88/yr or \$399.49/mo)
Tier 1 Water Rate (0 - 11 HCF Bi-Monthly)	\$2.69	\$3.28 (+\$0.59/HCF)	\$4.00 (+\$0.72/HCF)	\$4.88 (+\$0.88/HCF)	\$5.95 (+\$1.07/HCF)	\$7.26 (+\$1.31/HCF)
Tier 2 Water Rate (12 - 25 HCF Bi-Monthly)	\$4.04	\$4.93 (+\$0.89/HCF)	\$6.01 (+\$1.08/HCF)	\$7.33 (+\$1.32/HCF)	\$8.94 (+\$1.61/HCF)	\$10.91 (+\$1.97/HCF)
Tier 3 Water Rate (26-40 HCF Bi-Monthly)	\$5.45	\$6.65 (+\$1.20/HCF)	\$8.11 (+\$1.46/HCF)	\$9.89 (+\$1.78/HCF)	\$12.07 (+\$2.18/HCF)	\$14.73 (+\$2.66/HCF)
Tier 4 Water Rate (> 40 HCF Bi-Monthly)	\$7.36	\$8.98 (+\$1.62/HCF)	\$10.96 (+\$1.98/HCF)	\$13.37 (+\$2.41/HCF)	\$16.31 (+\$2.94/HCF)	\$19.90 (+\$3.59/HCF)

\* Denotes new meter size category



# 3. CSA 11 Rates – Proposed Other Charges

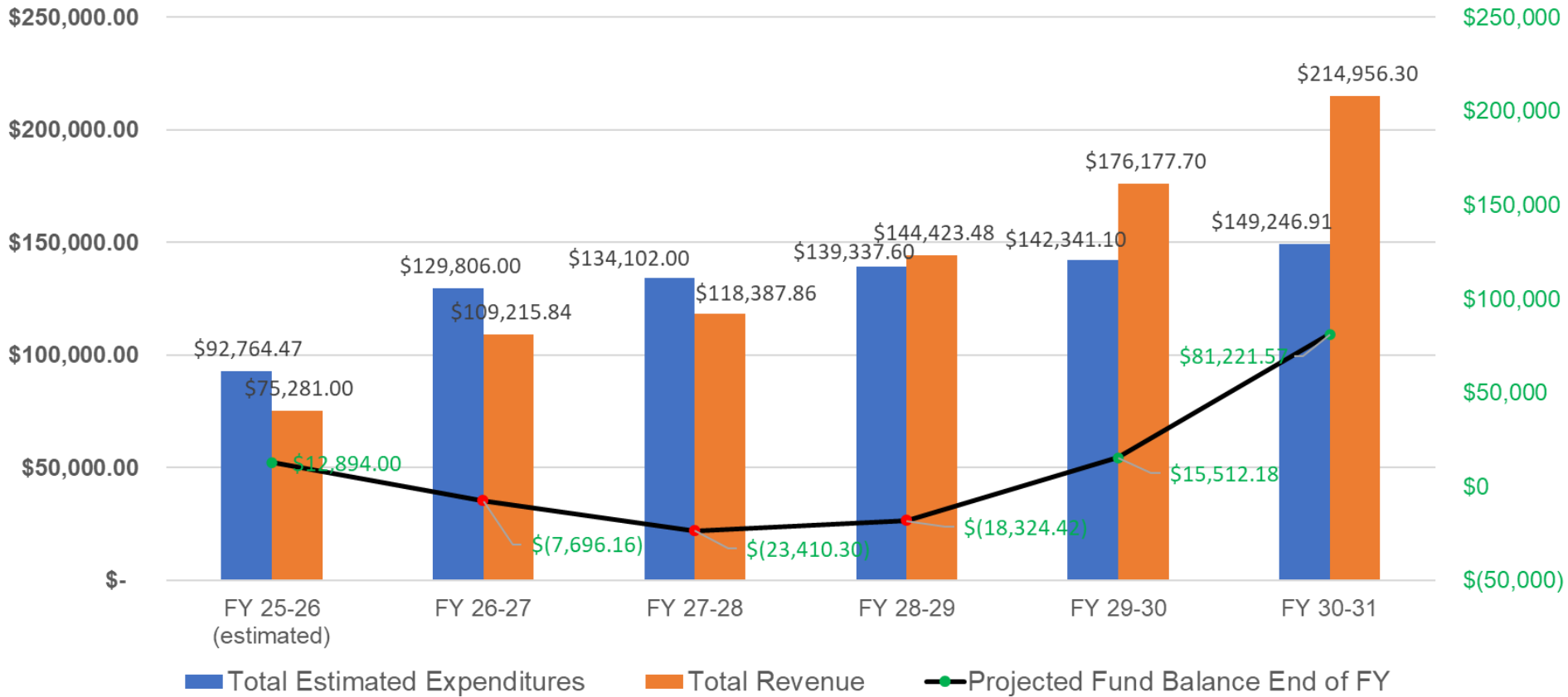
SERVICE CONNECTION CHARGE METER DESIGNATION AND SIZE		CURRENT CHARGE	EFFECTIVE JULY 1, 2026	EFFECTIVE JULY 1, 2027	EFFECTIVE JULY 1, 2028	EFFECTIVE JULY 1, 2029	EFFECTIVE JULY 1, 2030
A.	5/8" x 3/4" to 1"	\$660.00	\$ 805.20	\$ 982.34	\$ 1,198.45	\$ 1,462.11	\$ 1,783.77
B.	1-1/2" TO 6"	\$1,650.00	\$ 2,013.00	\$ 2,455.86	\$ 2,996.15	\$ 3,655.30	\$ 4,459.47
C.	FIRE DETECTOR CHECK	\$1,650.00	\$ 2,013.00	\$ 2,455.86	\$ 2,996.15	\$ 3,655.30	\$ 4,459.47
BUY-IN CHARGE		CURRENT CHARGE	EFFECTIVE JULY 1, 2026	EFFECTIVE JULY 1, 2027	EFFECTIVE JULY 1, 2028	EFFECTIVE JULY 1, 2029	EFFECTIVE JULY 1, 2030
A.	5/8" x 3/4" CONNECTION	\$15,135.00	TBD	TBD	TBD	TBD	TBD
B.	1-1/2" CONNECTION	\$18,919.00	TBD	TBD	TBD	TBD	TBD
TBD – Current buy-in charges shown reflect July 1, 2025 ENR Construction Cost Index. Buy-in charges to be determined on July 1 of each subsequent year according to the ENR.							
METER DEPOSIT		CURRENT DEPOST	EFFECTIVE JULY 1, 2026	EFFECTIVE JULY 1, 2027	EFFECTIVE JULY 1, 2028	EFFECTIVE JULY 1, 2029	EFFECTIVE JULY 1, 2030
A.	5/8" x 3/4" TO 1"	\$35.00	\$55.00	\$55.00	\$55.00	\$55.00	\$55.00
B.	1-1/2" TO 6"	\$250.00	\$375.00	\$375.00	\$375.00	\$375.00	\$375.00
C.	FIRE DETECTOR CHECK	\$35.00	\$55.00	\$55.00	\$55.00	\$55.00	\$55.00
BULK RATE WATER PERMITS TANK CAPACITY		CURRENT PER TANK CHARGE	EFFECTIVE JULY 1, 2026	EFFECTIVE JULY 1, 2027	EFFECTIVE JULY 1, 2028	EFFECTIVE JULY 1, 2029	EFFECTIVE JULY 1, 2030
A.	1,500 GALLONS OR LESS	\$1,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
B.	OVER 1,500 GALLONS	\$3,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00

# 3. Proposed Other Charges

MISCELLANEOUS FEES AND REASON		CURRENT CHARGE	EFFECTIVE JULY 1, 2026	EFFECTIVE JULY 1, 2027	EFFECTIVE JULY 1, 2028	EFFECTIVE JULY 1, 2029	EFFECTIVE JULY 1, 2030
A.	DELINQUENCY	\$30.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
B.	METER TEST (AT CUSTOMER'S REQUEST)	\$200.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00
C.	REINSTALL METER (REMOVED FOR NON-PAYMENT)	Up to 1" Meter - \$250.00 Over 1" Meter - \$300.00	Up to 1" Meter - \$500.00 Over 1" Meter - \$800.00	Up to 1" Meter - \$500.00 Over 1" Meter - \$800.00	Up to 1" Meter - \$500.00 Over 1" Meter - \$800.00	Up to 1" Meter - \$500.00 Over 1" Meter - \$800.00	Up to 1" Meter - \$500.00 Over 1" Meter - \$800.00
D.	METER REPLACEMENT (AT CUSTOMER'S REQUEST)	Up to 1" Meter - \$250.00 Over 1" Meter - \$300.00	Up to 1" Meter - \$500.00 Over 1" Meter - \$800.00	Up to 1" Meter - \$500.00 Over 1" Meter - \$800.00	Up to 1" Meter - \$500.00 Over 1" Meter - \$800.00	Up to 1" Meter - \$500.00 Over 1" Meter - \$800.00	Up to 1" Meter - \$500.00 Over 1" Meter - \$800.00
E.	RECONNECTION OF SERVICE	One half (1/2) the service connection charge	One half (1/2) the service connection charge	One half (1/2) the service connection charge	One half (1/2) the service connection charge	One half (1/2) the service connection charge	One half (1/2) the service connection charge
F.	FIRE HYDRANT FLOW TEST PERMIT (FOR PRESSURE DETERMINATION)	\$200.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
G.	RELOCATE WATER METER (FROM OBSTRUCTIONS)	100% of Service Connection Charge for a New Water Service	100% of Service Connection Charge for a New Water Service	100% of Service Connection Charge for a New Water Service	100% of Service Connection Charge for a New Water Service	100% of Service Connection Charge for a New Water Service	100% of Service Connection Charge for a New Water Service

# 3. CSA 11 Rates

## Anticipated Revenue and Expenditures After Rate Increase (FY2026 - 2030)



# 3. CSA 11 Rates

- Pescadero High School Water Line Extension Project funded by the Expedited Drinking Water Grant Program (\$4,191,330)
  - Installing approximately 1.27 miles of 6-inch PVC water main and 7 fire hydrants to the School and future County Fire Station No. 59
  - CSA 11 revenues did not fund any portion of this project
- Estimated annual revenue from the High School
  - Assuming 1500 GPD for 199 students/staff, 5 days/week, 36 weeks/year comes to about 60 HCF bi-monthly



	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Service Charge (4" Meter)	\$5,400.00	\$6,588.00	\$8,037.36	\$9,805.56	\$11,962.80
Rate Revenue	\$2,306.70	\$2,813.94	\$3,432.30	\$4,187.16	\$5,109.30
<b>ANNUAL TOTAL</b>	<b>\$7,706.70</b>	<b>\$9,401.94</b>	<b>\$11,469.66</b>	<b>\$13,992.72</b>	<b>\$17,072.10</b>



## 4. Rate Setting Process

<b>Key Dates</b>	<b>Action</b>
October 29, 2025	An in-person public meeting will be held with property owners and active account holders to discuss the proposed water service rates, and to obtain input.
November 17, 2025	Second in-person or virtual meeting will be held with property owners to discuss the proposed water rates increases.
January 13, 2026	Set Public Hearing for Tuesday, March 24, 2026.
January 19, 2026	Send Proposition 218 Notice (45 days prior to public hearing) with proposed rates to property owners and active account holders.
March 24, 2026	Hold public hearing. Adopt the new rate schedules.



## 4. Rate Setting Process

# **County Service Area No. 11 (Pescadero Community Water System)**

**Proposed Water Rate Increases for  
Fiscal Years 2025-26 through 2029-30**

**To be Considered by the County of San Mateo Board of  
Supervisors during a Public Hearing on:**

**Tuesday, March 24, 2026 at 9:00 a.m.  
Board of Supervisors Chambers  
500 County Center, 1<sup>st</sup> Floor, Redwood City**

## **5. QUESTIONS AND COMMENTS**

COUNTY OF SAN MATEO



**THANK YOU!**