

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

**Public Meeting Regarding
Proposed Water Rate Increases**

**Pescadero Middle/High School
Wednesday, October 29, 2025
6:30 PM**

Agenda

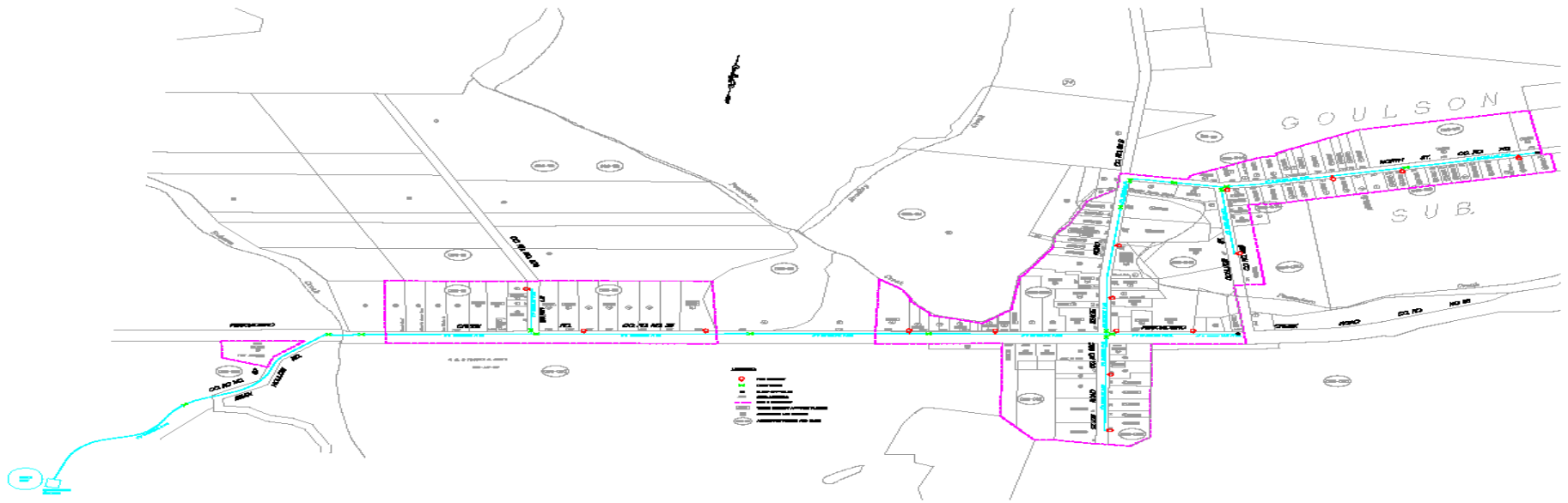
1. History & Operations of CSA 11
2. CSA 11 Finances
3. CSA 11 Rates
4. Rate Setting Process
5. Options for Service Provision

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

- October 13, 1987 – Board of Supervisors adopted Resolution No. 49690 requesting LAFCo to undertake proceedings for the formation of CSA 11.
- January 12, 1988 – Board of Supervisors adopted Resolution No. 49999 establishing CSA 11 per California Government Code Section 25210
- CSA 11 boundaries are contiguous with the Urban/Rural Service Boundary as defined in the County General Plan and Local Coastal Program
- October 10, 1990 – County Planning Commission approved Coastal Development Permit for the construction of the water system

1. History & Operations of CSA 11

- Funding for the construction of the original CSA 11 water system (\$1.3 Million) completed in 1992:
 - California Dept. of Water Resources (DWR) Grant of \$400,000
 - DWR loan of \$296,100 for 20 years (Paid off in 2012)
 - County General Fund loan (Paid off by property owner assessments)

1. History & Operations of CSA 11

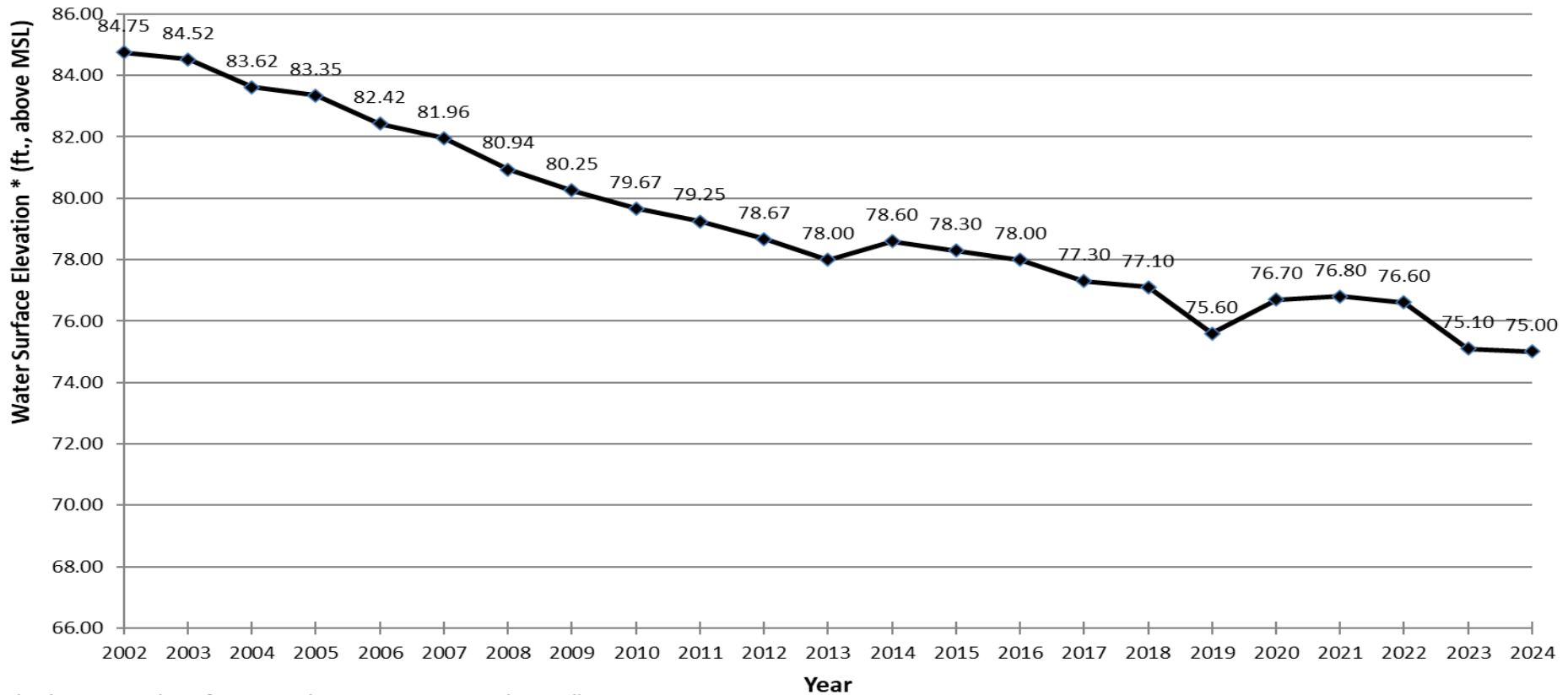
➤ Original CSA 11 water system included:

- 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 Well #1 Water Elevation Changes (2002 - 2024)



* Elevation values from October measurements (typical)

MSL - Mean Sea Level at 0.00 ft. (Elevation 66 ft. is top of slotted screen. Well inoperable if water surface goes below this elevation.)

Well #3 became operational on Oct. 7, 2020 and Well #1 was designated as the backup well

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

- This project allows CSA 11 to extend its use of the aquifer by accessing deeper layers within a confined aquifer that is otherwise limited in lifespan and experiencing declining water levels. It also enhances emergency response capabilities.



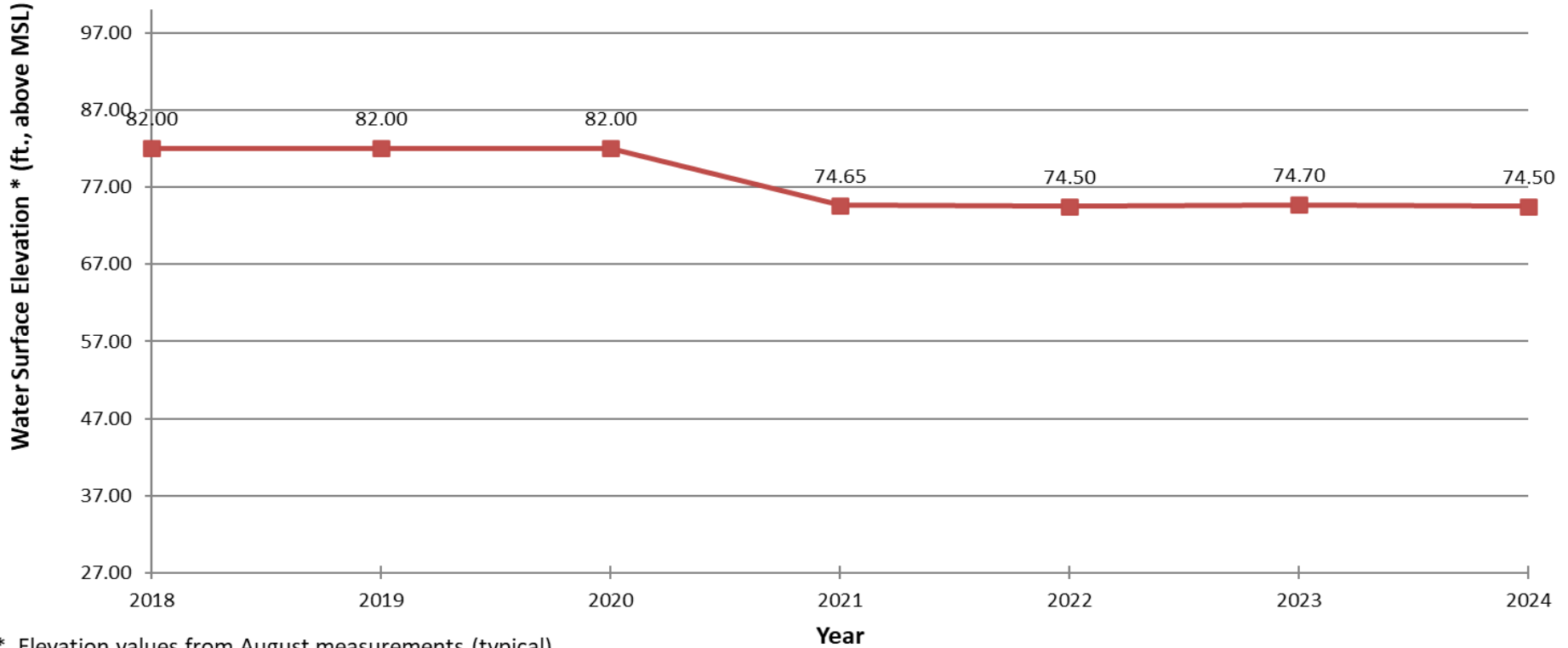
1. History & Operations of CSA 11

- 2021 - Todd Engineers completed an updated assessment report on CSA 11 after Well #3 was operational:
 - Well #3's available drawdown is 45 feet, suggesting longevity of the well estimated to be 90 years, assuming existing pumping rates and groundwater level decline remains constant at around 0.5 feet per year
 - Well #3 estimated to sufficiently supply existing demand plus the demands anticipated for the Pescadero High School and relocated fire station for at least the next 30-40 years
 - Connecting Pescadero High School to the CSA 11 water system would increase annual water use by an estimated 910 gpd when school is in session



1. History & Operations of CSA 11

CSA 11 Well #3 Water Elevation Changes (2018 - 2024)



* Elevation values from August measurements (typical)

MSL - Mean Sea Level at 0.00 ft. (Elevation 27 ft. is top of slotted screen. Well inoperable if water surface goes below this elevation.)

Water elevation was at 82' above MSL in August 2018 when the well was constructed.

Well became operational on Oct. 7, 2020. Level transmitter begin monthly recording in January 2021



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

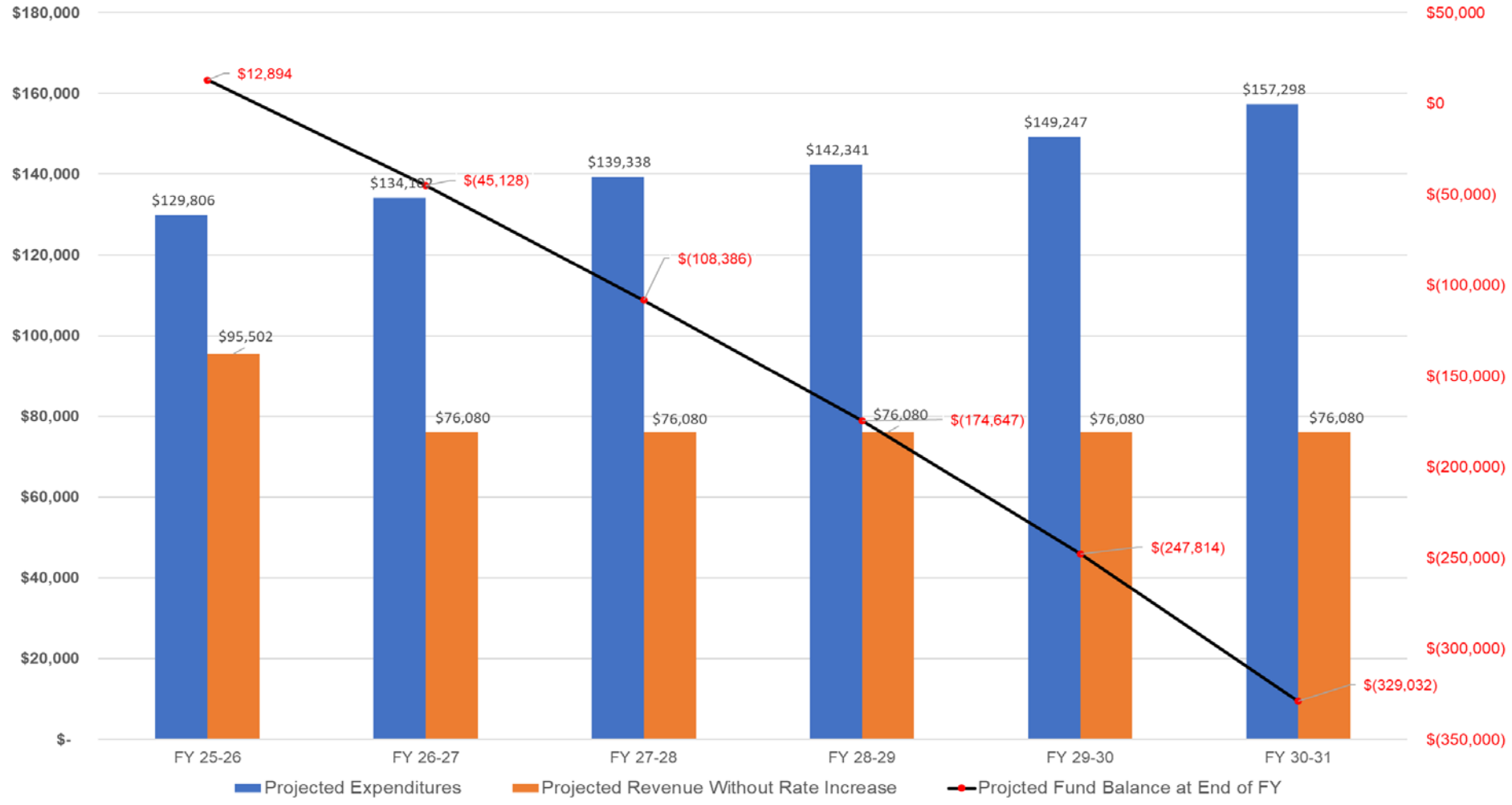
- Administration, Operation, and Maintenance – Billing and Rate Structure:
 - Customers billed bi-monthly
 - Rates include meter service charge & water use charge
 - Meter charge is a per-connection flat rate based on meter size
 - Tiered rates are based on 2-month water usage; per-unit cost increases 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

- Previously proposed rates:
 - CSA 11 Public Meeting in Pescadero on Jan. 21, 2025
 - Board of Supervisors meeting on Jan. 28, 2025 to set hearing date
 - Prop. 218 Notices sent Feb. 10, 2025
 - Board of Supervisors meeting on April 8, 2025 to adopt rates, Board of Supervisors took no action



3. CSA 11 Rates

Percentage Comparison						
		Year 1	Year 2	Year 3	Year 4	Year 5
Previously Proposed Rates	Unit Charge	50%	30%	25%	15%	3%
	Meter Charge	30%	25%	25%	20%	3%
Current Proposed Rates	Unit Charge	22%	22%	22%	22%	22%
	Meter Charge	22%	22%	22%	22%	22%
Cost Comparison (0-11 HCF Usage Tier and 5/8" Meter Size)						
		Year 1	Year 2	Year 3	Year 4	Year 5
Previously Proposed Rates	Unit Charge	\$4.04	\$5.25	\$6.56	\$7.54	\$7.77
	Meter Charge	\$36.40	\$45.50	\$56.88	\$68.26	\$70.31
Current Proposed Rates	Unit Charge	\$3.28	\$4.00	\$4.88	\$5.95	\$7.26
	Meter Charge	\$34.16	\$41.68	\$50.83	\$62.04	\$75.69

3. CSA 11 Rates

➤ Proposed rates:

- The proposed increases (22% annually from FY26-27 through FY30-31) are intended to bring rates to a level that adequately covers the costs of operation and maintenance and brings them closer to alignment if regular annual adjustments had been made over the past 13 years
- The Consumer Price Index for fuels and utilities in the San Francisco Bay Area has increased by 123% over the last 13 years (2012–2025). Even with the proposed 5-year rate adjustments, CSA 11 rates would still remain below the level they would be if they had kept pace with inflation over that period.
- Continue tiered rate structure to encourage conservation
- 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

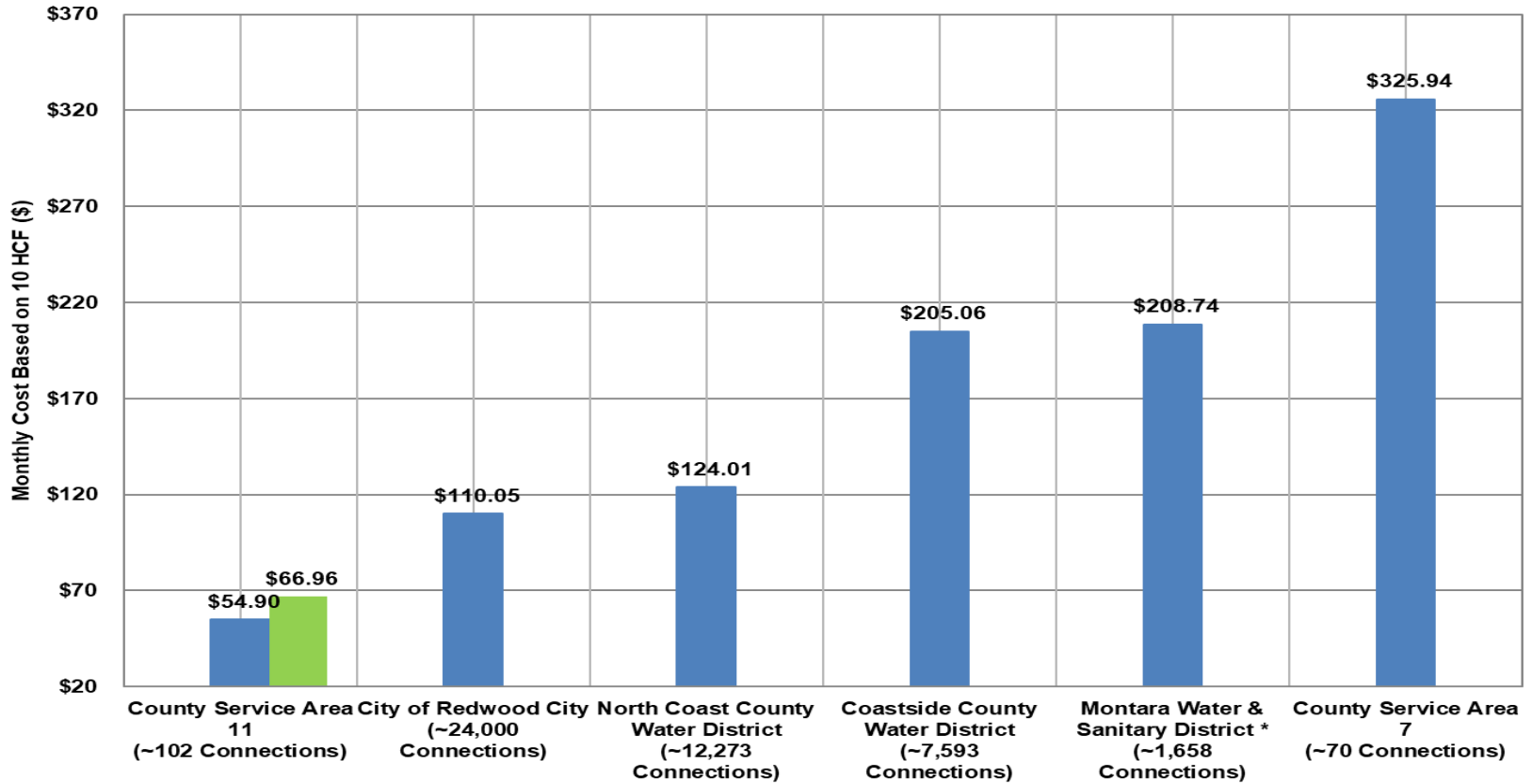
3. CSA 11 Rates

- 2025 Request for Proposals for Certified Water Operator for CSA 7 and CSA 11
 - Released in April 2025
 - Open, publicly advertised and competitive bidding process
 - Any Qualified Firm could submit a proposal
 - Two Firms Submitted
 - Bracewell Engineering, Inc.
 - Natural Systems Utilities (recommend by local community members)
 - O&M costs are in line with market rates



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 – Water Usage Scenarios

- Tier 1: 0 - 11 HCF – 54 accounts
- Tier 2: 12 - 25 HCF – 37 accounts
- Tier 3: 26 - 40 HCF – 5 accounts
- Tier 4: >40 HCF – 6 accounts

Total accounts – 102

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

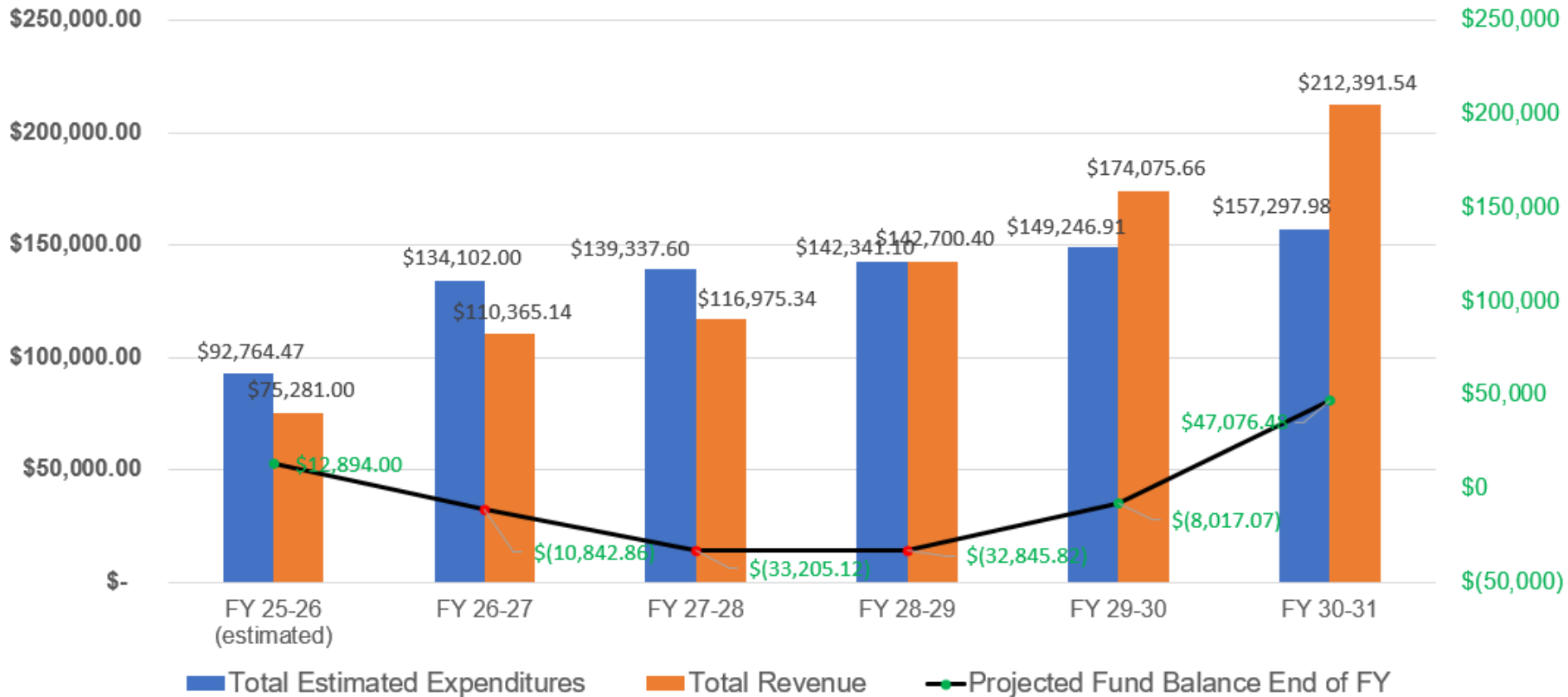
SERVICE CONNECTION CHARGE METER DESIGNATION AND SIZE		CURRENT CHARGE	EFFECTIVE JULY 1, 2026	EFFECTIVE JULY 1, 2027	EFFECTIVE JULY 1, 2028	EFFECTIVE JULY 1, 2029	EFFECTIVE JULY 1, 2030
A.	5/8" x 3/4" to 1"	\$660.00	\$ 805.20	\$ 982.34	\$ 1,198.45	\$ 1,462.11	\$ 1,783.77
B.	1-1/2" TO 6"	\$1,650.00	\$ 2,013.00	\$ 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							
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 910 GPD for 120 students/staff, 5 days/week, 36 weeks/year and 170 GPD for 22 students/staff, 5 days/week, 5 weeks/year comes to about 38 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	\$1,149.30	\$1,401.42	\$1,709.22	\$2,085.12	\$2,544.54
ANNUAL TOTAL	\$6,549.30	\$7,989.42	\$9,746.58	\$11,890.68	\$14,507.34



4. Rate Setting Process

Key Dates	Action
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, 1st Floor, Redwood City**

5. Options for Service Provision

- DPW to continue to provide services
- Contract services
- Shared services with other water agencies in the area
- Acquisition by other water system operators
- Other options that may be available to us

5. Options for Service Provision

- Community Services District
 - A form of local government that allows residents to manage and fund essential community services at the local level
 - Range of services, such as water, street lighting, parks, and sewer services
- Formation
 - Needs to be approved by LAFCo and registered voters
 - Proposal needs to demonstrate financial viability, including reliable revenue streams to sustain operations
 - With the proposed rate increase, CSA 11 would be supportive and better positioned to explore the feasibility of forming a Community Services District.



Contact Information for Emergency Response and Billing Related Inquiries

**Emergency Response: 24 Hours a Day, 7 Days
a Week**

**Any of the following constitutes an urgent matter or
emergency:**

No water or low water pressure

A water main break

A faulty backflow device

Odor or murky water

Bracewell Engineering Inc. on-call – (831) 673-5508

Billing Related Inquiries – (650) 363-4100



QUESTIONS AND COMMENTS

COUNTY OF SAN MATEO



THANK YOU!