

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

**Public Meeting Regarding
Proposed Water Rate Increases**

**Pescadero Elementary School
Monday, November 17, 2025, 6:30 PM**

Agenda

1. CSA 11 Rates
2. Rate Setting Process
3. Options for Service Provision
4. Questions and Responses from October 29, 2025 public meeting

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



1. 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 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 for additional rate setting processes.

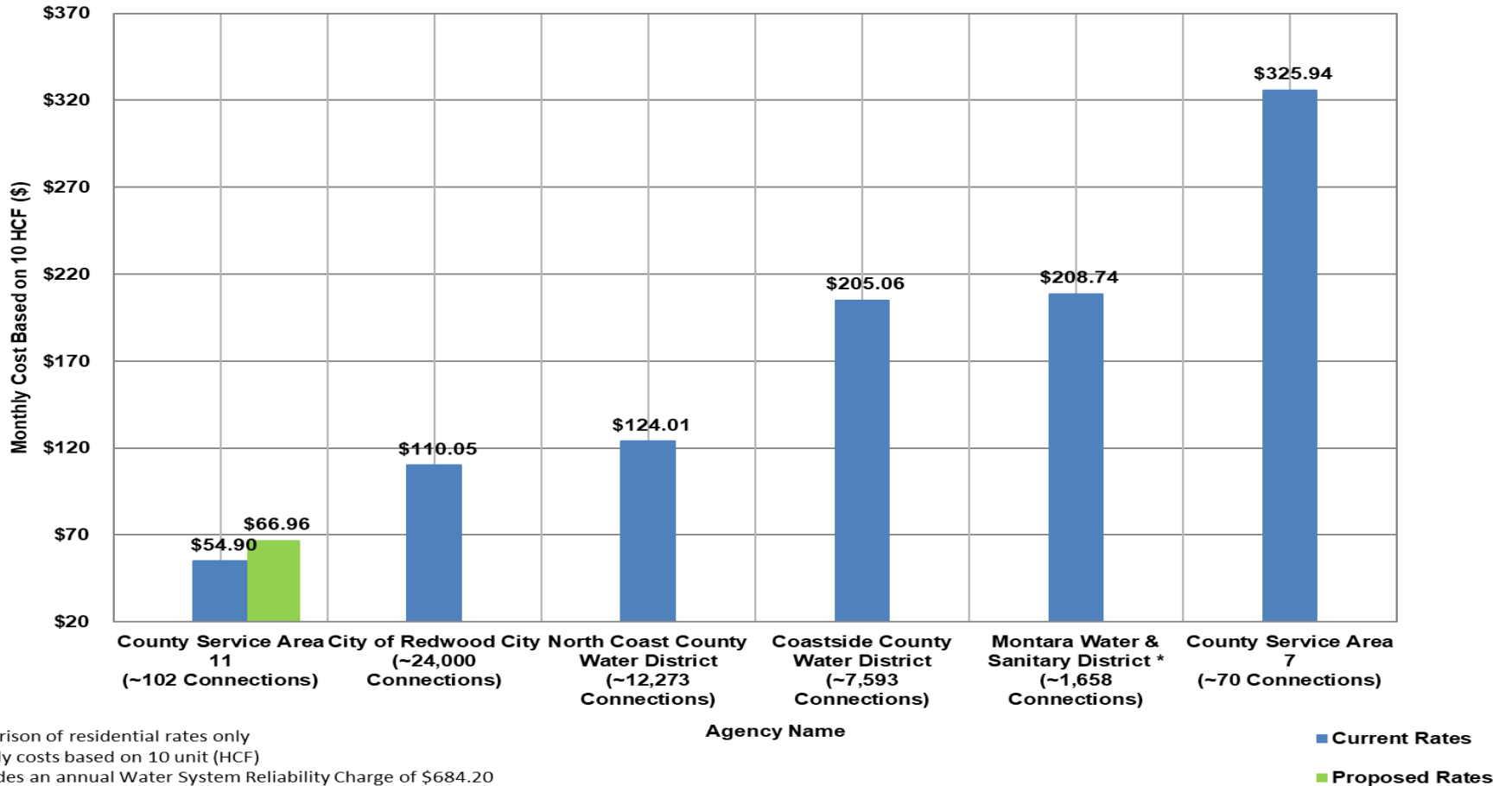
1. CSA 11 Rates

➤ Rates to support:

- Projected cost increases for operations and maintenance of CSA 11.
- Repayment of outstanding loan (\$58,800 + interest) necessary at fiscal year end after 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.

1. CSA 11 Rates

CSA 11 Rates vs. Neighboring Agency Rates



1. 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)



1. 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)

1. 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)

1. 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

1. 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



1. CSA 11 Rates – Proposed Other Charges

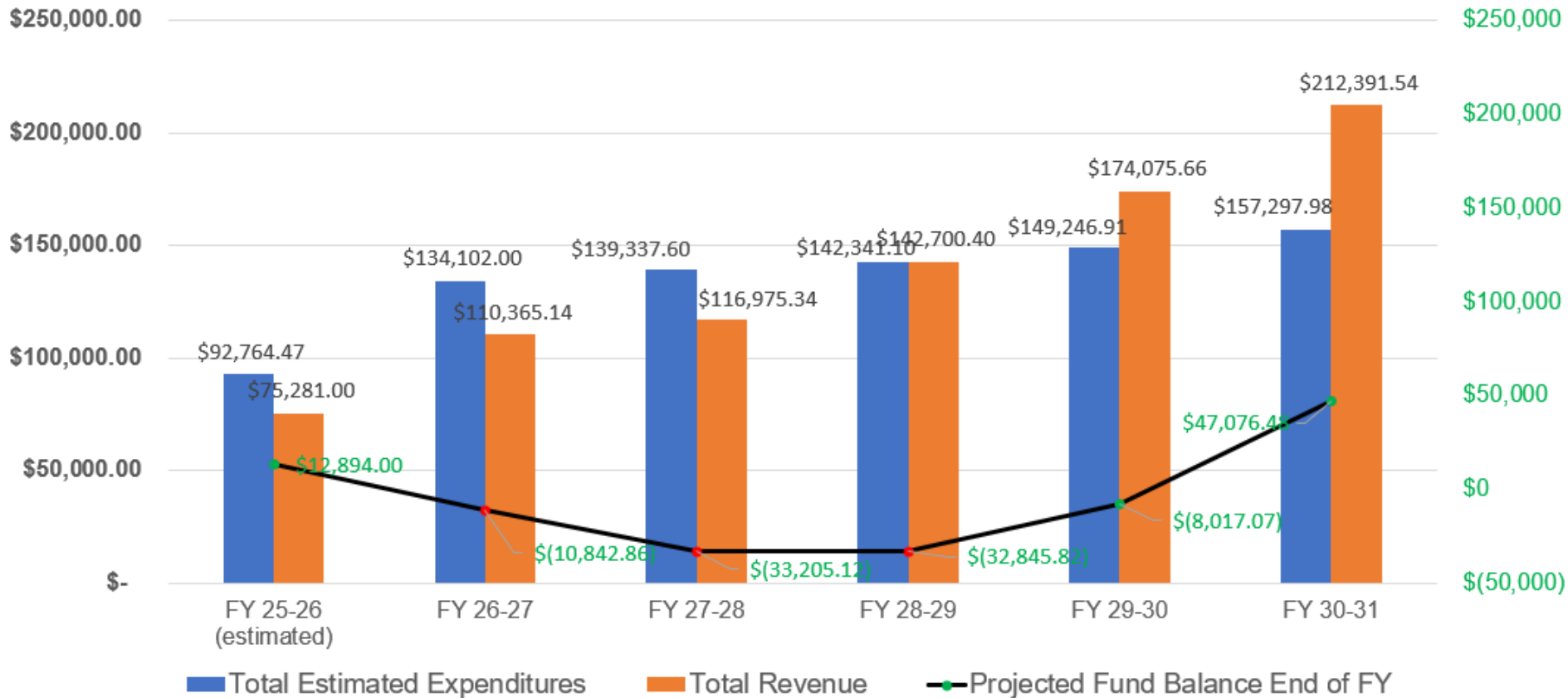
SERVICE CONNECTION CHARGE METER DESIGNATION AND SIZE		CURRENT CHARGE	EFFECTIVE JULY 1, 2026	EFFECTIVE JULY 1, 2027	EFFECTIVE JULY 1, 2028	EFFECTIVE JULY 1, 2029	EFFECTIVE JULY 1, 2030
A.	5/8" x 3/4" to 1"	\$660.00	\$ 805.20	\$ 982.34	\$ 1,198.45	\$ 1,462.11	\$ 1,783.77
B.	1-1/2" TO 6"	\$1,650.00	\$ 2,013.00	\$ 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 DEPOSIT	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

1. 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

1. CSA 11 Rates

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



1. 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



2. Rate Setting Process

Key Dates	Action
October 29, 2025	An in-person public meeting was 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 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.

2. 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**

3. 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



3. Options for Service Provision

- Community Services District
 - Districts that are governed by a locally elected board of directors
 - Range of services, such as water, street lighting, parks, and sewer services
- Formation
 - Needs to be approved by Local Agency Formation Commission (LAFCo) and registered voters
 - Proposal needs to demonstrate financial viability, including reliable revenue to sustain operations
 - With the proposed rate increase, CSA 11 would be better positioned to be considered as a service to be provided by a Community Services District, which the County/Department would be supportive of

4. Questions and Responses from October 29, 2025 meeting

Q1. What will be the water usage of the new Fire Station, and was it accounted for in the rate study?

R1. The Fire Station operations are being relocated from its current location on Pescadero Creek Road to the new Fire Station (Station) to be constructed adjacent to the Pescadero Middle-High School (School). Since the Fire staff and equipment will be transferred rather than expanded, the overall increase in water usage is expected to be minimal.

4. Questions and Responses

Q2. Why can't the properties located along the new waterline (Pescadero High School CSA-11 Water Line Extension Project [Project]) to the School connect to the system?

R2. The extension is solely to connect to the School and Station to the CSA-11 system. No additional connections are allowed through this Project. Due to restrictions in the Local Coastal Program and limited water supplies in the CSA-11, the Project would only achieve necessary approvals from the California Coastal Commission by limiting new connections to essential public facilities. The County of San Mateo has developed website to answer comment questions like this one, which can be found here: <https://www.smcgov.org/ceo/smcpescaderoconnect>

4. Questions and Responses

Q3. Has the County looked into developing an additional water source for CSA-11?

R3. CSA-11 completed the “Pescadero (CSA-11) Water Supply Yield and Sustainability Study Task 9, Screening Analysis of Future Water Supply Options” (Study), dated May 24, 2024.

The Study included a definition of water quantity and quality objections, identification of six water supply alternatives, feasibility evaluation and identification of uncertainties for each alternative, development of conceptual capital and operating cost estimates for each alternative, and screening and preliminary ranking of alternatives. A copy can be found at the link below:

https://www.smcgov.org/sites/default/files/2025-02/CSA-11_supply_options_screening_TM_2024-05-24_0.pdf

At this time, CSA-11 does not have funding or staffing resources to further pursue feasibility of any of the identified alternatives. However, staff recognize the importance of long-term supply planning and will evaluate potential grant or loan opportunities to study supplemental sources in the future.

4. Questions and Responses

Q4. How will CSA-11 pay for operational expenses if the system runs a deficit?

R4. If system revenues are insufficient to cover operating costs, CSA-11 will need to obtain an loan. Historically this has come from either another Department funding source or the County General Fund. Any loans become a liability to CSA-11 and would need to be repaid with accrued interest from future CSA-11 revenues once rate adjustments are in place.

4. Questions and Responses

Q5. How can the public review the CSA-11 financial records?

R5. The Department of Public Works (Department) has been providing financial reports to the Pescadero Municipal Advisory Council (PMAC) for CSA-11 and the Pescadero Highway Lighting District on a quarterly basis for several years. It is our understanding PMAC has been posting this information on their website and under the “Documents” tab found here:

<https://www.pescaderocouncil.org/pmacfiles>

4. Questions and Answers

Q6. How were the water rate tiers determined, and what was the basis for those tiers?

R6. The tiered rate structure is intended to promote water conservation while ensuring fair cost recovery. Tiers are based on a review of historical customer usage patterns, system costs, and State guidelines promoting efficient water use. Tiers are also based on feedback from the community during the 2012 rate setting process, which adjusted the first tier from 0-8 units in the originally proposal, to 0-11 units as is currently set.

4. Questions and Responses

Q7. Are tiered rates legal under Proposition 218?

R7. Yes. Tiered rates are allowed under Proposition 218 (Government Code § 53755 et seq.) when they are designed to reflect differences in water usage and encourage conservation. The CSA-11 tier structure is consistent with these principles and is based on the relative cost of providing water at varying usage levels. Tiered rates are commonly used by public water systems throughout California to promote efficient water use and ensure fairness among customers.

4. Questions and Responses

Q8. Under Proposition 218, does each property count as one protest, or can both the owner and tenant submit protests?

R8. Under Proposition 218, each parcel that receives service is entitled to one protest vote. If a tenant pays the water bill, that tenant may submit the protest on behalf of the property. However, both owner and tenant protests for the same parcel count as one valid protest.

4. Questions and Responses

Q9. Can undeveloped parcels within the CSA-11 boundary submit a protest, and are they included in the total parcel count for the protest calculation?

R9. Undeveloped parcels that are within the CSA-11 boundary are considered part of the service area and are typically included in the total parcel count for calculating the majority protest threshold, even if they are not yet connected. They may submit a protest if they may be subject to the proposed water rate or charge in the future and even though they may not currently have a water connection.

4. Questions and Responses

Q10. What constitutes a valid Proposition 218 protest?

R10. A valid protest must:

- Be in writing (no emails or verbal statements accepted).
- Include the parcel owner's or tenant's name, service address or Assessor's Parcel Number (APN).
- Be received by the County Clerk or designated address prior to the close of the public hearing stated in the Prop 218 notice.
- Each parcel may submit only one protest, and protests cannot be withdrawn after the close of the public hearing.

4. Questions and Responses

Q11. What is the process for the community to take over management of CSA-11 or form an independent water system?

R11. To transition CSA-11 operations to a community-run system, residents/property owners would need to establish a new public agency (such as a community services district) through the Local Agency Formation Commission (LAFCo) process. This requires a petition, feasibility study, public hearings, and majority voter approval within the affected area. The County and LAFCo would need to coordinate closely on governance, funding, and asset transfer.

4. Questions and Responses

Q12. There are two line items identified in the County's Capital Projects List 1) Pescadero Alternate Water Source Evaluation (CSA-11), and 2) Pescadero (CSA-11) Aquifer Study. What is the status of these projects and is this new funding?

R12. The Pescadero Alternate Water Source Evaluation (CSA-11) was originally funded at \$100,000 in FY 17/18. No work has occurred for this effort and the money has been rolled over each year with \$100,000 remaining.

The Pescadero (CSA-11) Aquifer Study was originally funded at \$300,000 in FY17/18. Work for this budget line item included completing the "Source Water Capacity Assessment CSA-11 Pescadero Water System San Mateo County", dated June 12, 2019 by Todd Groundwater. There is a remaining balance of \$32,400 which will be returned to the County as this was funded by the County's Measure A (now known as Measure K) Funds. The report can be found here: <https://www.smcgov.org/media/40366/download?inline=>

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



Community Feedback and Check-in

- We want to hear from the CSA 11 community as we prepare for the rate setting process:
 - Any concerns or questions you you still have?
 - Any information that was unclear?
 - Any additional information that we can provide prior to the rate setting process?
- Additional Questions?

THANK YOU!

CSA 11 Website

<https://www.smcgov.org/publicworks/csa-11-county-service-area-11>

Water Service Rate Information 2026-2030 Website

https://www.smcgov.org/publicworks/water-services/CSA11_Rates