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January 28, 2026

Re: Proposition 218 Notice of Proposed Increase in County Service Area No. 11 (Pescadero Water System) Water Service Rates

Dear Property Owner or Account Holder in CSA 11:

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. 11 (CSA 11).

On Tuesday, March 24, 2026 at 9:00 a.m. in the Board Chambers, 500 County Center, 1st Floor, Redwood City, California, the Board will hold a public hearing to consider adoption of the proposed water rates and service charges for CSA 11 for a five (5) year period. The public hearing will be open to the public and any interested person may appear and be heard or submit a written protest. This notice is provided in accordance with Proposition 218 and Article XIID of the California Constitution.

BACKGROUND

The Board serves as the governing body of CSA 11. CSA 11's budget is supported by funds collected within CSA 11 through water usage and service charges. These funds are spent solely on CSA 11 expenses. The cost to operate, maintain, administer, repair and replace infrastructure, such as pipes, pumps and water wells, 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 11 customers. CSA 11's last rate increase was in 2012, and the system cannot be adequately operated or maintained without an increase in revenue. CSA 11 does not receive any property tax revenue as it was formed after Proposition 13.

PUBLIC OUTREACH AND ADDITIONAL INFORMATION

In advance of the Board process, the Department of Public Works (Department) presented information to the Pescadero Municipal Advisory Committee on October 14, 2025 and held public informational meetings on October 29, 2025 at the Pescadero Middle/High School and on November 17, 2025 at the Pescadero Elementary School. The Department presented information on the rate-setting process, the proposed rates, the challenges of operating CSA 11, and the need for increased rates. The information presented at the public meetings, meeting recordings, and a copy of the Board Packet considered by the Board on January 13, 2026 for the rates and to set the public hearing for March 24, 2026 at 9:00am is available on our website at:

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

or use the QR code below



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PURPOSE OF WATER RATES AND SERVICE CHARGES

The water rates and service charges are used to support, at a minimum, the following:

- Operation and maintenance of CSA 11 water distribution system, including the storage tanks, wells, and pumps
- Administration of CSA 11 to comply with reporting requirements, meter reading, customer support, and customer billing
- Repayment of water system loan
- Repair and replacement of the fire hydrants, pipes, fittings and valves when needed
- Backflow prevention assembly certification and minor repairs
- Emergency response and repairs
- Compliance with local, state, and federal health, safety, and environmental protection regulations
- Establish a prudent fund reserve for unanticipated costs

CURRENT AND PROPOSED WATER RATES

CSA 11 water charges are billed bi-monthly based on meter size and units of water used (1 unit = 100 cubic feet = 748 gallons of water). The following table lists the current and proposed meter service charges and water tier rates recommended to the Board:

Water Service Description (Meter or Water Use Rates)	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 (+\$1,188.00/yr or \$99.00/mo)	\$669.78 (+\$1,449.36/yr or \$120.78/mo)	\$817.13 (+\$1,768.20/yr or \$147.35/mo)	\$996.90 (+\$2,157.24/yr or \$179.77/mo)
6" Meter Monthly Charge (1 Account) *	NA	\$1,000.00	\$1,220.00 (+\$2,640.00/yr or \$220.00/mo)	\$1,488.40 (+\$3,220.80/yr or \$268.40/mo)	\$1,815.85 (+\$3,929.40/yr or \$327.45/mo)	\$2,215.34 (+\$4,793.88/yr or \$399.49/mo)

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Water Service Description (Meter or Water Use Rates)	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
Tier 1 Water Rate (0 - 11 HCF Bi-Monthly)	\$2.69	\$3.28 <i>(+\$0.59/HCF)</i>	\$4.00 <i>(+\$0.72/HCF)</i>	\$4.88 <i>(+\$0.88/HCF)</i>	\$5.95 <i>(+\$1.07/HCF)</i>	\$7.26 <i>(+\$1.31/HCF)</i>
Tier 2 Water Rate (12 - 25 HCF Bi-Monthly)	\$4.04	\$4.93 <i>(+\$0.89/HCF)</i>	\$6.01 <i>(+\$1.08/HCF)</i>	\$7.33 <i>(+\$1.32/HCF)</i>	\$8.94 <i>(+\$1.61/HCF)</i>	\$10.91 <i>(+\$1.97/HCF)</i>
Tier 3 Water Rate (26-40 HCF Bi-Monthly)	\$5.45	\$6.65 <i>(+\$1.20/HCF)</i>	\$8.11 <i>(+\$1.46/HCF)</i>	\$9.89 <i>(+\$1.78/HCF)</i>	\$12.07 <i>(+\$2.18/HCF)</i>	\$14.73 <i>(+\$2.66/HCF)</i>
Tier 4 Water Rate (> 40 HCF Bi-Monthly)	\$7.36	\$8.98 <i>(+\$1.62/HCF)</i>	\$10.96 <i>(+\$1.98/HCF)</i>	\$13.37 <i>(+\$2.41/HCF)</i>	\$16.31 <i>(+\$2.94/HCF)</i>	\$19.90 <i>(+\$3.59/HCF)</i>

* Denotes new meter size category

Italics in parentheses are annual increases (per month or per tier) over the previous FY's rates

EXAMPLE OF BI-MONTHLY WATER CHARGES

The following table provides an example of the bi-monthly water service charges based on the existing and proposed rates for a residential customer that uses 20 HCF of water (or average of 10 HCF per month) and a 5/8" meter, which represents approximately 80% of CSA 11 customers.

This example is provided for illustrative purposes only. Actual charges will vary based on meter size and water usage.

Calculations of Charges for 20 HCF of water (10 HCF/month)	Current Rates	Proposed Rates				
		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 (x2)	\$28.00 x 2 = \$56.00	\$34.16 x 2 = \$68.32	\$41.68 x 2 = \$83.36	\$50.85 x 2 = \$101.70	\$62.04 x 2 = \$124.08	\$75.69 x 2 = \$151.38
Tier 1 Water Rate	\$2.69 x 11 = \$29.59	\$3.28 x 11 = \$36.08	\$4.00 x 11 = \$44.00	\$4.88 x 11 = \$53.68	\$5.95 x 11 = \$65.45	\$7.26 x 11 = \$79.86
Tier 2 Water Rate	\$4.04 x 9 = \$36.36	\$4.93 x 9 = \$44.37	\$6.01 x 9 = \$54.09	\$7.33 x 9 = \$65.97	\$8.94 x 9 = \$80.46	\$10.91 x 9 = \$98.19
Total Bi-Monthly Charges	\$121.95	\$148.77	\$181.45	\$221.35	\$269.99	\$329.43

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BOARD CONSIDERATION

The Department of Public Works has recommended that the Board consider adoption of the proposed rates at the public hearing on March 24, 2026. At the conclusion of the hearing, the Board is expected to consider adoption of a resolution establishing water rates and service charges for CSA 11 beginning with the July 2026 billing.

WRITTEN PROTEST PROCEDURE (PROPOSITION 218)

Any property owner of real property or active account holder who may be directly liable to pay for water service in CSA 11 may submit a written protest against the proposed rate increases. Although the Board will consider all input, State law provides that only written protests from property owners or active account holders of a parcel(s) subject to the proposed rates, may be counted to determine whether a majority protest to the proposed increase exists. Each parcel is entitled to one protest vote, regardless of the number of notices received. 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 resolution. If a majority protest exists, the Board may not impose the increased rates for CSA 11.

To be valid, a written protest must meet **all** of the following requirements:

1. Written Format only

The protest must be an original and submitted in hard copy form . Email, facsimile, electronic submissions and verbal statements will not be accepted.

2. Property Identification

The protest must clearly identify the affected property by including either:

- Property service address, or
- Assessor's parcel number (APN)

3. Owner or Account Holder Identification

The protest must include the full name of the property owner or active account holder.

- If the name on the written protest does not match 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 with their protest.
- Written protests submitted by active account holders must be submitted by the person listed as the account holder to be considered valid.

4. Signature and Authority to Protest

The protest must be signed by the property owner or active account holder.

5. Statement of Protest

The protest must include a clear statement that the signer is protesting the proposed rate increase.

6. Receipt Deadline and Delivery Method

The protest must be received by the Clerk of the Board of Supervisors **no later than the close of the public hearing.**

Written protests may be submitted as follows:

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- Prior to the day of the hearing, written protests may be mailed or hand delivered to the **Department of Public Works (Attn: CSA 11), 555 County Center, 5th Floor, Redwood City, California 94063**. Mailed protests to this designated address must be received by the Department prior to the hearing. Postmark dates prior to the close of the hearing are not sufficient.
- On the day of the hearing, written protests may be hand delivered to the **Clerk of the Board of Supervisors at 500 County Center, 1st Floor**, Redwood City, California 94063.

The proposed rate increases are intended to ensure the continued operation and maintenance of the CSA 11 water system. Without these increases, the system will face significant challenges in meeting its regulatory requirements and maintaining the infrastructure that provides reliable water service. These funds will help address rising operational costs, such as repairs, replacements, and meeting state and federal safety standards.

QUESTIONS

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

Very truly yours,



Ann M. Stillman
Director of Public Works

AMS:NA:TD:JL

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