



COUNTY OF SAN MATEO

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JAMES C. PORTER
DIRECTOR

February 9, 2012

****IMPORTANT MEETING****

WATER RATES – CSA 11

Dear County Service Area 11 (CSA 11 - Pescadero Water System) Customers and Property Owners:

Este informe contiene información muy importante sobre su agua potable. Si necesita una traducción en Español de esta carta llame al numero (650) 599-1473

The County of San Mateo Department of Public Works (Department) will hold a public meeting to discuss proposed water rate increases on:

Tuesday, February 21, 2012, 7:00 P.M.

at the

**Multi-Purpose Room
Pescadero Elementary School
620 North Street, Pescadero**

The Department has previously informed you of the need to increase water rates. We provided you with notice of a CSA 11 meeting held on October 19, 2011 and a subsequent letter with proposed water and meter charge rates. Both letters and the meeting presentation are posted on our website at: www.co.sanmateo.ca.us/water.

The Department must continue to move forward at this time with the rate setting process such that the rates for CSA 11 are sufficient to support:

- Operation and maintenance of the pump and well systems
- Operation and maintenance of the storage tank and distribution system
- Water system improvements or upgrades
- Repairs to and replacement of the fire hydrants, pipes, fittings and valves, backflow testing and repair
- Emergency response and repairs
- Compliance with local, state and federal health, safety and environmental protection regulations
- Meter reading, billing, administration, and customer service
- Establishing a prudent fund reserve for unanticipated costs.

The proposed rate structure includes a tiered rate system, in which the rate charged per unit of water used increases as a customer's usage increases. A tiered structure will encourage water conservation, which will help preserve the life of the water supply or aquifer. The following table illustrates the current and proposed monthly service charges and water rates for CSA 11, as well as the rates currently charged by nearby water agencies. This information was included in our previous letter to you.

No. of Customers	CSA - 11		Other Water Agencies		
	Current Rate	Proposed Tiered Rates	Coastside County Water Rates	North Coast County Water Rates	Montara Water & Sanitary Rates
			6,583	12,412	1,656
5/8" x 3/4" Meter Monthly Service Charge	\$22	\$28	\$15.36	\$24.94	\$20.84
1-1/2" Meter Monthly Service Charge	\$33	\$42	\$74.32	\$44.95	\$37.51
Tier 1 Water Rate (0-8 Unit*)	\$1.38	\$2.69	\$5.02	\$2.53 (0-5 Unit)	\$6.54 (0-6 Unit)
Tier 2 Water Rate (9-25 Unit)	-	\$4.04	\$5.53	\$5.62 (6-16 Unit)	\$8.72 (7-13 Unit)
Tier 3 Water Rate (26-40 Unit)	-	\$5.45	\$7.19	\$8.04 (17-28 Unit)	\$10.9 (14-27 Unit)
Tier 4 Water Rate (> 40 Unit)	-	\$7.36	\$8.88	\$14.75 (> 28 Unit)	\$15.26 (> 27 Unit)

* 1 unit of water is equal to 748 gallons or one hundred cubic feet of water

The following provides a sample calculation of charges based on the existing and proposed rates for a residential customer that uses 12 units of water in one month:

Calculation of Charges for 12 Units of Water Based on:	Existing Rate Structure		Proposed Rate Structure	
Monthly Service Charge (5/8" x 3/4" meter)		\$22.00		\$28.00
Water Usage Charge	\$1.38 x 12 units	\$16.56	\$2.69 x 8 units	\$21.52
			\$4.04 x 4 units	\$16.16
Total Charges		\$38.56		\$65.68


The current water rates were set in 2003, are very low in comparison to the rates of other water providers, and are insufficient to adequately support the costs of operating the CSA 11 water system. CSA 11 faces several significant challenges including: establishing and maintaining rates to support the necessary water system operations, a limited life aquifer which may require construction of a deeper well, an aging water system, and the need to establish a fund reserve for necessary repairs or emergencies.

If you are unable to attend the meeting and would like to provide comments please direct them to:

America Sanchez, Associate Engineer
 Department of Public Works
 County of San Mateo
 555 County Center, 5th Floor
 Redwood City, CA 94063
 Telephone: (650) 363-4100
 or
 e-mail: acsanchez@co.sanmateo.ca.us

Very truly yours,



 James C. Porter
 Director of Public Works

JCP:AMS:MC:EVG:AS

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cc: Pescadero Municipal Advisory Council, P.O. Box 249, Pescadero, CA 94060
 Supervisor Don Horsley
 John L. Maltbie, Interim County Manager
 Peggy Jensen, Deputy County Manager