

**RESOLUTION NO. 2022-13**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE COASTSIDE COUNTY WATER DISTRICT  
AMENDING THE RATE AND FEE SCHEDULE  
TO INCREASE WATER SERVICE RATES AND WATER SHORTAGE RATES AND  
FINDING THAT THE AMENDMENTS ARE EXEMPT FROM THE CALIFORNIA  
ENVIRONMENTAL QUALITY ACT**

**THIS RESOLUTION IS ADOPTED** with reference to the following facts and circumstances which are found and declared by the Board of Directors:

1. The General Manager and Finance Committee, during consideration and preparation of the budget for Fiscal Year 2022-2023 and capital improvement program for Fiscal Years Fiscal Years 2022/23 to 2031/32 determined that financing the District's operating expenses, debt service, and capital improvement program, as well as maintaining the District's existing reserve levels, will require an increase in water rates. California Water Code Section 31007 authorizes the District to establish rates and charges to yield an amount sufficient to pay operating expenses, to provide for repairs and depreciation of works owned and operated by the District, to pay interest on bonded debt, and to provide a fund to pay principal on bonded debt.

2. The District's financial consultant, Raftelis Financial Consultants, Inc. ("Raftelis"), prepared a "Cost of Service and Rate Study" dated May 15, 2018 that analyzed the District's Fiscal Year 2018-2019 and Fiscal Year 2019-2020 revenue requirements based upon a cost of service analysis, that was used to set the District's rates for Fiscal Year's 2018-2019 and 2019-2020 and to comply with the substantive requirements of Proposition 218. Subsequently, Raftelis prepared a "Water Financial Plan And Rate Update Study" dated August 2, 2020 (and utilizing the 2018 Cost of Service and Rate Study) that was used to set the District's rates effective January 1, 2021 and January 1, 2022. Raftelis next prepared a "Water Shortage Contingency Stage Rate Study" dated November 5, 2021. Utilizing the 2018 Cost of Service and Rate Study and the 2020 Water Financial Plan and Rate Update Study, and in accordance with Proposition 218 requirements, Raftelis developed Water Shortage Rates (formerly called Water Shortage Contingency Stage Rates) as a tool that allow the District to reliably recover the necessary revenue to fully fund the water system in times of reduced water demand at each Board declared water shortage contingency stage. In October 2022, Raftelis prepared a "Water Financial Plan and Rate Update Study" dated October 26, 2022 (and utilizing the 2018 Cost of Service and Rate Study) that provides support for a 6% increase to the Water Service Rates and Water Shortage Rates to be effective on January 19, 2023 and a 6% increase to the Water Service Rates and Water Shortage Rates to be effective on January 18, 2024, and in accordance with substantive requirements of Proposition 218. Raftelis conducted a Board Workshop at a special meeting on August 24, 2022 to review the District's financing model and to evaluate the

District's reserves and proposed reserve targets. District staff prepared staff reports and presentations for the October 11, 2022, November 8, 2022, and December 13, 2022 Board of Directors Regular Board Meetings that summarized Raftelis' analysis, the District's financial model, reserves, and proposed increases to the District's Water Service Rates and Water Shortage Rates. The Cost of Service and Rate Study dated May 15, 2018, the Water Financial Plan and Rate Update Study dated October 26, 2022, staff reports, and staff and Raftelis presentations are incorporated into this Resolution by this reference.

3. The Board has considered the May 15, 2018 Cost of Service and Rate Study and the October 26, 2022 Water Financial Plan And Rate Update Study in light of the approved Fiscal Year 2022-2023 Operation and Maintenance Budget and Fiscal Years 2022/23 to 2031/32 Capital Improvement Program and determined that the projects identified are important for the safe and efficient operation of the District's water system and to preserve and improve the reliability of the water system. The Fiscal Year 2022-2023 Operations and Maintenance Budget and the Fiscal Year 2022/23 to 2031/32 Capital Improvement Program were approved at the June 14, 2022 Regular Board of Directors Meeting. The approved budget and Capital Improvement program documents, by this reference are incorporated into this resolution.

4. The anticipated increases in expenses are attributable to a number of factors including but not limited to, payment of capital project costs, debt service for financing of necessary capital improvements and replacement of aging facilities, higher costs for personnel, materials and services.

5. On October 11, 2022, the Board of Directors at its Regular Board meeting evaluated the proposed modifications to the District's Rate and Fee Schedule and set a scheduled public hearing for December 13, 2022 at its Regular Board Meeting at 7 PM to consider the modifications to the District's Rate and Fee Schedule.

6. The District prepared a notice that described the amounts, the basis for calculating, and the reasons for the adjusted Water Service Rates and charges and Water Shortage Rates, and identified the date, time, and location for the public hearing on the adjusted rates and charges, and the procedures for submitting a protest. The District mailed the written notice to the property owners and customers in the District at least 45 days before the date of the public hearing.

7. The Board considered its options at a public hearing at which the specific rate proposal enacted herein was addressed. Notice of the public hearing was provided to each parcel subject to the proposed rate increase. Notice of the public hearing was also advertised in the November 9, 2022 and November 16, 2022 editions of the Half Moon Bay Review newspaper. Additionally, the notice was placed on the District's website. At the public hearing, the Board of Directors considered all protests against the proposed rate modification to the Water Service Rates and Water Shortage Rates, and written protests against the proposed rate increase were not presented by a majority of owners of the parcels subject to the proposed rate increase.

8. After discussion and consideration of the comments received before and at the public hearing, the Board finds the Water Service Rates and Water Shortage Rates hereinafter set forth to be reasonable and required for the proper operation of the District.

9. The Board further finds that the amendments to the Rate and Fee Schedule and the amount of the Water Service Rates and Water Shortage Rates hereinafter set forth does not exceed the amount of the estimated costs required to provide the services for which the rates are levied.

10. The Board further finds that the increases in Water Service Rates and Water Shortage Rates effected by this Resolution are reasonable and required for the proper operation of the District, and are exempt from the California Environmental Quality Act, pursuant to Section 21080(b)(8) of the Public Resources Code, because they are for the purposes of (1) meeting operating expenses, (2) purchasing or leasing supplies, equipment and materials, (3) meeting financial reserve requirements, and (4) obtaining funds for capital projects necessary to maintain service within existing service areas. The analysis in this Resolution and the documents incorporated into this Resolution by reference justify that the modifications to the rates and charges are for the purposes set forth in section 21080(b)(8).

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Coastside County Water District as follows:

1. Section 1.A, Base Charge, of the Rate and Fee Schedule is hereby amended to read as follows:

**A. Base Charge**

The following base charge is the minimum charge to be paid by all customers on a monthly basis. Customers may be billed on a monthly basis depending on type of meter, customer class, service address, or water usage:

Size of Meter	Effective January 19, 2023 Monthly Base Charge	Effective January 18, 2024 Monthly Base Charge
5/8 x 3/4 inch	\$33.78	\$35.81
3/4 inch	\$49.92	\$52.92
1 inch	\$82.17	\$87.10
1-1/2 inch	\$162.82	\$172.59
2 inch	\$259.60	\$275.18
3 inch	\$566.06	\$600.02
4 inch	\$1017.73	\$1078.79

Meters larger than 4 inches will be subject to base charges as determined by the Board of Directors.

2. Section 1.B, Quantity Charge, of the Rate and Fee Schedule is hereby amended to read as follows:

## **“B. Quantity Charge**

In addition to the base charge set forth in Section 1A, the following quantity charges shall be paid per one hundred cubic feet (hcf) of water delivered:

<i>Residential Customers</i>		
<b>Quantity Delivered (During Monthly Billing Period)</b>	<b>Effective January 19, 2023 Monthly Water Consumption Charge per hcf</b>	<b>Effective January 18, 2024 Monthly Water Consumption Charge per hcf</b>
1 - 4 hcf	\$10.75	\$11.40
5 - 8 hcf	\$15.72	\$16.66
9 or more hcf	\$19.02	\$20.16

*Definition of Residential Customers: For purposes of Sections 1 and 2, Residential Customers are single family homes, single family homes with one accessory dwelling unit, condominiums, townhouses, and all residential buildings with individual meters for separate residential dwelling units. Residential buildings with a single "master meter" measuring consumption within multiple dwelling units are not "Residential Customers" for purposes of Sections 1 and 2 but are classified as "Multi-Family" in Section 3 below.*

<i>All Other Customers</i>		
	<b>Water Rate Quantity Charge Per Unit</b>	
<b>Customer Type</b>	<b>Effective January 19, 2023</b>	<b>Effective January 18, 2024</b>
Multi-Family	\$14.33	\$15.19
All Other Customers	\$15.27	\$16.19

3. Section 3.D, Portable Meters, of the Rate and Fee Schedule, is hereby amended to read as follows:

## **“D. Portable Meters**

Customers requesting water service through portable meters shall pay:

1. a deposit in an amount, as estimated by the General Manager, equal to the replacement cost of the meter:
- 2.a. effective January 19, 2023, a monthly rental charge of \$106.00
- 2.b. effective January 18, 2024, a monthly rental charge of \$112.36
- 3.a. effective January 19, 2023, a consumption charge of \$15.27 per hcf of water delivered.
- 3.b. effective January 18, 2024, a consumption charge of \$16.19 per hcf of water delivered.

4. Section 3.E, Fire Service Charge, is hereby amended to read as follows:

**“E. Fire Service Charge**

Effective January 19, 2023, monthly service charge for a fire service is \$7.56 per inch of service line size. Effective January 18, 2024, the monthly service charge for a fire service is \$8.01 per inch of service line size. In addition, the customer must pay the actual cost of installation of the fire service. The estimated cost of installation must be deposited prior to commencement of work

- 5. Section 3.O., Water Shortage Rates (formerly called Water Shortage Contingency Stage Rates), is hereby amended to read as follows:

**“O. Water Shortage Rates**

To ensure that the District receives sufficient revenues to cover its cost of providing water service when consumption decreases due to a Board declared water shortage situation such as a drought, natural disaster, or other water supply interruption, the Board of Directors, at its discretion, may implement Water Shortage Rates (formerly called Water Shortage Contingency Stage Rates.). Water Shortage Rates are set up incrementally to reflect the stages of a water shortage that the District has defined in its Urban Water Management Plan, specifically the Water Shortage Contingency Plan. The Water Shortage Rates show the maximum rate levels that could be charged PER UNIT during each of the six (6) Water Shortage Stages when the District’s Board of Directors activates the Water Shortage Contingency Plan.

There are two actions by the Board of Directors and one additional notice that must take place before the Water Shortage Rates are implemented:

- 1. First, a Water Shortage Stage must be declared by the Board of Directors.
- 2. Second, the Board of Directors must take action to implement the Water Shortage Rates.
- 3. Third, a written notice must be mailed to all customers at least 30 days prior to implementing the Water Shortage Rates.

If a higher water shortage stage is declared by the Board, the Board may choose to increase the Water Shortage Rates up to the maximum level of the declared stage, and upon 30 days advance written notice to all customers. If a lower water shortage stage is declared by the Board, the Board will adjust the Water Shortage Rates to no more than the maximum level of the lower stage. The Water Shortage Rates would be repealed when the Water Shortage situation is declared to be over by the Board of Directors.

**WATER SHORTAGE RATES - QUANTITY CHARGE (Monthly Rates)  
Effective January 19, 2023**

Table 1A shows the incremental Monthly Water Shortage Rate Quantity Charge per UNIT\* by Water Shortage Stage.

Customer Type	Baseline*	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
<b>Residential</b>							
Tier 1 1 - 4 units	\$0.00	\$2.47	\$4.37	\$6.14	\$8.52	\$12.85	\$25.42
Tier 2 5 - 8 units	\$0.00	\$3.60	\$6.39	\$8.98	\$12.46	\$18.79	\$37.16
Tier 3 9+ units	\$0.00	\$4.36	\$7.73	\$10.87	\$15.07	\$22.73	\$44.97
<b>Multi-Family</b>	\$0.00	\$3.29	\$5.82	\$8.19	\$11.36	\$17.12	\$33.88
<b>Non-Residential</b>	\$0.00	\$3.50	\$6.21	\$8.73	\$12.10	\$18.25	\$36.10

**Table 1B** shows the combined Monthly **Baseline Quantity Charge** (rates in effect January 19, 2023) **plus the Water Shortage Rate Quantity Charge** per UNIT by Water Shortage Stage.

Customer Type	Baseline*	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
<b>Residential</b>							
Tier 1 1 - 4 units	\$10.75	\$13.22	\$15.12	\$16.89	\$19.27	\$23.60	\$36.17
Tier 2 5 - 8 units	\$15.72	\$19.32	\$22.11	\$24.70	\$28.18	\$34.51	\$52.88
Tier 3 9+ units	\$19.02	\$23.38	\$26.75	\$29.89	\$34.09	\$41.75	\$63.99
<b>Multi-Family</b>	\$14.33	\$17.62	\$20.15	\$22.52	\$25.69	\$31.45	\$48.21
<b>Non-Residential</b>	\$15.27	\$18.77	\$21.48	\$24.00	\$27.37	\$33.52	\$51.37

\* Baseline - Quantity Charge effective 1/19/2023  
 1 Unit = 1 hcf (hundred cubic feet) = 748 gallons

**WATER SHORTAGE RATES - QUANTITY CHARGE (Monthly Rates)  
 Effective January 18, 2024**

**Table 2A** shows the incremental Monthly **Water Shortage Rate Quantity Charge** per UNIT\* by Water Shortage Stage.

Customer Type	Baseline*	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
<b>Residential</b>							
Tier 1 1 - 4 units	\$0.00	\$2.57	\$4.58	\$6.48	\$9.03	\$13.67	\$27.17
Tier 2 5 - 8 units	\$0.00	\$3.75	\$6.69	\$9.47	\$13.20	\$19.98	\$39.71
Tier 3 9+ units	\$0.00	\$4.53	\$8.10	\$11.46	\$15.97	\$24.18	\$48.05
<b>Multi-Family</b>	\$0.00	\$3.42	\$6.10	\$8.64	\$12.03	\$18.22	\$36.20
<b>Non-Residential</b>	\$0.00	\$3.64	\$6.50	\$9.21	\$12.83	\$19.42	\$38.59

**Table 2B** shows the combined Monthly **Baseline Quantity Charge** (rates in effect January 18, 2024) **plus the Water Shortage Rate Quantity Charge** per UNIT by Water Shortage Stage.

Customer Type	Baseline*	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
<b>Residential</b>							
Tier 1 1 - 4 units	\$11.40	\$13.97	\$15.98	\$17.88	\$20.43	\$25.07	\$38.57
Tier 2 5 - 8 units	\$16.66	\$20.41	\$23.35	\$26.13	\$29.86	\$36.64	\$56.37
Tier 3 9+ units	\$20.16	\$24.69	\$28.26	\$31.62	\$36.13	\$44.34	\$68.21
<b>Multi-Family</b>	\$15.19	\$18.61	\$21.29	\$23.83	\$27.22	\$33.41	\$51.39
<b>Non-Residential</b>	\$16.19	\$19.83	\$22.69	\$25.40	\$29.02	\$35.61	\$54.78

\* Baseline - Quantity Charge effective 1/18/2024

1 Unit = 1 hcf (hundred cubic feet) = 748 gallons

**Table 3** shows the six (6) **Water Shortages Stages** outlined in the District’s Water Shortage Contingency Plan.

Water Shortage Stage	Shortage Level	Shortage Description
Stage 1	Up to 10%	Water Shortage Advisory
Stage 2	Up to 20%	Water Shortage Emergency Warning
Stage 3	Up to 30%	Water Shortage Emergency
Stage 4	Up to 40%	Water Shortage Severe Emergency
Stage 5	Up to 50%	Water Shortage Extreme Emergency
Stage 6	Up to 60%	Water Shortage Catastrophic Emergency

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6. This Resolution shall be effective for water delivered and services provided on or after January 19, 2023 and January 18, 2024 and any billing for the current billing cycle that includes water delivered before the effective date shall be pro-rated.
7. The General Manager shall arrange for the Rate and Fee Schedule to be re-codified to incorporate the changes effected by this Resolution.
8. The General Manager is directed to file a Notice of Exemption with the County Clerk and to take such other actions as may be necessary to give effect to this Resolution.

**PASSED AND ADOPTED THIS 13th day of December, 2022, by the following vote of the Board:**

**AYES: President Feldman, Vice President Muller, Directors Coverdell and Reynolds**


**NOES: Director Mickelsen**

**ABSENT:**



Robert Feldman, President  
Board of Directors

**ATTEST:**

  
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Mary Rogren, General Manager  
Secretary of the District