

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: March 10, 2026

Report Date: March 6, 2026

Agenda Title: General Manager's Report

Preview of Projected SFPUC Rate Increase for 7/1/2026

On February 19, 2026, staff attended the SFPUC Annual Wholesale Meeting. Nancy Horn, the SFPUC's Chief Financial Officer, provided a preview of the projected SFPUC rate increase to be effective 7/1/2026. The preliminary estimate is 7.4% (see Exhibit A.)

In February 2025, SFPUC projected only a minimal rate increase for FY2027, however water usage projections for the wholesale agencies have been lowered given current consumption trends and lower future demand projections. Because SFPUC's costs are largely fixed, lower projected water sales require a higher rate per unit of water in order for SFPUC to recover its costs.

Water Supply Availability Estimate from SFPUC - March Update

On March 2, the District received a second update (Exhibit B) on the Water Supply Availability Estimate from SFPUC. The final update will be received in early April following the last snow survey of the year.

Rainfall, snowpack and reservoir storages to date, including carryover storage from prior average and wet years, continue to indicate a reasonable probability that SFPUC will be able to meet full customer demand this year.

Exhibit A - DRAFT -- From February 19, 2026 SFPUC Annual Wholesale Meeting
Note: The projected rate increase below is a preliminary estimate and subject to change in March/April 2026.

FYE 2027 Projected Wholesale Rate

Wholesale Rate =

$$\frac{\text{Wholesale Revenue Requirement} - \text{Fixed Fee} \pm \text{Balancing Account}}{\text{Wholesale Volumes}}$$

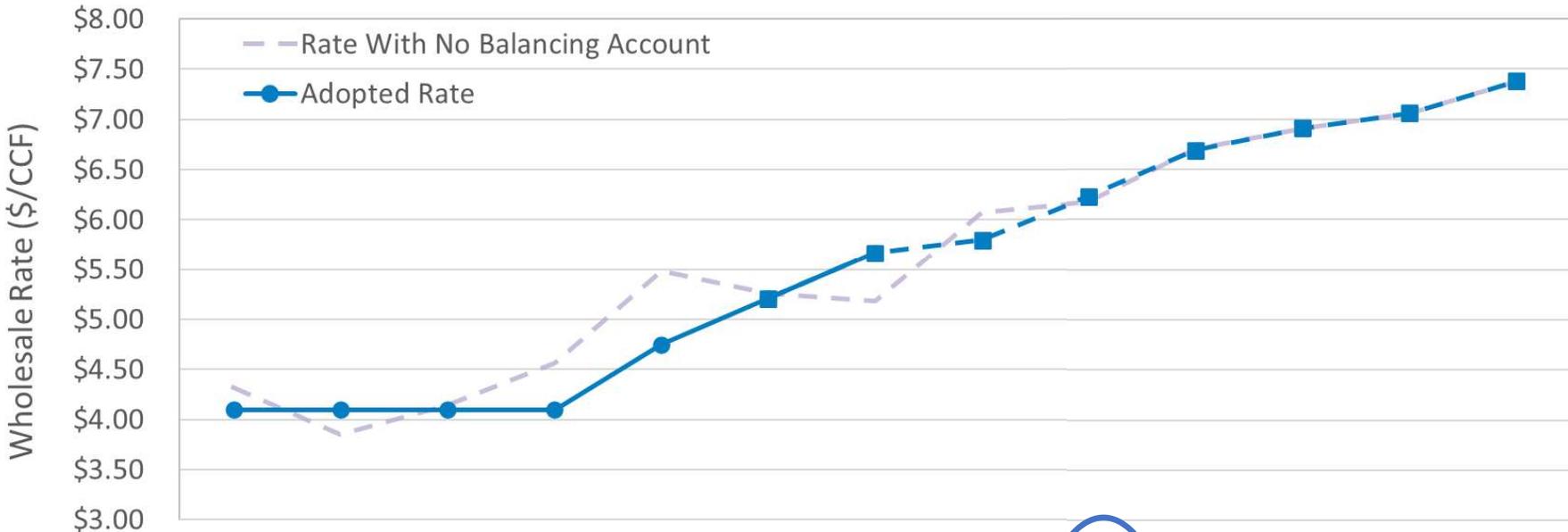
$$\text{FYE 2027 Rate} = \frac{\$380.3M - \$5.4M + \$3.0M}{125.7 \text{ MGD}} = \$6.23/\text{ccf}$$

Rate increase from FYE 2026 = 7.4%

Factors driving rate increase:

- *Reduction in projected water sales*
- *Shift in balancing account owed from SFPUC to amount due to SFPUC*
- *Growth in Operating and Debt Service Spending*

Historic and Projected Wholesale Rates

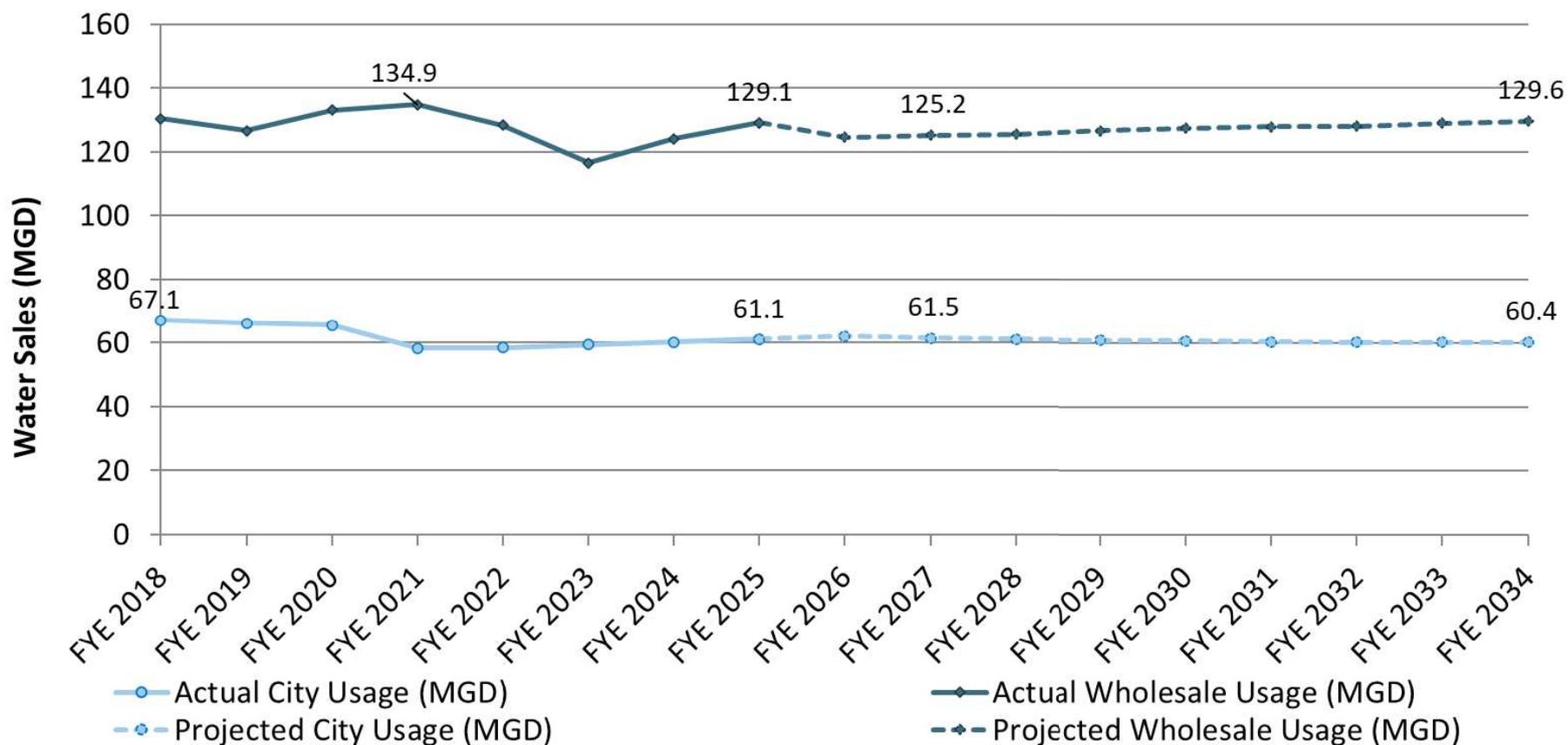


	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031
Adopted / Forecasted Rates	\$ 4.10	\$ 4.10	\$ 4.10	\$ 4.10	\$ 4.75	\$ 5.21	\$ 5.67	\$ 5.80	\$ 6.23	\$ 6.69	\$ 6.91	\$ 7.06	\$ 7.38
Rate Change	0.0%	0.0%	0.0%	0.0%	15.9%	9.7%	8.8%	2.3%	7.4%	7.4%	3.3%	2.2%	4.5%
Rate w/o Balancing Account	\$ 4.32	\$ 3.85	\$ 4.14	\$ 4.56	\$ 5.48	\$ 5.26	\$ 5.18	\$ 6.13	\$ 6.18	\$ 6.70	\$ 6.91	\$ 7.06	\$ 7.38

Wholesale Revenue Requirement

(\$M)	Actual	Projected					
	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031
Wholesale Revenue Requirement (WRR)							
Operating Costs	\$ 154.3	\$ 170.4	\$ 175.7	\$ 187.1	\$ 193.5	\$ 201.8	\$ 209.7
Debt Service	\$ 154.3	\$ 163.6	\$ 168.2	\$ 179.8	\$ 185.8	\$ 193.2	\$ 206.2
Revenue-Funded Capital	\$ 20.7	\$ 39.9	\$ 36.8	\$ 45.5	\$ 51.0	\$ 46.5	\$ 45.7
Subtotal WRR	\$ 329.3	\$ 373.9	\$ 380.7	\$ 412.4	\$ 430.3	\$ 441.5	\$ 461.6
Adjustments & Payments	\$ (1.4)	\$ (2.6)	\$ (2.1)	\$ (2.0)	\$ (2.1)	\$ (2.2)	\$ (2.3)
Debt Service Coverage	\$ 1.4	\$ 0.2	\$ 1.6	\$ 4.1	\$ 2.1	\$ 2.6	\$ 4.6
Total Wholesale Revenue Requirement	\$ 329.3	\$ 371.5	\$ 380.3	\$ 414.5	\$ 430.3	\$ 441.9	\$ 463.9
Wholesale Rate Increase	8.8%	2.3%	7.4%	7.4%	3.3%	2.2%	4.5%
Rate (\$/CCF)	\$ 5.67	\$ 5.80	\$ 6.23	\$ 6.69	\$ 6.91	\$ 7.06	\$ 7.38
Usage Basis (MGD)	129.2	124.5	125.2	125.9	126.7	127.4	127.9
Total Wholesale Revenues	\$ 354.8	\$ 355.1	\$ 383.5	\$ 414.1	\$ 430.1	\$ 441.9	\$ 463.9

Water Usage: Actuals and 10-Year Financial Plan Projections



Wholesale Water Rate Schedule

Approximate Date	Item
March 13, 2026	Notification of Wholesale Water Rates
April 14, 2026	Commission Rate Hearing (Final Date TBD)
July 1, 2026	FY 2026-27 Rates Effective



TO: SFPUC Wholesale Customers

Steven R. Ritchie

FROM: Steven R. Ritchie, Assistant General Manager, Water

DATE: March 2, 2026

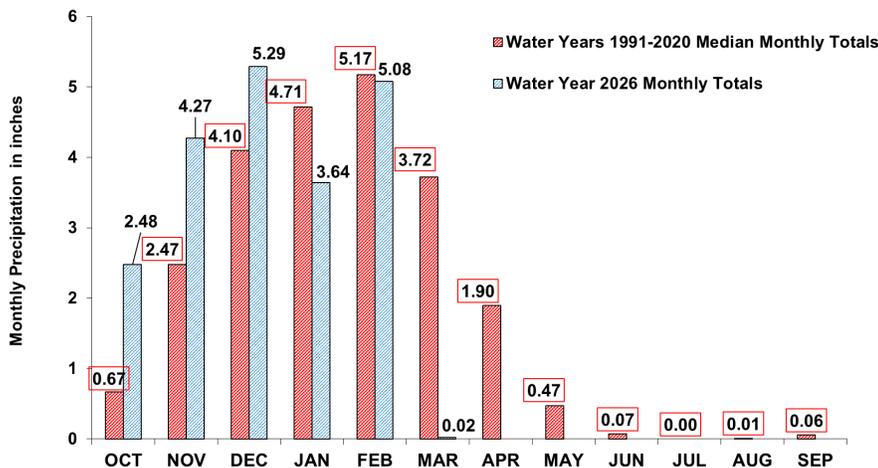
RE: Initial Water Supply Availability Estimate

This memo provides the initial water supply availability estimate for this year and the current hydrologic conditions.

The current Water Year has alternated between above median in the early months of the Water Year, and in January, below median; with February ending just below median. As the charts below show, the upcountry watersheds and the local watersheds show above median precipitation during October thru December and below median in January thru February resulting in above median precipitation conditions as of March 2.

The local watersheds have received approximately 89% of the 12-month median total rainfall of 23.35 inches for the water year. The upcountry watersheds have received approximately 76% of the 12-month median total rainfall of 30.92 inches for the water year. Low elevation automated snow sensors indicate that low elevation snowpack is below median for this time of year as did the February snow survey of higher elevation conditions. Our March snow survey, yet to be completed, will provide snowpack measurements for higher elevations and will be reflected in our April Water Supply Availability letter.

Bay Area 7-station Precipitation Index as of March 2, 2026

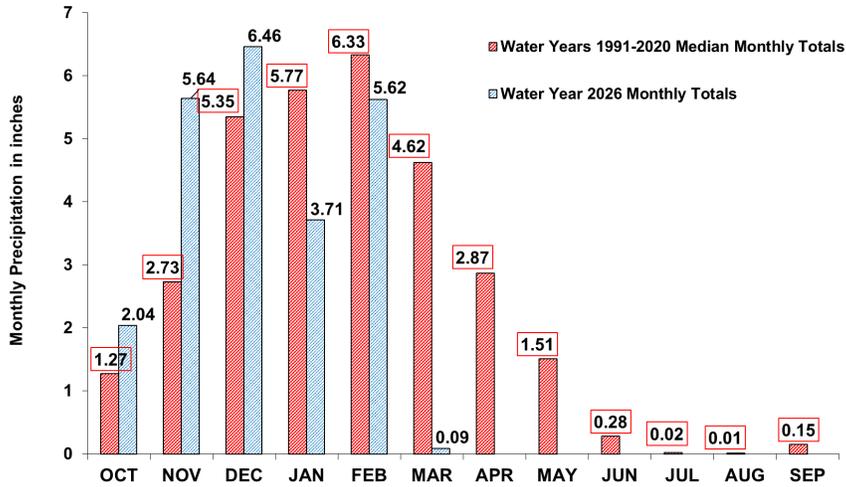


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Commissioner
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General Manager

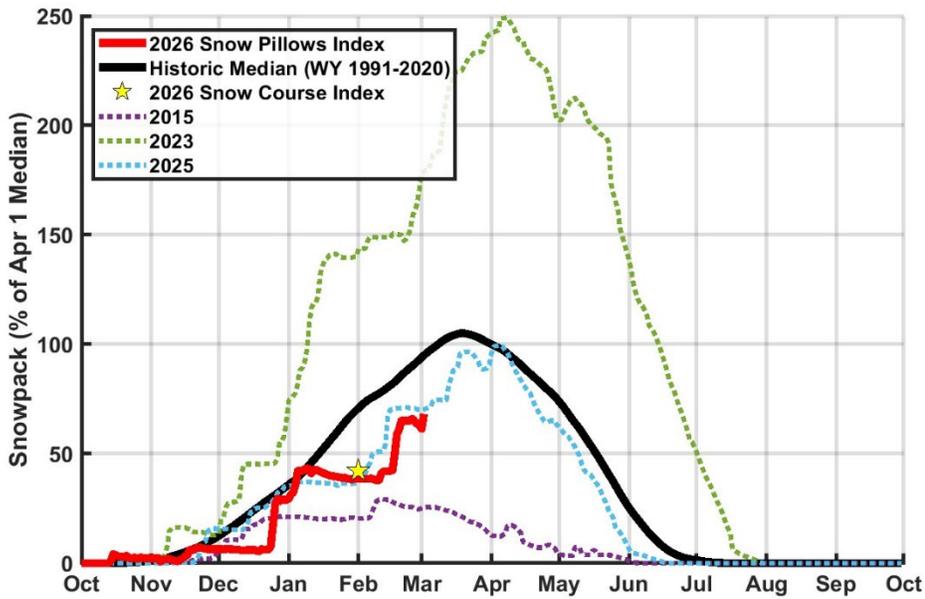
OUR MISSION: To provide our customers with high-quality, efficient and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.



Upcountry 6-station Precipitation Index as of March 2, 2026



Upcountry Snowpack as of March 2, 2026



Reservoir storages as of March 2, 2026 are above where they typically are this time of year.

Reservoir	Current Storage ^{1,2,3} (AF)	Maximum Storage ⁴ (AF)	Available Capacity (AF)	Percent of Maximum Storage	Normal Percent of Maximum Storage ⁵
<u>Tuolumne System</u>					
Hetch Hetchy	317,700	360,360	42,660	88.2%	65.2%
Cherry	242,600	273,345	30,745	88.8%	-
Eleanor	23,970	27,100	3,130	88.5%	-
Water Bank	570,000	570,000	0	100.0%	98.8%
Total Tuolumne Storage	1,154,270	1,230,805	76,535	93.8%	-
<u>Local System</u>					
Calaveras	65,899	96,670	30,771	68.2%	-
San Antonio	44,490	53,266	8,776	83.5%	-
Crystal Springs	49,804	68,953	19,149	72.2%	-
San Andreas	14,664	18,675	4,011	78.5%	-
Pilarcitos	1,878	3,125	1,247	60.1%	-
Total Local Storage	176,735	240,689	63,954	73.4%	-
Total System Storage	1,331,005	1,471,494	140,489	90.5%	80.6%
Total without water bank	761,005	901,494	140,489	84.4%	-

Rainfall, snowpack and reservoir storages to date, including carryover storage from prior average and wet years, continue to indicate a reasonable probability that the SFPUC will be able to meet full customer demand this year. The SFPUC will continue to monitor water supply conditions and State actions. The final water supply availability memo will be issued in early April following the last snow survey of the year.