

DIRECTORS
WILLIAM HAUSER, *President*
ANNE DE JARNATT, *Vice-President*
RON ASH, *Director*
JOSHUA COSGROVE, *Director*
JOHN VALLERO, *Director*

2400 Francisco Blvd.
P.O. Box 1039
Pacifica, CA 94044
www.nccwd.com



STAFF
ADRIANNE CARR, Ph.D.
GENERAL MANAGER

SCOTT DALTON
ASSISTANT GENERAL MANAGER
– OPERATIONS

Phone (650) 355-3462
Fax (650) 355-0735

AGENDA
NORTH COAST COUNTY WATER DISTRICT
BOARD OF DIRECTORS
Regular Meeting May 20, 2026, 7:00 PM

This agenda and all accompanying materials can be viewed on the North Coast County Water District website at: nccwd.com

This meeting will be conducted both in person and by Zoom Meeting. Members of the public may attend this meeting in person at the District’s Headquarters located at 2400 Francisco Boulevard, Pacifica.

Members of the public may participate remotely as follows:

REMOTE PARTICIPATION ACCESS VIA ZOOM

Online: <https://us06web.zoom.us/j/89328711101?pwd=G2Ja3RxHEW6Kdj6q7IEE2HG1eAah51.1>

Webinar ID: 893 2871 1101 Passcode: 190386

By Phone: (669) 444-9171

Members of the public participating online may use “Raise Hand” function to request to speak.
Those participating by phone, press *9 to request to speak and *6 to mute or unmute.

1. Call to Order
2. Roll Call
 - A. Location of Emergency Exits
3. Pledge of Allegiance
4. Public Comment

Members of the public are invited to participate during the public comment period(s) or when a particular item is introduced. Members of the public are encouraged to participate remotely by submitting comments to info@nccwd.com at least one hour prior to the scheduled start time of the meeting. For comments submitted prior to the meeting, please indicate in your email the agenda item to which your comment applies. Comments submitted before the meeting will be provided to the Directors before or during the meeting. Although public comments are generally limited to three minutes per person per comment, the Board President shall have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.
5. Approval of Order of Agenda

ACTION

6. Special Order of Business
 - A. Water Awareness Month Poster Contest Awards
 - B. Public Hearing and Annual Report on District Vacancies, Recruitment, and Retention in Compliance with AB 2561– Attached
 1. Presentation by Staff
 2. Open Public Hearing
 3. Close Public Hearing
 4. Board Comments
7. Bay Area Water Supply and Conservation Agency (BAWSCA) Issues INFORMATION
8. Board Communications
9. Consent Calendar ACTION

All matters listed hereunder constitute a Consent Calendar, are considered as routine by the Board of Directors, and will be acted upon by a single vote of the Board. There will be no separate discussion of these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item

 - A. Overview of District Investments – Attached
 - B. Financial Statements for April 2026 – Attached
 - C. Statement for 2021 Water System Financing Project Fund – Attached
 - D. Minutes of the April 15, 2026 Regular Board meeting – Attached
 - E. Report on Sale of District Property – Attached
 - F. April 2026 Leak Report – None
 - G. April 2026 Water Quality Report – Attached
 - H. April 2026 Legislative Update – None
 - I. April 2026 Hydrological Report – Attached
10. General Manager’s Report
 - A. New Business
 1. Review Draft Water Rate Study, Set July 15, 2026 for a Public Hearing for a Proposed Increase to the Water Rates and Charges, and Authorize the General Manager to Mail out the Notice of Public Hearing– Attached ACTION
 2. Approval of Resolution No. of the North Coast County Water District Calling for an Election to be Held on Tuesday, November 3, 2026 for the Election of Three (3) Members of the Governing Board Representing Zones A, B, and E – Attached ACTION
 3. Approval of Claims Dated May 20, 2026 – Attached ACTION
 4. San Mateo County Local Agency Formation Commission (LAFCo) – Election of Regular Special District Member for a Term Ending May 2030 – Attached DISCUSSION
 5. District Headquarters Upgrade Project Update INFORMATION
 6. District Engineer’s Report - Attached INFORMATION
 - Automated Metering Infrastructure (AMI) Project Update
 - Urban Water Management Plan (UWMP) Update
 7. General Manager’s Update – Attached INFORMATION
 - Multijurisdictional Local Hazard Mitigation Plan (LHMP)
 - B. Continued Business - Attached
 1. Capital Improvement Program and Bond Projects INFORMATION

11. Committee and/or Directors' Reports on Meetings Attended
 - A. City of Pacifica Planning Commission Meeting (Hauser) April 20, May 4 & 18, 2026
 - B. City of Pacifica City Council Meeting – (DeJarnatt) April 27 & May 11, 2026
 - C. Association of California Water Agencies Spring Conference (DeJarnatt) May 4-6, 2026
 - D. Personnel Committee (Ash/Vallero) May 13, 2026
12. Directors' Comments and/or Agenda Requests
13. Correspondence
14. Public Comment
15. Adjournment

Accessible Public Meetings - Upon request, the North Coast County Water District will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service at least three (3) days before the meeting. Requests should be sent to: North Coast County Water District, Attn: Alternative Agenda Request, PO Box 1039, Pacifica, CA 94044-6039 or info@nccwd.com.

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STAFF REPORT

TO: Board of Directors
 FROM: Adrienne Carr, General Manager
 DATE: May 20, 2026
 RE: Public Hearing and Annual Report on Vacancies, Recruitment, and Retention Efforts in Compliance with AB 2561

BACKGROUND

California State Assembly Bill (AB) 2561 was approved on September 22, 2024, and added §3502.3 to the Government Code. The goal of AB 2561 is to ensure that agencies maintain sufficient staffing to provide reliable and efficient services to the public. This law requires public agency staff to present the status of their vacancies in a public hearing before their governing body at least once per fiscal year. The purpose of the hearing is for the Board to hear the staff presentation and to receive public comment. The presentation must be made prior to the adoption of a final budget for the fiscal year.

DISCUSSION

This report is presented in accordance with §3502.3 of the Government Code. Currently the District has no vacancies, both in reference to the budgeted positions (budget adopted in June 2025) and in reference to the District's organizational chart (last reviewed by Board in March 2026).

In addition to the positions listed in the Organization Chart, the District maintains a salary schedule that includes several positions not currently filled. Due to the small size of the organization, the District has a practice of keeping the positions on the salary schedule that it anticipates may be filled in the future. Keeping additional positions on the salary schedule allows for employee growth and development, thereby encouraging employee retention. Positions that employees may have recently been promoted from should remain on the salary schedule, to accommodate future hiring for any unanticipated vacancy.

The Salary Schedule currently has 20 different salary bands, three of which have two listed positions in the same salary band. District currently has employees in 12 of the 20 salary bands, with 14 different positions filled. Additionally, the District keeps a "Temporary Assistance" salary band on the Salary Schedule, in case the need arises for temporary assistance.

Between June 2025, when the District last reported on its vacancies, and May 2026, the District filled the mechanic position, which was vacant in June 2025. There were no retirements and no other changes in employment; therefore, the retention rate is 100%, and the turnover rate is 0%.

The District currently has 19 staff, all of whom are full-time equivalent positions (FTE). The average length of service in years is identified by the employee group below:

- Management and Supervisory Positions – 5 staff, average length of service 21.2 years
- Administration Positions – 5 staff, average length of service 4.4 years
- Operations Positions – 9 staff, average length of service 9.0 years

To comply with this Government Code the District must also present the status of recruitment and retention efforts. The District regularly conducts total compensation studies and classification reviews for individual positions to increase the District's ability to recruit and retain high-quality staff who are recognized for the level and scope of work performed and are paid on a fair and competitive basis, to ensure that the District has a compensation plan that can meet its needs, and to ensure that internal relationships of salaries are based upon objective, non-quantitative evaluation factors, resulting in equity across the District. The District last performed such a study in 2024 using Koff and Associates (also known as Gallagher), with a prior study completed in 2021. The District has reviewed its policies, procedures, and recruitment activities and has determined that no changes are necessary.

The District remains committed to ongoing monitoring of staffing levels and will continue to implement effective recruitment and retention strategies to maintain operational effectiveness.

Staff presented this item to the Personnel Committee on May 13, 2026, for review and discussion.

FISCAL IMPACT

None.

RECOMMENDATION

This item is for information only.

NORTH COAST COUNTY WATER DISTRICT
Investment Portfolio Summary
April 30, 2026

A. LOCAL AGENCY INVESTMENT FUND

Account Value at Feb 28, 2026	Deposit/Transfer Maturity	Quarterly Interest Earned	Account Value at Mar 31, 2026	Current Yield	Y-T-D Interest Earned
11,590,200.90	-	122,947.14	11,713,148.04	3.811%	251,646.78
11,590,200.90	-	122,947.14	11,713,148.04	3.811%	251,646.78

(b)

(c)

(a)

Note:

(a) L.A.I.F. interest is paid on a quarterly basis.

(b) Transfer fund from general fund account to LAIF account.

(c) The above fund is used to cover the following District's reserve fund policy:

Restricted Reserve Funds:

- Debt Service Reserve	\$ 2,003,190.00
- Compensated Absences	767,899.00
- Retiree COLA Payment	94,000.00
- Storage and Transmission Fees	91,765.00
Total Restricted Reserve Funds:	<u>\$ 2,956,854.00</u>

Designated Reserve Funds:

- Emergency Reserve	\$ 3,816,331.00
- CIP Reserve	-
- Operating Reserve	4,624,963.04
- OPEB Liabilities	315,000.00
Total Designated Reserve Funds:	<u>\$ 8,756,294.04</u>

Total Restricted & Designated Reserve Funds: \$ 11,713,148.04

- Unrestricted Cash \$ -

Total Investment fund balance: \$ 11,713,148.04

California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
 P.O. Box 942809
 Sacramento, CA 94209-0001
 (916) 653-3001

May 01, 2026

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

NORTH COAST COUNTY WATER DISTRICT

GENERAL MANAGER
 P.O. BOX 1039
 PACIFICA, CA 94044

[Tran Type Definitions](#)

Account Number:

April 2026 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
4/15/2026	4/14/2026	QRD	1798247	N/A	SYSTEM	122,947.14

Account Summary

Total Deposit:	122,947.14	Beginning Balance:	11,590,200.90
Total Withdrawal:	0.00	Ending Balance:	11,713,148.04

**North Coast County Water District
REVENUES & EXPENSES SUMMARY
For April 2026**

	<u>Current Month Apr '26</u>	<u>Y-T-D Total Jul '25 - Jun ' 26</u>	<u>FY 2024-25 Budget</u>	<u>% of Y-T-D Total to Budget</u>
Operating Revenues:				
Water Consumption Sales	704,987.35	8,375,561.86	10,133,650.00	82.65%
Other Service Charges	366,653.35	4,038,562.59	4,528,280.00	89.19%
Total Operating Revenues	1,071,640.70	12,414,124.45	14,661,930.00	84.67%
Operating Expenses:				
Administration Expenses				
Administration - Directors	9,179.07	92,247.50	117,000.00	78.84%
Administration Employee Development	1,410.00	3,970.55	32,500.00	12.22%
Administration Operations	30,531.74	798,655.69	1,066,500.00	74.89%
Administration Profession, Fees	28,921.50	487,330.00	750,000.00	64.98%
Administration Salaries & Benefits	191,175.23	2,436,627.30	2,864,000.00	85.08%
Bond-Debt Service	66,202.08	668,137.48	809,325.00	82.56%
Total Administration Expenses	327,419.62	4,486,968.52	5,639,325.00	79.57%
Distribution Expenses				
Distribution - Operations	12,445.85	187,035.77	409,000.00	45.73%
Distribution Salaries & Benefits	134,242.23	1,489,226.52	1,833,500.00	81.22%
Total Distribution Expenses	146,688.08	1,676,262.29	2,242,500.00	74.75%
Plant Expenses				
Plant Operations	620,530.84	6,781,352.78	7,002,500.00	96.84%
Plant Salaries & Benefits	26,612.60	276,377.75	381,000.00	72.54%
Total Plant Expenses	647,143.44	7,057,730.53	7,383,500.00	95.59%
Total Administrative, Distribution & Plant Expenses	1,121,251.14	13,220,961.34	15,265,325.00	86.61%
Total Operating Expenses	1,121,251.14	13,220,961.34	15,265,325.00	86.61%
Net Operation Income (Loss):	(49,610.44)	(806,836.89)	(603,395.00)	
Non-Operating Revenues	6,506,858.91	8,597,533.52	2,520,000.00	341.17%
Net Income (Loss)	6,457,248.47	7,790,696.63	1,916,605.00	406.48%

**North Coast County Water District
Revenues & Expenses Report
For April 2026**

	<u>Current Month Apr '26</u>	<u>Y-T-D Total Jul '25 - Jun '26</u>	<u>FY 2025-26 Budget</u>	<u>% of Y-T-D Total to Budget</u>
Ordinary Revenues/Expenses				
Operating Revenues				
4110 · Residential Water Sales	505,368.26	5,391,083.21	6,695,000.00	80.52%
4110001 · Residential Service Charges	330,320.69	3,504,046.60	4,041,720.00	86.7%
4120 · Commercial Water Sales	64,678.88	772,954.12	890,950.00	86.76%
4120001 · Commercial Service Charges	11,812.11	132,855.69	156,000.00	85.16%
4140 · Multi-Unit Water Sales	76,838.28	1,281,625.20	1,400,000.00	91.55%
4140001 · Multi-Unit Service Charges	5,362.66	148,533.20	170,000.00	87.37%
4170 · Other Public, Portables, etc.	48,609.92	464,979.76	570,000.00	81.58%
4170001 · Other Public Service Charges	6,604.05	77,136.16	70,000.00	110.2%
4180 · Irrigation	3,732.26	260,404.18	224,700.00	115.89%
4180001 · Irrigation Service Charges	2,200.62	45,064.85	53,560.00	84.14%
4185 · Recycled Water Sales	-	145,827.70	120,000.00	121.52%
4185001 · Recycled Water Service Charges	-	13,370.03	16,000.00	83.56%
4210 · Fire Standbys (Fire Protection)	5,759.75	58,687.69	63,000.00	93.16%
4230 · Water Connections	366.13	16,147.09	25,000.00	64.59%
4240 · Renewal of Service Fees	1,176.00	16,532.00	21,000.00	78.72%
4260 · Late Fee Charges	52.00	30,838.00	70,000.00	44.05%
4870 · Miscellaneous Income	8,759.09	54,038.97	75,000.00	72.05%
Total Operating Revenues	<u>1,071,640.70</u>	<u>12,414,124.45</u>	<u>14,661,930.00</u>	<u>84.67%</u>
Expenses				
130 · Administration Expenses				
Administration - Directors				
5645130 · Directors Health Insurance	7,280.07	77,615.37	92,000.00	84.37%
5940130 · Directors Fees	800.00	11,500.00	17,000.00	67.65%
5941130 · Directors' Election Fee	-	-	-	0.0%
5942130 · Directors Convention & Travel	1,099.00	3,132.13	8,000.00	39.15%
Total Administration - Directors	<u>9,179.07</u>	<u>92,247.50</u>	<u>117,000.00</u>	<u>78.84%</u>
Administration Employee Development				
5625130 · Meetings & Conferences	-	-	2,500.00	0.0%
5635130 · Staff Training	1,410.00	3,970.55	30,000.00	13.24%
Total Administration Employee Development	<u>1,410.00</u>	<u>3,970.55</u>	<u>32,500.00</u>	<u>12.22%</u>
Administration Operations				
5514130 · Online Payment Fees	16,880.01	191,969.89	200,000.00	95.99%
5522130 · Bad Debt Write Off	-	-	20,000.00	0.0%
5620130 · Advertising	-	770.03	8,500.00	9.06%
5621130 · Printing & Office Supplies	1,431.64	11,207.71	15,000.00	74.72%
5622130 · Utilities - District Office	1,385.70	30,952.69	20,000.00	154.76%
5623130 · Telephone	1,592.09	15,467.58	15,000.00	103.12%
5624130 · Janitor & Gardener	425.00	19,559.61	35,000.00	55.89%

**North Coast County Water District
Revenues & Expenses Report
For April 2026**

	<u>Current Month Apr '26</u>	<u>Y-T-D Total Jul '25 - Jun '26</u>	<u>FY 2025-26 Budget</u>	<u>% of Y-T-D Total to Budget</u>
5626130 · Dues & Memberships	-	58,271.72	60,000.00	97.12%
5626130A · BAWSCA Dues	-	79,528.50	106,500.00	74.68%
5627130 · Postage	3,535.64	34,427.12	48,000.00	71.72%
5628130 · General Manager Expenses	-	2,904.86	5,000.00	58.1%
5630130 · Insurance	-	122,776.81	165,000.00	74.41%
5631130 · Office Bldg. Maintenance & Repairs	750.00	29,602.02	60,000.00	49.34%
5637130 · Billing Software Support	1,129.67	111,484.95	140,000.00	79.63%
5650130 · Office Equip. Repair & Maintenance	2,598.68	32,101.95	30,000.00	107.01%
5655130 · Office Equip. Lease & Maintenance	256.08	3,081.52	15,000.00	20.54%
5661130 · Uniforms & Safety Equipment	-	369.80	3,000.00	12.33%
5685130 · Water Ed/Community Services	-	17,349.22	15,000.00	115.66%
5687130 · Water Conservation	1,155.86	15,428.70	35,000.00	44.08%
5720130 · Taxes & Assessments	(5,025.06)	3,541.36	3,000.00	118.05%
5725130 · Rebate Programs	590.00	5,437.13	48,500.00	11.21%
5730130 · Miscellaneous Expenses	1,001.97	8,364.52	6,000.00	139.41%
5732130 · License & Certificates	70.00	381.00	2,000.00	19.05%
5733130 · Meals	56.65	954.19	3,500.00	27.26%
5734130 · Travel & Lodging	162.00	187.00	5,000.00	3.74%
5735130 · Employee Rec. Dinner Awards	2,535.81	2,535.81	2,500.00	101.43%
Total Administration Operations	30,531.74	798,655.69	1,066,500.00	74.89%
Administration Profession, Fees				
5680130 · Engineering	8,355.00	130,703.50	175,000.00	74.69%
5681130 · Legal Fees	9,811.50	109,583.00	120,000.00	91.32%
5682130 · Auditing & Accounting Fees	-	20,850.00	30,000.00	69.5%
5683130 · Misc. Professional Fees	10,755.00	226,193.50	425,000.00	53.22%
Total Administration Profession, Fees	28,921.50	487,330.00	750,000.00	64.98%
Administration Salaries & Benefits				
5111130 · Regular Salary	88,657.20	917,762.79	1,170,000.00	78.44%
5112130 · Overtime	-	10,651.59	10,000.00	106.52%
5640130 · Payroll Taxes	6,844.60	63,195.45	80,000.00	78.99%
5641130 · Workers Compensation	10,897.70	46,906.99	45,000.00	104.24%
5642130 · Health Insurance	23,130.04	248,814.70	300,000.00	82.94%
5642130A · Retiree's Health Insurance	23,746.61	295,867.91	315,000.00	93.93%
5643130 · CalPERS Retirement	25,123.92	765,630.70	815,000.00	93.94%
5644130 · Retiree COLA Benefit	11,688.92	77,315.48	94,000.00	82.25%
5646130 · Life Insurance	1,026.24	9,881.69	30,000.00	32.94%
5647130 · Employee Welfare	60.00	600.00	5,000.00	12.0%
Total Administration Salaries & Benefits	191,175.23	2,436,627.30	2,864,000.00	85.08%
5800130 · Bond-Debt Service	66,202.08	668,137.48	809,325.00	82.56%
Total 130 · Administration Expenses	327,419.62	4,486,968.52	5,639,325.00	79.57%

**North Coast County Water District
Revenues & Expenses Report
For April 2026**

	<u>Current Month Apr '26</u>	<u>Y-T-D Total Jul '25 - Jun '26</u>	<u>FY 2025-26 Budget</u>	<u>% of Y-T-D Total to Budget</u>
120 · Distribution Expenses				
Distribution - Operations				
5230120 · Utilities	-	61,940.98	65,000.00	95.29%
5314120 · Other Services - Misc.	-	4,669.40	50,000.00	9.34%
5315120 · Contract Services	-	1,328.25	10,000.00	13.28%
5350120 · Tools & Equipment	-	2,545.69	15,000.00	16.97%
5412120 · Operating Supplies	176.82	1,558.45	4,000.00	38.96%
5420120 · Inventory	8,898.72	73,428.24	135,000.00	54.39%
5623120 · Telephone	1,594.56	13,639.26	15,000.00	90.93%
5661120 · Uniforms & Safety Equipment	-	3,503.17	12,000.00	29.19%
5670120 · Distribution Repairs & Maintenance	-	12,599.74	75,000.00	16.8%
5730120 · Misc. Supplies/Expenses	1,770.60	11,758.51	20,000.00	58.79%
5750120 · Recycled Water Operations	5.15	64.08	8,000.00	0.8%
Total Distribution - Operations	<u>12,445.85</u>	<u>187,035.77</u>	<u>409,000.00</u>	<u>45.73%</u>
Distribution Salaries & Benefits				
5111120 · Regular Salary	97,250.79	1,082,986.84	1,340,000.00	80.82%
5112120 · Overtime	763.65	32,010.87	40,000.00	80.03%
5113120 · Duty	6,658.36	70,760.68	100,000.00	70.76%
5640120 · Payroll Taxes	8,010.90	79,769.68	93,500.00	85.32%
5642120 · Health Insurance	21,558.53	223,698.45	260,000.00	86.04%
Total Distribution Salaries & Benefits	<u>134,242.23</u>	<u>1,489,226.52</u>	<u>1,833,500.00</u>	<u>81.22%</u>
Total 120 · Distribution Expenses	<u>146,688.08</u>	<u>1,676,262.29</u>	<u>2,242,500.00</u>	<u>74.75%</u>
110 · Plant Expenses				
Plant Operations				
5130110 · Water Purchases - SFPUC	601,940.71	6,208,220.04	6,348,500.00	97.79%
5230110 · Utilities	680.37	275,330.40	350,000.00	78.67%
5312110 · Lab	1,071.28	36,631.70	45,000.00	81.4%
5314110 · Regulatory Fees	25.00	149,814.92	135,000.00	110.97%
5350110 · Tools & Equipment	831.32	3,477.55	6,000.00	57.96%
5412110 · Operating Supplies	585.00	1,024.48	2,000.00	51.22%
5623110 · Telephone	474.07	4,702.07	2,500.00	188.08%
5629110 · Vehicle Maintenance	1,765.83	23,584.70	30,000.00	78.62%
5632110 · Fuel	2,038.84	54,671.14	55,000.00	99.4%
5661110 · Uniforms & Safety Equipment	-	1,512.53	3,500.00	43.22%
5670110 · Plant Repair & Maintenance	11,118.42	22,383.25	25,000.00	89.53%
Total Plant Operations	<u>620,530.84</u>	<u>6,781,352.78</u>	<u>7,002,500.00</u>	<u>96.84%</u>

**North Coast County Water District
Revenues & Expenses Report
For April 2026**

	Current Month Apr '26	Y-T-D Total Jul '25 - Jun '26	FY 2025-26 Budget	% of Y-T-D Total to Budget
Plant Salaries & Benefits				
5111110 · Regular Salary	22,031.38	230,305.98	295,000.00	78.07%
5112110 · Overtime	-	548.74	2,000.00	27.44%
5640110 · Payroll taxes	1,685.40	16,509.58	20,000.00	82.55%
5642110 · Health Insurance	2,895.82	29,013.45	64,000.00	45.33%
Total Plant Salaries & Benefits	26,612.60	276,377.75	381,000.00	72.54%
Total 110 · Plant Expenses	647,143.44	7,057,730.53	7,383,500.00	95.59%
Total Administrative, Distribution & Plant Expenses	1,121,251.14	13,220,961.34	15,265,325.00	86.61%
Total Operating Expense	1,121,251.14	13,220,961.34	15,265,325.00	86.61%
Net Operating Income (Loss)	(49,610.44)	(806,836.89)	(603,395.00)	
Non-Operating Revenues/(Expenses)				
4910 · Revenue from Leases of Property	39,382.62	276,627.10	260,000.00	106.4%
4920 · Interest Revenues	124,060.52	671,525.53	800,000.00	83.94%
4930 · Taxes and Assessments	241,029.67	1,372,366.22	1,385,000.00	99.09%
4950 · Grant Revenue	6,086,762.10	6,086,762.10	-	
4977 · Gain on Sale of Assets	-	98,487.57	-	
4980 · Transmission & Storage	15,624.00	91,765.00	75,000.00	122.35%
5910 · Interest Expense	-	-	-	
Total Non-Operating Revenues	6,506,858.91	8,597,533.52	2,520,000.00	341.17%
Net Income (Loss)	6,457,248.47	7,790,696.63	1,916,605.00	406.48%

NORTH COAST COUNTY WATER DISTRICT
Wilmington Trust Fund Summary
April 30, 2026

A. 2021 WATER SYSTEM FINANCING PROJECT FUND

Asset Name	Opening Balance at Mar 31, 2026	Distribution/ Transfer	Current Month Dividend	Closing Balance at Apr 30, 2026	Current Yield	Y-T-D Dividend
Blackrock Liquidity Municipal Fund	562,854.65	-	1,113.38	563,968.03	3.370%	2,714.55
Total	562,854.65	-	1,113.38	563,968.03	3.370%	2,714.55

Principal Asset & Sub Asset Allocation

Asset Class	Total Market Value (%)	Closing Market Value	Cost	Unrealized Gain/Loss	Accrued Income	Market Value w/ Accrued Income
Cash & Equivalents						
Taxable	0.20%	\$1,113.38	\$1,113.38	-	-	\$1,113.38
Tax-Exempt	99.80	562,854.65	562,854.65	-	1,324.45	564,179.10
Total Cash & Equivalents	100.00%	\$563,968.03	\$563,968.03	-	\$1,324.45	\$565,292.48
TOTAL PRINCIPAL ASSETS	100.00%	\$563,968.03	\$563,968.03	-	\$1,324.45	\$565,292.48

Income Asset & Sub Asset Allocation

Asset Class	Total Market Value (%)	Closing Market Value	Cost	Unrealized Gain/Loss	Accrued Income	Market Value w/ Accrued Income
No investments held at this time						
TOTAL ASSETS	100%	\$563,968.03	\$563,968.03	-	\$1,324.45	\$565,292.48

Transaction Activity Detail

Trade Date Settlement Date	Transaction Type	Transaction Description	Quantity	Price	Principal Cash	Income Cash
OPENING BALANCE					-	-
04/01/2026	Cash Receipts	CASH RECEIPT TRANSFER ACCOUNT TO PRINCIPAL OF ACCOUNT PER SEC 7.04 EARNINGS TO PROJECT FD	-	-	\$277.41	-
04/01/2026	Dividends	CASH RECEIPT OF DIVIDEND EARNED ON BLCKRCK LIQ FD MUNICSH-INST UNITS DUE 2026-03-31	-	-	-	835.97
04/02/2026	Other Receipts	CASH RECEIPT MISCELLANEOUS TRANSFER FROM ACCT:	-	-	835.97	-
04/02/2026	Cash Disbursements	CASH DISBURSEMENT MISCELLANEOUS TRANSFER TO ACCT:	-	-	-	-835.97
CLOSING BALANCE					\$1,113.38	-

1503

North Coast County Water District
 Minutes of the Regular Board of Directors Meeting
 April 15, 2026 at 7:00 P.M.
 North Coast County Water District
 Multipurpose Room
 2400 Francisco Blvd.
 Pacifica, CA 94044

1) CALL TO ORDER

President Hauser called Board Meeting to order at 7:00 p.m.

2) ROLL CALL

Present at Roll Call were President William Hauser, Vice President Anne DeJarnatt, Director Joshua Cosgrove, Director Ron Ash, Director John Vallero, General Manager Adrienne Carr, Assistant General Manager Scott Dalton, Administrative Services Manager Stephanie Dalton, Attorney Patrick Miyaki, BAWSCA Board Member Thomas Piccolotti, and District Engineer Jonathan Sutter.

3) PLEDGE OF ALLEGIANCE

Led by Director Ash.

4) PUBLIC COMMENT

None.

5) APPROVAL OF ORDER OF AGENDA

ON MOTION by Director Cosgrove, seconded by Vice President DeJarnatt, the Board voted unanimously to approve the order of agenda as presented. Motion passed 5-0.

6) BAY AREA WATER SUPPLY AND CONSERVATION AGENCY ISSUES

BAWSCA Board Member Piccolotti provided a report on the March BAWSCA Board of Directors meeting.

7) BOARD COMMUNICATIONS

None.

8) CONSENT CALENDAR

- A. Overview of District Investments
- B. Statement for 2021 Water System Financing Project Fund
- C. Financial Statements for March 2026
- D. Minutes of the March 18, 2026 Regular Meeting of the Board
- E. Report on Sale of District Property
- F. March 2026 Leak Report
- G. March 2026 Water Quality Report
- H. March 2026 Legislative Update
- I. March 2026 Hydrological Report

ON MOTION by Director Cosgrove, seconded by Vice President DeJarnatt, the Board voted unanimously to approve the Consent Calendar as presented. Motion passed 5-0.

9) GENERAL MANAGER'S REPORT

A. New Business

- 1. Approval of Claims Dated April 15, 2026

General Manager Carr responded to questions from the Board.

ON MOTION by Vice President DeJarnatt, seconded by Director Cosgrove, the Board voted unanimously to approve the Claims List dated April 15, 2026, in the amount of \$1,229,172.49

Motion passed 5-0.

2. Designate Agency Negotiators for Real Property Negotiations for the Former Lower Rockaway Tank Site (APN 022-042-200)

General Manager Carr summarized the Staff Report. She stated that the former Lower Rockaway Tank Site (APN 022-042-200) is a property located off Fassler Avenue, which the Board of Directors officially declared surplus in April 2024. The adjacent property owner contacted the District regarding the potential sale of the property. General Manager Carr recommended that the Board designate agency negotiators for real property negotiations.

Board discussion occurred.

ON MOTION by Vice President DeJarnatt, seconded by Director Cosgrove, the Board voted unanimously to Designate General Manager Adrienne Carr and Real Estate Advisor Brent Turner as Agency Negotiators for Real Property Negotiations for the Former Lower Rockaway Tank Site (APN 022-042-200).

Motion passed 5-0.

3. District Headquarters Upgrade Project Update

General Manager Carr provided a report on the District Headquarters Project. She stated that the District expects the generator to arrive the week of April 20th, and that solar panel activation is pending PG&E approval.

She stated that the customer service counter reconfiguration is scheduled for April 23 through 26 and that the opening of the new Recycled Water Fill Station is delayed until approximately July because of state permitting and testing requirements.

The Board reviewed tile samples for potential use as exterior accents at the base of the building.

4. District Engineer's Report

District Engineer Sutter reported on the status of the Advanced Metering Infrastructure (AMI) Project.

5. General Manager's Update

General Manager Carr discussed the District's progress on updating the 2026 Multijurisdictional Local Hazard Mitigation Plan (LHMP), a partnership with San Mateo County to reduce risks from natural hazards.

General Manager Carr stated that the District will be participating in the Pacific Beach Coalition Earth Day of Action on April 18, 2026, featuring an informational booth and water trivia.

B. Continued Business

1. Capital Improvement Program and Bond Projects

There was no discussion.

10) COMMITTEE AND/OR DIRECTORS' REPORTS ON MEETINGS ATTENDED

A. City of Pacifica City Council Meeting

Vice President DeJarnatt provided highlights from the City Council meetings attended.

B. Building/Cell Site/Headquarters Committee Meeting

Director Cosgrove discussed highlights from the meeting.

11) DIRECTORS' COMMENTS AND/OR AGENDA REQUESTS

Director Cosgrove provided remarks on the District Headquarters' new diagonal parking and the benefit it brings to the corner of Francisco and Clarendon. Ideas were shared to make the corner more welcoming, such as adding a bench.

12. CLOSED SESSION

Item #1: Pursuant to California Government Code Section 54956.8

Conference with Real Property Negotiators

Property: Assessors Parcel Number 022-042-200 (former Lower Rockaway Tank site)

Agency Negotiators: Adrienne Carr, General Manager, and Brent Turner, Real Estate Advisor

Negotiating Parties: Brian Szeto, Authorized Representative, Fassler Ventures, LLC.

Under Negotiation: Price and Terms of Payment

Item #2: Pursuant to California Government Code Section 54956.9(d)(2)

Conference with Legal Counsel – Anticipated Litigation

Significant Exposure to Litigation

One Potential Case

The Board convened into closed session at 7:51 p.m.

13) REPORT ON ACTION TAKEN IN CLOSED SESSION

At 8:53 p.m., the Board returned from Closed Session. Attorney Miyaki reported that during the closed session for Item #1, Conference with Real Property Negotiators, the Board took action by a 5-0 vote, and that action does not need to be reported at this time. Attorney Miyaki reported that during the closed session for Item #2, Conference with Legal Counsel, no action was taken.

14) CORRESPONDENCE

None.

15) PUBLIC COMMENT

None.

16) ADJOURNMENT

President Hauser adjourned the meeting at 8:54 p.m.

Respectfully submitted,

Approved:

General Manager Adrienne Carr

William Hauser, President

DIRECTORS

WILLIAM HAUSER, *President*
 ANNE DEJARNATT, *Vice-President*
 RON ASH, *Director*
 JOSHUA COSGROVE, *Director*
 JOHN VALLERO, *Director*
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 Pacifica, CA 94044
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 SCOTT DALTON
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 – OPERATIONS
 Phone (650) 355-3462
 Fax (650) 355-0735

**REPORT ON SALE OF DISTRICT
 EQUIPMENT, MATERIAL OR OTHER PERSONAL PROPERTY**

April 2026

PURCHASER: Robert Bloomer

- **DESCRIPTION:** 2012 Ford F-150 (Truck #4)
- **QUANTITY:** 1
- **DATE:** 4/16/2026
- **PRICE:** \$4,600.00

PURCHASER: Ken Nelson

- **DESCRIPTION:** Service Manuals 2009 Ford F-150
- **QUANTITY:** 1
- **DATE:** 4/02/2026
- **PRICE:** \$15.50

PURCHASER: Christopher Victorio

- **DESCRIPTION:** Service Manuals 2001 (Various) Silverado, Suburban, Tahoe, Sierra, Yukon, Denali
- **QUANTITY:** 1
- **DATE:** 4/02/2026
- **PRICE:** \$15.50

PURCHASER: Christopher Victorio

- **DESCRIPTION:** Service Manuals 2006 Silverado, Sierra, Sierra Denali
- **QUANTITY:** 1
- **DATE:** 4/02/2026
- **PRICE:** \$15.50

PURCHASER: Christopher Victorio

- **DESCRIPTION:** Service Manuals 2004 Silverado, Sierra, Sierra Denali
- **QUANTITY:** 1
- **DATE:** 4/02/2026
- **PRICE:** \$15.50

Monthly Fluoride Monitoring*- April 2026

<u>Date of Sample</u>	<u>Location of Sample</u>	<u>Fluoride level mg/L</u>	<u>Monitored By</u>
03/30 – 04/05/26	HTWTP/ SF Jail	0.68	SFPUC
04/02/26	5066 Palmetto Ave.	0.63	NCCWD
04/02/26	Main Pump Station	0.66	NCCWD
04/02/26	332 San Pedro Ave.	0.64	NCCWD
04/02/26	730 St. Lawrence Ct.	0.64	NCCWD
04/06 – 04/12/26	HTWTP/ SF Jail	0.65	SFPUC
04/10/26	5066 Palmetto Ave.	0.62	NCCWD
04/10/26	Main Pump Station	0.64	NCCWD
04/10/26	332 San Pedro Ave.	0.63	NCCWD
04/10/26	730 St. Lawrence Ct.	0.63	NCCWD
04/13 – 04/19/26	HTWTP/ SF Jail	0.66	SFPUC
04/16/26	5066 Palmetto Ave.	0.60	NCCWD
04/16/26	Main Pump Station	0.64	NCCWD
04/16/26	332 San Pedro Ave.	0.61	NCCWD
04/16/26	730 St. Lawrence Ct.	0.62	NCCWD
04/20 – 04/26/26	HTWTP/ SF Jail	0.61	SFPUC
04/23/26	5066 Palmetto Ave.	0.59	NCCWD
04/23/26	Main Pump Station	0.61	NCCWD
04/23/26	332 San Pedro Ave.	0.60	NCCWD
04/23/26	730 St. Lawrence Ct.	0.60	NCCWD
04/27 – 05/03/26	HTWTP/ SF Jail	0.67	SFPUC
04/28/26	5066 Palmetto Ave.	0.60	NCCWD
04/28/26	Main Pump Station	0.62	NCCWD
04/28/26	332 San Pedro Ave.	0.61	NCCWD
04/28/26	730 St. Lawrence Ct.	0.62	NCCWD

*This report summary displays the levels of fluoride reported by San Francisco Public Utilities Commission (SFPUC) Water Quality Division at the Harry Tracy Water Treatment Plant (HTWTP), as well as the levels collected at the North Coast County Water District (NCCWD) sample stations throughout Pacifica. Per the SFPUC Water Quality Department Notifications and Communications Plan: The control range for the HTWTP is 0.6 mg/L to 1.2 mg/L. The optimal fluoride level for the water supplied by the SFRWS (San Francisco Regional Water System) is 0.70 mg/L.

San Francisco Public Utilities Commission

Hydrological Conditions Report

April 2026

B. Barry, H. Forrester, L. Stewart, R. Walters
Prepared May 4, 2026



View of East Fork Cherry Creek looking northeast towards Huckleberry Lake showing waning snow-covered area below approximately 8,000 feet and preferential melt on south-facing slopes. Photo taken May 1, 2026. Persistent cloudy conditions, slightly below normal temperatures, and episodic light to moderate precipitation throughout April have decreased the rate of snowmelt and maintained Tuolumne basin snowpack, particularly at higher elevations.

System Storage

Current Tuolumne System and Local Bay Area storage conditions are summarized in Table 1.

Table 1. Current System Storage as of May 1, 2026							
	Current Storage		Maximum Storage		Available Capacity		Percentage of Maximum Storage
	acre-feet	millions of gallons	acre-feet	millions of gallons	acre-feet	millions of gallons	
Tuolumne System							
Hetch Hetchy Reservoir ¹	353,284		360,360		7,076		98%
Cherry Reservoir ²	260,900		268,811		7,911		97%
Lake Eleanor ³	25,681		27,100		1,419		95%
Water Bank ⁴	610,172		610,172		0		100%
Tuolumne Storage	1,250,037		1,266,443		16,406		99%
Local Bay Area Storage							
Calaveras Reservoir	63,548	20,707	96,670	31,500	33,122	10,793	66%
San Antonio Reservoir	44,597	14,532	52,506	17,109	7,909	2,577	85%
Crystal Springs Reservoir	46,386	15,115	68,743	22,400	22,357	7,285	68%
San Andreas Reservoir	15,707	5,118	18,898	6,158	3,192	1,040	83%
Pilarcitos Reservoir	1,940	632	3,118	1,016	1,178	384	62%
Total Local Storage	172,178	56,104	239,936	78,183	67,758	22,079	72%
Total System	1,422,215		1,506,379		84,163		94%

¹ Maximum Hetch Hetchy Reservoir storage with drum gates activated.

² Maximum Cherry Reservoir storage with flashboards removed.

³ Maximum Lake Eleanor storage with all flashboards installed.

⁴ Additional Water Bank storage is derived from flood storage encroachment in Don Pedro.

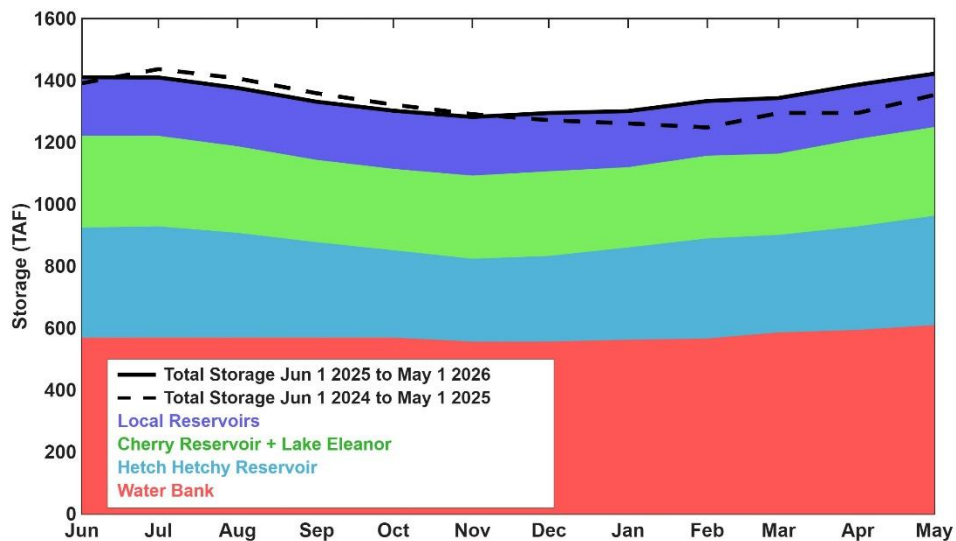


Figure 1: Local and Upcountry Reservoir storage. Color bands show contributions to total system storage. Solid black line shows total system storage for the past 12 months. Dashed black line shows total system storage for the previous 12 months.

Hetch Hetchy System Precipitation Index

Current Month: The April 2026 six-station precipitation index was 5.43 inches, or 189% of the 1991-2020 April median.

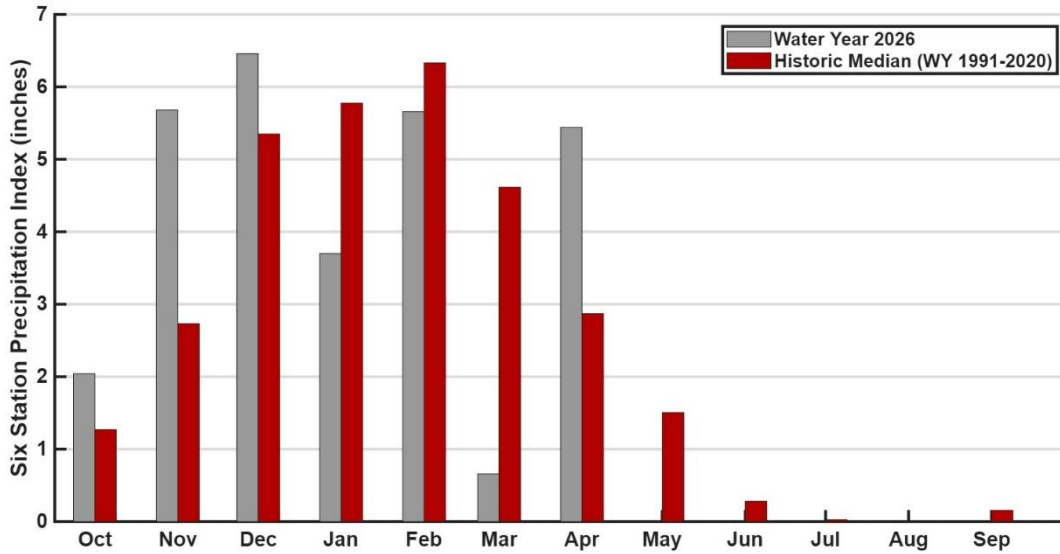


Figure 2: Monthly distribution of the six-station precipitation index relative to the monthly precipitation medians as of May 1. The precipitation index is computed as the average of six Sierra precipitation stations and is an indicator of the overall basin wetness.

Cumulative Precipitation to Date: The cumulative six-station precipitation index for Water Year (WY) 2026 is 29.57 inches, which is 102% of the median to-date. The Hetch Hetchy Weather Station received 6.13 inches of precipitation in April resulting in a total of 30.01 inches for WY 2026, or 92% of the WY median to-date. The cumulative WY 2026 Hetch Hetchy Weather Station precipitation is shown in Figure 3 in red.

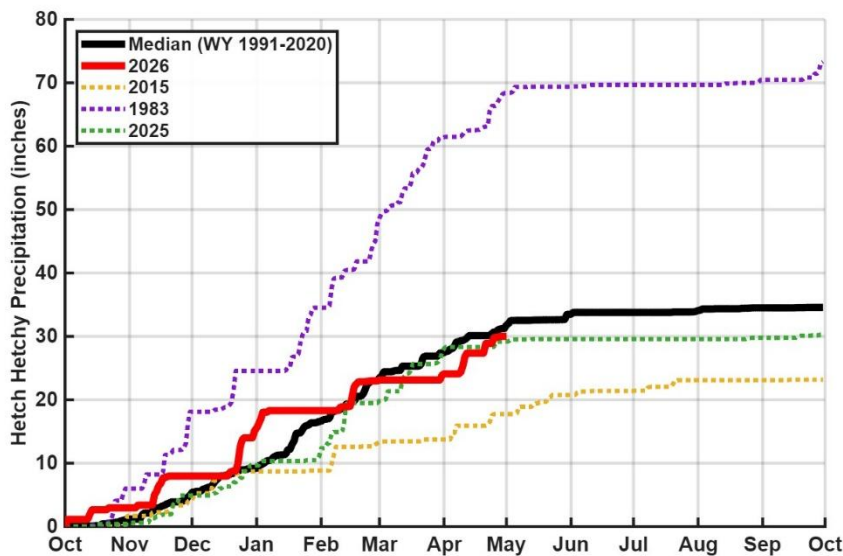


Figure 3: Water Year 2026 cumulative precipitation measured at Hetch Hetchy Weather Station as of May 1. Median cumulative precipitation measured at Hetch Hetchy Weather Station and example wet and dry years are included with Water Year 2025 for comparison purposes.

Tuolumne Basin Unimpaired Inflow

Unimpaired inflow to SFPUC reservoirs and the Tuolumne River at La Grange for April 2026 and Water Year 2026 is summarized below in Table 2.

Table 2. Calculated reservoir inflows and Water Available to City								
All flows are in acre-feet ¹	April, 2026				October 1, 2025 through April 30, 2026			
	Observed Flow	Median ¹	Mean ¹	Percent of Mean	Observed Flow	Median ¹	Mean ¹	Percent of Mean
Inflow to Hetch Hetchy Reservoir	102,422	99,383	102,046	100%	373,061	232,271	247,718	151%
Inflow to Cherry Lake and Lake Eleanor	75,705	85,278	84,860	89%	321,735	238,994	257,647	125%
Tuolumne River at LaGrange	244,911	277,191	298,503	82%	1,057,489	803,288	983,352	108%
Water Available to City	53,256	92,777	116,214	46%	359,105	236,654	402,185	89%

¹Hydrologic Record: 1991-2020

Hetch Hetchy System Operations

Water deliveries via the San Joaquin Pipeline (SJPL) remained at 156 MGD throughout April.

Hetch Hetchy Reservoir power draft and stream release totaled 83,417 acre-feet during the month of April. Required minimum instream release during April was 75 cfs (Year Type A) plus 64 cfs when Canyon Tunnel power draft exceeded 920 cfs. The required minimum instream release during May is 100 cfs (Year Type A).

Cherry Reservoir power draft and stream release totaled 47,181 acre-feet during the month of April. The required minimum instream release for April was 5 cfs and remains 5 cfs for May.

Lake Eleanor stream release totaled 24,492 acre-feet during the month of April. 4,721 acre-feet of water was transferred to Cherry Reservoir via the Cherry-Eleanor Pumping Station. Required minimum instream release for April increased from 10 cfs to 20 cfs on April 15 and will remain at 20 cfs during May.

Regional System Treatment Plant Production

The Harry Tracy Water Treatment Plant production rate for the month was 29 MGD. The Sunol Valley Water Treatment Plant production rate for the month was 32 MGD.

Regional System Water Delivery

The average April delivery rate was 203 MGD which is a 2.5% increase compared to the March delivery rate of 198 MGD.

Local Precipitation

The rainfall summary for April 2026 and Water Year 2026 is presented in Table 3.

Weather Station Location	April 2026		October 1, 2025 through April 30, 2026	
	Total (inches)	Percent of Mean for the Month	Total (inches)	Percent of Mean for the Year-To-Date
Pilarcitos Reservoir	6.92	236%	36.65	112%
Lower Crystal Springs Reservoir	4.99	287%	26.04	121%
Calaveras Reservoir	3.64	246%	21.41	122%

*Mean Period = WY 1991-2020

Snowpack, Water Supply and Planned Water Supply Management

Air temperatures in the Tuolumne River Basin were slightly below normal and precipitation was above normal during April. Four light to moderate storm systems passed over the Tuolumne Basin in April, providing approximately twice the median historical April precipitation. These storms were punctuated by brief periods of clear, warm weather among otherwise cloudy conditions. Due to the persistent cloudy conditions and periodic modest snowfall, the rate of snowmelt runoff and the quantity of upcountry snowpack remained relatively stable throughout April. 53,256 acre-feet of Water Available to the City (WAC) was observed in April (Figure 4).

Hetch Hetchy Reservoir is drafting via elevated instream releases and Kirkwood powerdraft to manage the reservoir as it rises to full pool. Cherry Reservoir is drafting via instream releases and elevated Holm powerdraft to manage the reservoir as it rises to full pool. The Cherry-Eleanor Pumps were active April 1st to 11th and April 15th to 19th. They are expected to remain off until Cherry Reservoir inflows subside below Holm powerdraft capacity. Powerdraft at all powerhouses is expected to remain elevated throughout the end of runoff in late May or June. All upcountry reservoirs are projected to reach maximum storage by the end of runoff with spill expected from Hetch Hetchy Reservoir and Lake Eleanor. Water Bank is expected to remain full through runoff.

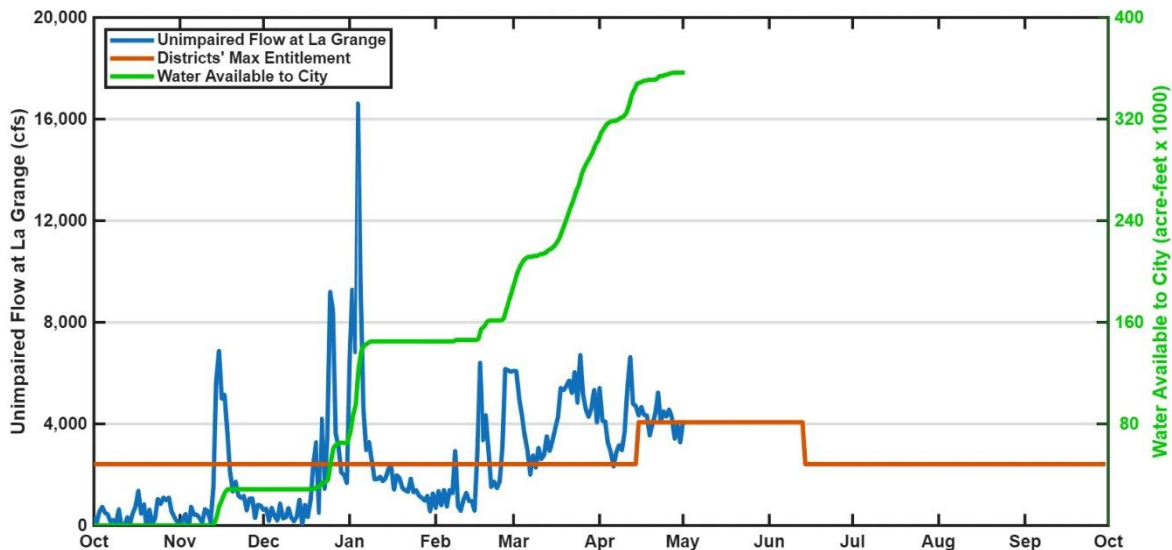


Figure 4: Calculated unimpaired flow at La Grange and the allocation of flows between the Districts and the City.

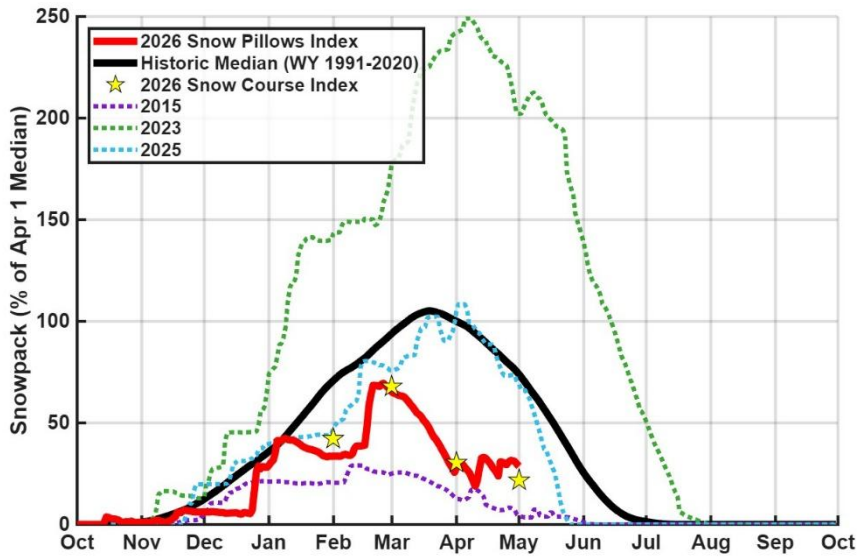


Figure 5: Current water year 10-Station Snow Pillows Index as of May 1 (red line), based on real-time snow water equivalent measurements in the Tuolumne Basin. Historic median, wet and dry years, and previous water year are included for comparison purposes.

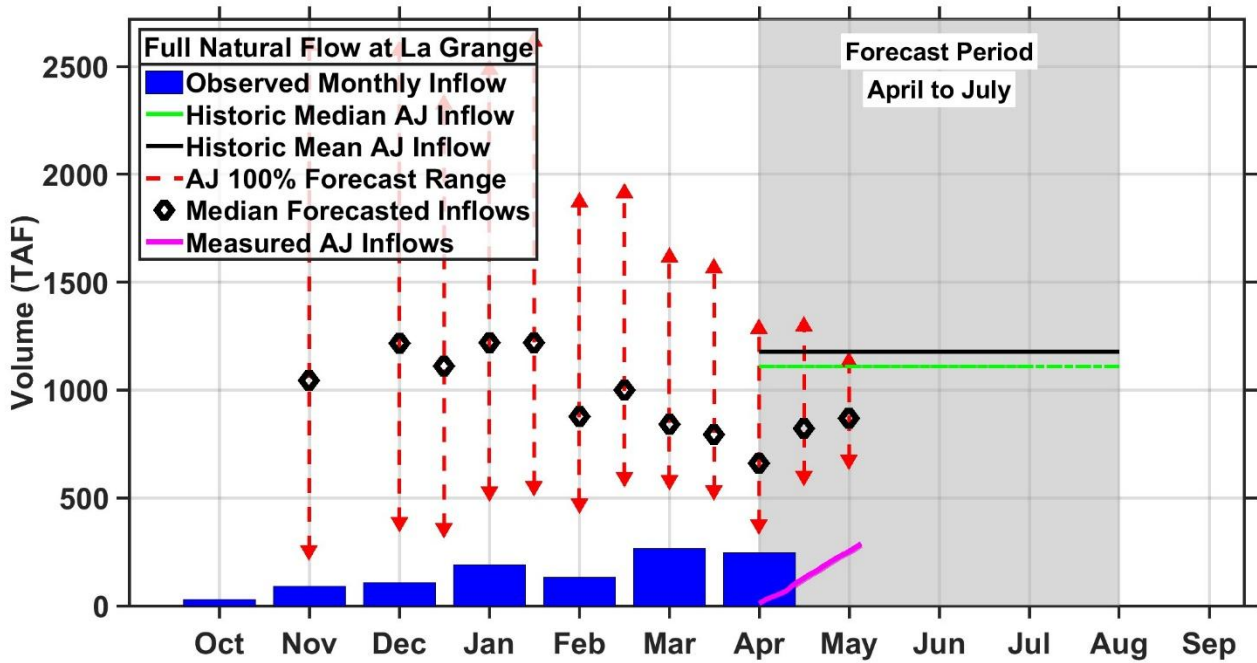


Figure 6: Water Supply Forecast Model of runoff (April to July) on the Tuolumne River at La Grange. This model is driven by precipitation from October to February, and by snow survey data from February through June. The forecast range decreases as time passes due to reduced potential future precipitation.

DIRECTORS

WILLIAM HAUSER, *President*
ANNE DEJARNATT, *Vice-President*
RON ASH, *Director*
JOSHUA COSGROVE, *Director*
JOHN VALLERO, *Director*

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**STAFF**

ADRIANNE CARR, Ph.D.
GENERAL MANAGER

SCOTT DALTON
ASSISTANT GENERAL MANAGER
- OPERATIONS

Phone (650) 355-3462
Fax (650) 355-0735

STAFF REPORT

TO: Board of Directors
FROM: Adrienne Carr, General Manager
DATE: May 20, 2026
RE: Review Draft Water Rate Study, Set July 15, 2026 for a Public Hearing for a Proposed Increase to the Water Rates and Charges, and Authorize the General Manager to Mail out the Notice of Public Hearing

BACKGROUND

North Coast County Water District previously implemented multi-year rate schedules for the 2017 to 2020 and 2022 to 2026 periods. The Water Rate Cost-of-Service Study (Study), prepared by HF&H Consultants, dated May 11, 2026, evaluates the necessary increase in revenues to cover the District's projected operating and capital expenses for the three-year period from fiscal year (FY) 2026-27 through FY 2028-29.

The Water Rates Advisory Committee met on February 24, March 3, and March 12 to discuss proposed adjustments to the water rates and rate design options, and the Advisory Committee provided feedback that was incorporated in the Study.

A 'Notice of Public Hearing' to consider the proposed adjustments to the water rates effective August 1, 2026 will be sent to property owners and account holders who are responsible for paying the water bill no later than May 28, 2026. The notice will provide information about the proposed adjustments to the water rates, the opportunity to protest rates in writing, and the opportunity to submit written objections to the proposed adjustments to the water rates. The public notice will indicate a Public Hearing date on July 15, 2026 during the District's regular Board meeting.

HF&H Consultants will provide a presentation at the Board of Directors meeting, and a copy of that presentation is included here as Attachment A. The Water Rate Cost-of-Service Study is included here as Attachment B. The draft public notice is included here as Attachment C.

INFORMATION

In November 1996, California's voters approved Proposition 218, which requires certain procedures be followed with regard to property-related fee increases imposed by governmental agencies, including increases to municipal water rates. Water rate increases are subject to a "majority protest" process which provides that if a majority of the parcels subject to the proposed rate increase protest against the proposed increase, the District cannot impose the increase.

Prior to approving any proposed changes to the District's water rates, the District will comply with the Proposition 218 notice, protest, and hearing requirements by doing the following:

- Mail notice and information regarding the proposed adjustments to the water rates to every property owner and account holder responsible for paying the water bills, and post the notice on the District's website
- Conduct a Public Hearing regarding the proposed adjustment to the water rates at least 45 days after the notice is mailed to the account holders and property owners
- Identify in the notice the date, time, and location of the Public Hearing
- Include in the notice a location where customers and property owners can send in written protests and how the written protests must be submitted
- The Board of Directors may not proceed with the proposed adjustments to the water rates if written protests are presented by a majority of the affected account holders and property owners

In addition, the District will implement the AB 2257 (Government Code Sections 53759.1 and 53759.2, enacted in 2024), exhaustion of remedies requirement. The AB 2257 process provides an opportunity for property owners and account holders who allege that the proposed adjustments to the water rates violates the law to submit a "written objection" that must describe the specific grounds for the alleged noncompliance with the law. An account holder or property owner must submit a written objection as a precondition to challenging the proposed adjustments to the water rates in a legal proceeding.

The District must give ratepayers at least 45 calendar days, starting on the day the notice is mailed, to submit written objections to the District regarding the proposed adjustments to the water rates. District staff must respond in writing to the written objections and will present the written objections and written responses to the Board of Directors as a part of the Public Hearing. The Board of Directors must consider, and will have an opportunity to address or resolve, all written objections prior to adopting the proposed adjustments to the water rates.

The attached public notice (Attachment C) includes detailed information on how and when property owners and account holders can submit written protests and written objections. The attached public notice also states that there is a 120-day statute of limitations for judicially challenging the proposed adjustments to the water rates pursuant to Government Code Section 53759.

FISCAL IMPACT

Staff estimates the cost to design, print, and mail the Notice of Public Hearing is estimated to be under \$12,000, and sufficient funds have been budgeted in the FY 2025-2026 Operating Budget to cover these expenses.

RECOMMENDATION

Staff recommends that the Board set July 15, 2026 for a Public Hearing for a Proposed Increase to the Water Rates and Charges and authorize the General Manager to send out the Notice of Public Hearing.

Attachments

- A. Water Rate Study Presentation by HF&H Consultants
- B. Water Rate Cost-of-Service Study, dated May 11, 2026
- C. Draft Notice to North Coast Water District Customers/Property Owners

ATTACHMENT A



North Coast County Water District

FY 2026-27 to FY 2028-29

Water Rate Study

May 20, 2026 Board of Directors Meeting

Agenda



- Purpose of the Meeting
- Background & Objectives
- Rate Study Process
- Rate Committee Results
- Rate Study Findings
- Proposed Rates
- Next Steps
- Board Feedback

Purpose of the Meeting



Present

Present the proposed water rates and detail the key changes from current rates

Review

Review the financial and cost-of-service basis supporting the proposed rates

Discuss

Discuss expected customer bill impacts and implementation timing

Receive

Receive Board feedback and outline next steps toward rate adoption

Obtain

Obtain Board approval for staff to conduct the Proposition 218 process

Background and Objectives

Rate Study Overview



- **Comprehensive analysis of a utility's expenses and revenues**
- **Previous study completed in 2021**
- **A rate study analyzes**
 - Operational expenses, capital projects, reserves, and revenue stability
- **Reasons to conduct a rate study**
 - Ensure financial sustainability
 - Meet regulatory requirements
 - Provide reliable service to customers

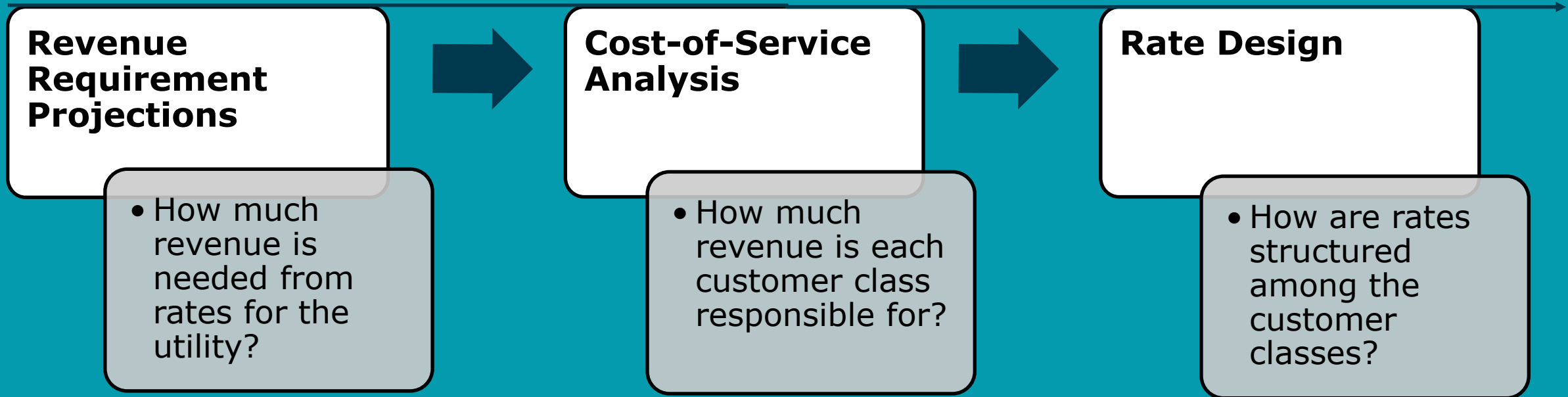
Background and Objectives

What is driving the need for water rate increases?



- **Cost Increases Since the 2021 Rate Study**
 - March 2021 – March 2026 CPI (US City average) increased 19.8%
 - Supply and Distribution charge increased 11% (fixed charges)
- **Projected SFPUC Rate Increases**
 - 19% increase planned over next three years
 - Comprises 33-39% of total expense budget for the District
- **Capital Expenditures**
 - \$2.48M per annum projected for projects over next three years to address necessary improvements
- **Debt Coverage for Current Obligations**
 - Ensuring the District has adequate net operating revenues to meet covenant

Rate Study Process



Rates Committee Outcomes

Rate Study Overview



- **Committee chose to focus on a proposed 3-year rate increase**
 - A new rate study would be completed in FY 28-29 to inform rates beyond that time
- **Rate increases proposed as follows**, to fund Capital and operations:
 - FY 26-27: 7.0%, FY 27-28: 6.0%, FY 28-29: 6.0%
- **Capital projects include:**
 - Annual pipeline improvements ranging from \$0.3M – 1.1M
 - Tank improvements starting in FY 27-28
 - Fassler tank construction moved to beyond this timeframe
- **Planned revenue increases enable future infrastructure investment**

Rates Committee Outcomes

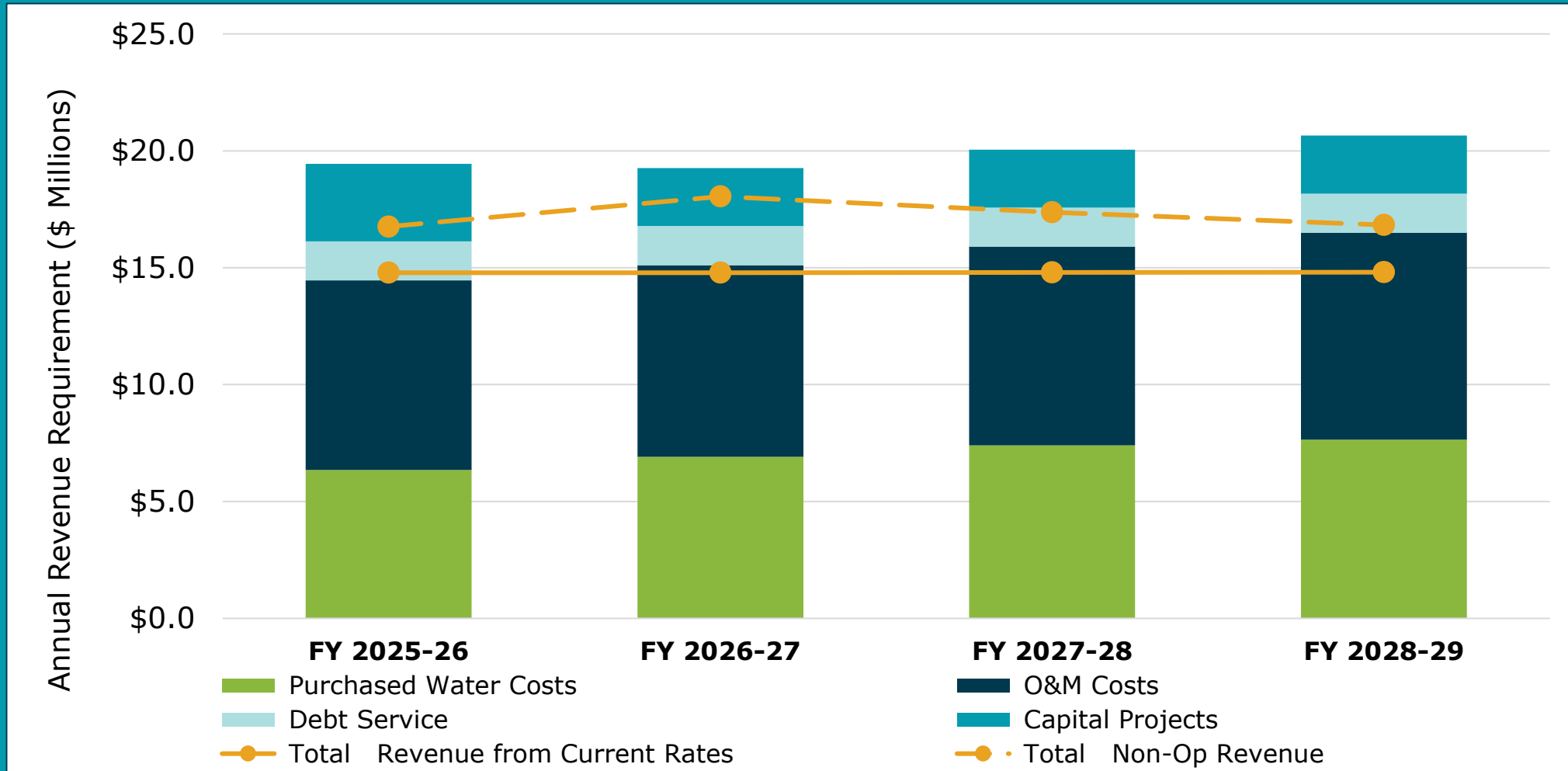
Rate Study Overview



- **Objective to balance revenue from service and volume charges**
 - Shift revenue from service charges to volume charges
 - Improve affordability
 - Maintain current level of revenue stability

Rate Study Findings

Annual Revenue Requirements & Rate Revenue

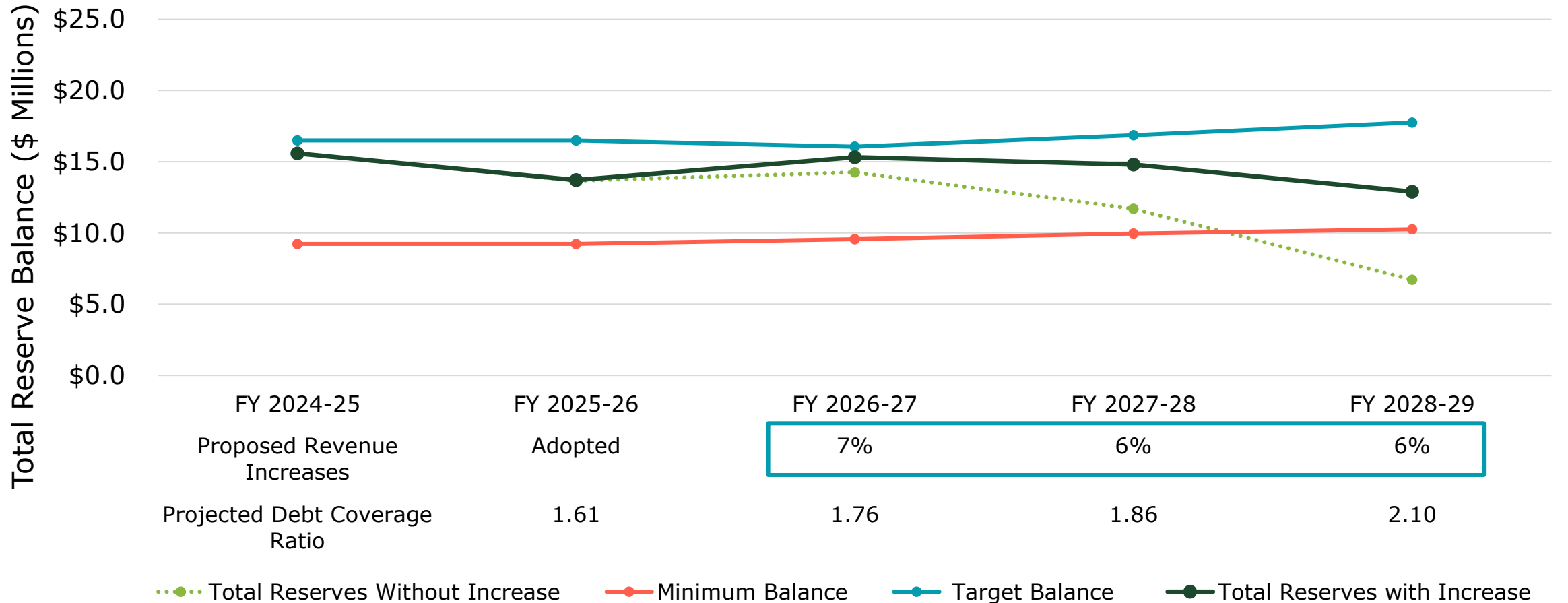


Rate Study Findings

Proposed Revenue Increases



Ending Reserve Fund Balance



Rate Study Findings

Cost of Service Analysis Results



Components of Rate Structure	Revenue at Current Rates (FY 2025-26)		Cost of Service FY 2026-27 Revenue		Difference COS Minus Current	
	Revenue	Percentage	Revenue	Percentage	Difference	Percentage
Volumetric Charges	\$9,973,212	67.5%	\$11,809,063	74.6%	\$1,835,851	18.4%
Service Charges	\$4,811,896	32.5%	\$4,011,002	25.4%	(\$800,894)	-16.6%
Total	\$14,785,108	100.0%	\$15,820,065	100.0%	\$1,034,958	7.0%

- Shift in revenues from service charges to volumetric charges

Customer Class	Revenue at Current Rates (FY 2025-26)		Cost of Service FY 2026-27 Revenue		Difference COS Minus Current	
	Revenue	Percentage	Revenue	Percentage	Difference	Percentage
Residential	\$10,879,753	73.6%	\$11,532,524	72.9%	\$652,771	6.0%
Non-Residential	\$3,905,354	26.4%	\$4,287,541	27.1%	\$382,187	9.8%
Total Revenue	\$14,785,108	100.0%	\$15,820,065	100.0%	\$1,034,958	7.0%

- Larger increases for commercial/multi-family customers than for single family customers to collect the 7% increase in revenue and reflect the true cost of service

Rate Study Findings

Proposed FY 2026-27 Service Charges



- Service charges reduced with shift toward volumetric rates
- Service charges made up of fixed service component and capacity component
 - Service component is same for each meter
 - Capacity component increases relative to meter size

Applicable Service Size	% of Meters	COS Service Charges (\$/bill)	Total Current Charge	\$ Difference	% Difference
5/8" Meters	90.4%	\$51.98	\$60.18	(\$8.20)	-13.6%
3/4" Meters	2.6%	\$55.52	\$66.26	(\$10.74)	-16.2%
1" Meters	5.5%	\$62.62	\$84.39	(\$21.77)	-25.8%
1.5" Meters	0.6%	\$80.35	\$108.46	(\$28.11)	-25.9%
2" Meters	0.7%	\$101.62	\$175.18	(\$73.56)	-42.0%
3" Meters	0.1%	\$199.15	\$662.52	(\$463.37)	-69.9%
4" Meters	0.0%	\$310.85	\$843.45	(\$532.60)	-63.1%
6" Meters	0.0%	\$612.29	\$1,265.21	(\$652.92)	-51.6%
8" Meters	0.0%	\$1,037.84	\$1,747.17	(\$709.33)	-40.6%
10" Meters	0.0%	\$1,534.32	\$2,349.76	(\$815.44)	-34.7%
12" Meters	0.0%	\$1,924.41	\$2,952.35	(\$1,027.94)	-34.8%

Rate Study Findings

Proposed FY 2026-27 Volumetric Rates



- Increase in rates due to overall increase in volumetric rate revenues
- Proposed 3 Residential Tiers reflect continued conservation pattern
 - Proposed Tier 1 breakpoint is based on actual customer demand
 - Proposed Tier 1 is enlarged
 - Proposed Tier 2 breakpoint is smaller than the current Tier 3 units

Customer Class	Current Tier Size	\$/HCF	Customer Class	Proposed Tier Size	Effective Date 8/1/2026
Residential			Residential		
Tier-1	0-5 hcf	\$7.28	Tier-1	0-9 hcf	\$10.15
Tier-2	6-9 hcf	\$10.77	Tier-2	10-12 hcf	\$11.65
Tier-3	10-13 hcf	\$14.44	Tier-3	Over 12 hcf	\$14.57
Tier-4	Over 13 hcf	\$17.67			
Non-Residential	All usage	\$10.06	Non-Residential	All usage	\$11.72
Recycled Water	All usage	\$9.05	Recycled Water	All usage	\$10.55

Rate Study Findings

Residential Customer Bill Impacts

Residential customers - (5/8" meter)				
	Low	Average	High	Very High
Demand Assumptions				
hcf/bi-monthly period	5	9	18	27
gallons per day	62	112	224	337
% of bills up to flow assumption	37%	64%	94%	99%
Bills at Current Rates				
Service charge (5/8" Meter)	\$60.18	\$60.18	\$60.18	\$60.18
Volume Charges	\$36.40	\$79.48	\$225.59	\$384.62
Total Bill	\$96.58	\$139.66	\$285.77	\$444.80
Bills at Proposed Rates (3-Tiers)				
Service charge (5/8" Meter)	\$51.98	\$51.98	\$51.98	\$51.98
Volume Charges	\$50.75	\$91.35	\$213.72	\$344.85
Total Bi-Monthly Bill	\$102.73	\$143.33	\$265.70	\$396.83
\$ Difference	\$6.15	\$3.67	(\$20.07)	(\$47.97)
% Difference	6.4%	2.6%	-7.0%	-10.8%

Residential Bi-Monthly Bills (5/8" Service)						
Bi-Monthly Demand	HCF	Gal/Day	3-Tiers			
			Current	FY 2026-27	Difference	%
0		0	\$60.18	\$51.98	(\$8.20)	-13.6%
1		12	\$67.46	\$62.13	(\$5.33)	-7.9%
2		25	\$74.74	\$72.28	(\$2.46)	-3.3%
3		37	\$82.02	\$82.43	\$0.41	0.5%
4		50	\$89.30	\$92.58	\$3.28	3.7%
5		62	\$96.58	\$102.73	\$6.15	6.4%
6		75	\$107.35	\$112.88	\$5.53	5.2%
7		87	\$118.12	\$123.03	\$4.91	4.2%
8		100	\$128.89	\$133.18	\$4.29	3.3%
9		112	\$139.66	\$143.33	\$3.67	2.6%
10		125	\$154.10	\$154.98	\$0.88	0.6%
11		137	\$168.54	\$166.63	(\$1.91)	-1.1%
12		150	\$182.98	\$178.28	(\$4.70)	-2.6%
13		162	\$197.42	\$192.85	(\$4.57)	-2.3%
14		175	\$215.09	\$207.42	(\$7.67)	-3.6%
15		187	\$232.76	\$221.99	(\$10.77)	-4.6%
16		199	\$250.43	\$236.56	(\$13.87)	-5.5%
17		212	\$268.10	\$251.13	(\$16.97)	-6.3%
18		224	\$285.77	\$265.70	(\$20.07)	-7.0%
19		237	\$303.44	\$280.27	(\$23.17)	-7.6%
20		249	\$321.11	\$294.84	(\$26.27)	-8.2%
21		262	\$338.78	\$309.41	(\$29.37)	-8.7%
22		274	\$356.45	\$323.98	(\$32.47)	-9.1%
23		287	\$374.12	\$338.55	(\$35.57)	-9.5%
24		299	\$391.79	\$353.12	(\$38.67)	-9.9%
25		312	\$409.46	\$367.69	(\$41.77)	-10.2%
26		324	\$427.13	\$382.26	(\$44.87)	-10.5%
27		337	\$444.80	\$396.83	(\$47.97)	-10.8%
28		349	\$462.47	\$411.40	(\$51.07)	-11.0%
29		362	\$480.14	\$425.97	(\$54.17)	-11.3%
30		374	\$497.81	\$440.54	(\$57.27)	-11.5%

Rate Study Findings

Non-Residential Customer Bill Impacts



Non-Residential customers - (5/8" meter)				
	Low	Average	High	Very High
Demand Assumptions				
hcf/bi-monthly period	30	58	120	180
gallons per day	374	723	1,496	2,244
% of bills up to flow assumption	66%	79%	85%	93%
Bills at Current Rates				
Service charge (5/8" Meter)	\$60.18	\$60.18	\$60.18	\$60.18
Volume Charges	\$301.80	\$583.48	\$1,207.20	\$1,810.80
Total Bill	\$361.98	\$643.66	\$1,267.38	\$1,870.98
Bills at Proposed Rates				
Service charge (5/8" Meter)	\$51.98	\$51.98	\$51.98	\$51.98
Volume Charges	\$351.60	\$679.76	\$1,406.40	\$2,109.60
Total Bi-Monthly Bill	\$403.58	\$731.74	\$1,458.38	\$2,161.58
\$ Difference	\$41.60	\$88.08	\$191.00	\$290.60
% Difference	11.5%	13.7%	15.1%	15.5%

Neighboring Agency Comparison

Residential Customers



Rates per Tier (\$/HCF)										
	NCCWD		Burlingame	Coastside	Hillsborough	Montara	San Bruno	Daly City	Millbrae	Westborough
	Current	Proposed								
Tier 1	\$7.28	\$10.15	\$9.79	\$13.30	\$7.59	\$10.29	\$10.79	\$7.99	\$15.42	\$11.69
Tier 2	\$10.77	\$11.65	\$10.98	\$19.76	\$9.91	\$13.58	\$12.80	\$10.58		
Tier 3	\$14.44	\$14.57	\$12.18	\$23.93	\$15.63	\$16.83	\$16.83	\$14.60		
Tier 4	\$17.67		\$13.38		\$20.96	\$22.59				
Tier 5			\$14.58							
Breakpoints (Bi-monthly HCF)										
BP #1	5	9	5	8	22	12	20	13	uniform	uniform
BP #2	9	12	11	16	44	26	40	26		
BP #3	13		21		78	54				
BP #4			32							
Effective Date	<i>7/1/2025</i>	<i>8/1/2026</i>	<i>1/1/2019</i>	<i>1/19/2026</i>	<i>1/1/2026</i>	<i>6/12/2025</i>	<i>1/1/2026</i>	<i>7/1/2026</i>	<i>7/1/2026</i>	<i>7/1/2026</i>
Sample Bi-Monthly Water Bill with the smallest available meter size and range of water usage										
5 HCF	\$96.58	\$102.73	\$132.98	\$149.36	\$205.58	\$122.77	\$114.85	\$103.60	\$145.80	\$135.27
9 HCF	\$139.66	\$143.33	\$176.49	\$209.02	\$235.94	\$163.93	\$158.01	\$135.56	\$207.48	\$182.03
18 HCF	\$285.77	\$265.70	\$284.07	\$395.20	\$304.25	\$276.28	\$255.12	\$220.42	\$346.26	\$287.24

Neighboring Agency Comparison

Non-Residential Customers



Non-Residential Rates per Tier (\$/HCF)										
	NCCWD		Burlingame	Coastside	Hillsborough	Montara*	San	Daly	Millbrae	Westborough
	Current	Proposed					Bruno	City		
Tier 1	\$10.06	\$11.72	\$8.57	\$19.01	\$10.49	\$10.29	\$11.91	\$7.99	\$15.42	\$11.69
Tier 2						\$13.58		\$10.58		
Tier 3						\$16.83		\$14.60		
Tier 4						\$22.59				
Non-Residential (>1" meter all use)						\$13.58				
Breakpoints (Bi-monthly HCF)										
BP #1						12		13		
BP #2						26		26		
BP #3						54				
Bi-Monthly Service Charges										
5/8" or smallest meter size	\$60.18	\$51.98	\$84.03	\$82.86	\$161.18	\$71.32	\$60.90	\$63.65	\$68.70	\$76.82
1"	\$84.39	\$62.62	\$140.05	\$179.86	\$190.70	\$104.58	\$101.50	\$97.03	\$85.88	\$126.11
3"	\$662.52	\$199.15	\$840.30	\$1,149.72	\$581.83	\$808.22	\$609.00	\$577.64	\$515.20	\$536.86
Effective Date	<i>7/1/2025</i>	<i>8/1/2026</i>	<i>1/1/2019</i>	<i>1/19/2026</i>	<i>1/1/2025</i>	<i>7/1/2025</i>	<i>1/1/2026</i>	<i>7/1/2026</i>	<i>7/1/2026</i>	<i>7/1/2026</i>
Sample Commercial Yearly Water Bills										
28 HCF with 5/8" meter	\$642.76	\$640.04	\$744.21	\$1,029.44	\$1,260.80	\$716.04	\$698.88	\$605.62	\$843.96	\$788.24
163 HCF with 1" meter	\$2,146.12	\$2,286.08	\$2,237.65	\$4,177.79	\$2,854.07	\$2,639.89	\$2,550.33	\$2,148.92	\$3,028.74	\$2,662.13
1,844 HCF with 3" meter	\$22,525.76	\$22,806.58	\$20,849.81	\$41,952.76	\$22,834.54	\$29,890.84	\$25,616.04	\$29,559.10	\$31,525.68	\$24,777.52

Rate Study Findings

Water Shortage Revenue Stabilization Factors



District's Current Practice – Recommended to Continue

- Prolonged Water Shortages can lead to decreased volumetric water rate revenues
- Costs do not decrease in proportion to water use
 - **54%** of District's costs are fixed and only **46%** vary according to water use
- Water Shortage Revenue Stabilization Factors can be used to offset revenue deficits caused by conservation.
- Apply to bi-monthly volumetric rates only when shortage cutbacks are declared or required
- Factors correlate with percentage cutback
- Can be approved and implemented during official water shortage emergencies declared by the Board of Directors.

Rate Study Findings

Water Shortage Revenue Stabilization Factors



- Percentages based on proportion of revenue from volumetric rates
- Percentage cutbacks align with District’s Water Shortage Contingency Plan

	Stage 1 Up to 10% Reduction	Stage 2 Up to 20% Reduction	Stage 3 Up to 30% Reduction	Stage 4 Up to 40% Reduction	Stage 5 Up to 50% Reduction	Stage 6 Greater than 50% Reduction
WSCP- Estimated Water Use Reduction	8%	15%	25%	35%	45%	53%

Class	Stage 1 Up to 10% Reduction	Stage 2 Up to 20% Reduction	Stage 3 Up to 30% Reduction	Stage 4 Up to 40% Reduction	Stage 5 Up to 50% Reduction	Stage 6 Greater than 50% Reduction
Residential	1.032	1.065	1.123	1.198	1.300	1.410
Non-Residential	1.034	1.070	1.133	1.217	1.334	1.468

Rate Study Findings

Proposed Schedule Fire Protection Service Charges



- **Charges maintain the existing structure**
 - Charges separate from the cost of service
 - Proposed increases follow overall revenue increases

Fireline Size	Current Charge per Service	Proposed Rates by Effective Date		
		8/1/2026	7/1/2027	7/1/2028
2" or less	\$13.51	\$14.46	\$15.33	\$16.25
4"	\$42.23	\$45.19	\$47.90	\$50.77
6"	\$84.45	\$90.36	\$95.78	\$101.53
8"	\$168.89	\$180.71	\$191.55	\$203.04
<i>Rate Increase %</i>		7%	6%	6%

Summary

Outcomes of Rate Study Recommendations



- **Revenue increase projections enable future infrastructure investment** that will fund critical deferred capital improvements
- **Cost-of-service analysis allocates overall 7% increase** in coming year to each class based on recent usage
- **Rate design improves affordability** without reducing revenue stability
 - Service charges reduced
 - Residential tiers correspond to recent usage
- **Rate and bill comparison** with neighboring agencies
 - Smaller tier structure reflects District's efficient water use and cool climate
 - Bills remain lower than most neighbors
- **Water Shortage Revenue Stabilization Factors updated** to align with study and updated Contingency Plan stages
- **Fire Protection Charges increases follow overall revenue increases**

Next Steps



Current 2026 Project Schedule *(subject to change)*

- Request Board Authorization to mail Prop 218 notices | **May 20**
- Notice Mailed to Customers (45-day noticing period) | **May 28**
- Deadline for Customers to file Objections per AB 2257 | **July 13**
- Conduct Public Hearing on Rates | **July 15**
 - Staff will respond in writing to all AB 2257 objections by July 15
 - Customers have opportunity to file protests to rates up until close of the hearing
 - Hearing may be continued to July 22 if responses cannot be provided in time
- Rates Effective | **August 1**

Staff Recommendations



- 1. Provide feedback and ask questions regarding the 2026 Water Rate Study (Study)**
- 1. Approve the Study and authorize staff to mail Proposition 218 notices**
- 2. Set a Public Hearing Date for July 15, 2026**

Board Feedback and Questions



Customer Class	Current Tier Size	\$/HCF	Customer Class	Proposed Tier Size	Proposed Rates by Effective Date		
					8/1/2026	7/1/2027	7/1/2028
Residential			Residential				
Tier-1	0-5 hcf	\$7.28	Tier-1	0-9 hcf	\$10.15	\$10.76	\$11.41
Tier-2	6-9 hcf	\$10.77	Tier-2	10-12 hcf	\$11.65	\$12.35	\$13.09
Tier-3	10-13 hcf	\$14.44	Tier-3	Over 12 hcf	\$14.57	\$15.44	\$16.37
Tier-4	Over 13 hcf	\$17.67					
Non-Residential	All usage	\$10.06	Non-Residential	All usage	\$11.72	\$12.42	\$13.17
Recycled Water	All usage	\$9.05	Recycled Water	All usage	\$10.55	\$11.18	\$11.85
<i>Rate Increase %</i>					<i>varies</i>	<i>6%</i>	<i>6%</i>

- Schedule of Proposed Water Use Charge Rates**

Meter Size	Current Charge per Service	Proposed Rates by Effective Date		
		8/1/2026	7/1/2027	7/1/2028
5/8"	\$60.18	\$51.98	\$55.10	\$58.41
3/4"	\$66.26	\$55.52	\$58.85	\$62.38
1"	\$84.39	\$62.62	\$66.38	\$70.36
1.5"	\$108.46	\$80.35	\$85.17	\$90.28
2"	\$175.18	\$101.62	\$107.72	\$114.18
3"	\$662.52	\$199.15	\$211.10	\$223.77
4"	\$843.45	\$310.85	\$329.50	\$349.27
6"	\$1,265.21	\$612.29	\$649.03	\$687.97
8"	\$1,747.17	\$1,037.84	\$1,100.11	\$1,166.12
10"	\$2,349.76	\$1,534.32	\$1,626.38	\$1,723.96
12"	\$2,952.35	\$1,924.41	\$2,039.87	\$2,162.26
<i>Rate Increase %</i>		<i>varies</i>	<i>6%</i>	<i>6%</i>

- Schedule of Supply and Distribution Charges**



NORTH COAST COUNTY WATER DISTRICT

Water Rate Cost-of-Service Study

May 11, 2026





HF&H Consultants, LLC
590 Ygnacio Valley Rd. Suite 105
Walnut Creek, CA 94596
Phone: (925) 977-6950
Web: hfh-consultants.com

May 11, 2026

Adrienne Carr
General Manager
North Coast County Water District
2400 Francisco Boulevard
Pacifica, CA 94044

Sent via email: acarr@nccwd.com

Subject: Water Rate Cost-of-Service Study – Draft Report

Dear Adrienne Carr:

HF&H is pleased to submit this draft report to the North Coast County Water District. The report is organized beginning with determining how much projected revenue is needed from rates during the next three fiscal years, FY 2026-27 through 2028-29. The report describes the cost-of-service analysis that apportions the revenue requirement (expenses) between the residential and non-residential customers. The report concludes with a discussion of the rate design that is recommended for each class to ensure that customers are paying their proportionate shares.

The report reflects input from the Water Rates Advisory Committee, Board of Directors, and District staff in refining the budgeted expenses and rates. The resulting rate adjustments are recommended for several reasons. First, the previous cost-of-service study established rates from FY 2021-22 through the current year, FY 2025-26. Changes in consumption patterns during this period necessitate revisiting rates to ensure current rates are proportionate to the cost of service. Second, the cost of water that the District purchases from the San Francisco Public Utilities Commission (SFPUC) continues to rise. These projected cost increases are reflected in recommended rates. Third, the District has a capital improvement program to fund necessary upgrades, which include projects to address its primary water storage tanks and pipelines. These improvements are funded by the recommended rates.

Please contact us if you have any questions.

Very truly yours,

HF&H CONSULTANTS, LLC



CONTENTS

EXECUTIVE SUMMARY	1
Study Objectives	1
Findings and Recommendations	1
Implementation	9
SECTION 1. INTRODUCTION.....	10
Study Purpose	10
Study Process	10
Report Organization.....	11
SECTION 2. REVENUE REQUIREMENT PROJECTIONS	12
Assumptions and Projections	12
Reserve Funds	16
Revenue Increases	17
SECTION 3. COST-OF-SERVICE ANALYSIS	19
Methodology	19
Customer Classes.....	20
Allocation Factors	20
SECTION 4. RATE DESIGN	26
Current Rates	26
Water Usage Charges	27
Service Charges	31
Water Shortage Revenue Stabilization Factors.....	34
SECTION 5. CUSTOMER BILL IMPACTS	40
Residential Bills.....	40
Non-Residential Bills	41
Agency Bill Comparison.....	42

APPENDIX. RATE MODEL



FIGURES

Figure 1-1. Year End Projected Reserve Fund Balances..... 2

Figure 1-2. Current Rate Revenue Compared with the Cost-of-Service 4

Figure 1-3. Current and Cost-of-Service Based Bi-Monthly Service Charges 4

Figure 1-4. Current and Cost-of-Service-Based Bi-Monthly Volumetric Rates 5

Figure 1-5. Comparison of Current and Proposed Residential Rates by Tier 6

Figure 1-6. Current and Proposed Bi-Monthly Fire Protection Service Charges 6

Figure 1-7. Water Shortage Revenue Stabilization Factors 7

Figure 1-8. Current and Proposed Residential Bill Comparison 8

Figure 1-9. Residential Volumetric Rates Comparison 9

Figure 2-1. Modeling Assumptions 12

Figure 2-2. Revenue Requirement Projections 13

Figure 2-3. Capital Improvement Program Budget 15

Figure 2-4. Rate Increase Calculations 17

Figure 2-5. Projected Reserve Fund Balance at Year End 18

Figure 3-1. Estimated Demands and Load Factors by Service Level..... 21

Figure 3-2. Base/Extra Capacity Allocation Factors 21

Figure 3-3. Cost-of-Service Allocation Factors 22

Figure 3-4. Cost-of-Service Allocations 23

Figure 3-5. Customer Class Cost-of-Service Allocations 24

Figure 3-6. Current Rate Revenue Compared with Cost-of-Service 25

Figure 4-1. Current Bi-Monthly Service Charges 26

Figure 4-2. Current Bi-Monthly Volumetric Rates 27

Figure 4-3. Residential Tier Breakpoint Calculation 28

Figure 4-4. Proposed Residential Volumetric Rates – FY 2026-27 29

Figure 4-5. Comparison of Current and Proposed Residential Rates by Tier 29

Figure 4-6. Comparison of Current and COS-Based Residential Tiers..... 30

Figure 4-7. Service Charge Units of Service 32

Figure 4-8. Service Charge Unit Costs..... 32

Figure 4-9. Proposed Bi-Monthly Service Charge Rates – FY 2026-27..... 33

Figure 4-10. Current and Proposed Bi-Monthly Service Charges 33

Figure 4-11. Current and Proposed Bi-Monthly Fire Protection Charges 34

Figure 4-12. Water Use Reductions Required 35

Figure 4-13. Required Water Use Reductions 36

Figure 4-14. Calculation of Shortage Reductions..... 37

Figure 4-15 Water Shortage Revenue Stabilization Factors by WSCP 39

Figure 5-1. Current and Proposed Residential Bill Comparison 40

Figure 5-2. Current and Proposed Non-Residential Bill Comparison 41

Figure 5-3. Current and Proposed Recycled Water Bill Comparison..... 42

Figure 5-4. Comparison to Other Local Residential Volumetric Rates 42

Figure 5-5. Comparison to Other Local Residential Bi-Monthly Bills 43



GLOSSARY

AWWA – American Water Works Association

BAWSCA – Bay Area Water Supply & Conservation Agency

CIP – Capital Improvement Program

COS – Cost of service

FY – Fiscal year

GPD – Gallons per day

HCF One hundred cubic feet of water sold; 748 gallons; a cube of water 4.6 feet on edge, also referred to as one metered unit of water

M1 Manual – *Principles of Water Rates, Fees, and Charges*. American Water Works Association Manual M1. 2025

Non-Residential – Commercial, multi-family residential, irrigation, and municipal customer accounts served by North Coast County Water District. This customer class includes all customers that are not identified as either Recycled Water customers or Residential customers.

O&M – Operating and Maintenance of existing facilities

PAYGo - Refers to a method of paying for capital projects on a pay-as-you-go basis, rather than through long-term debt issuance.

Recycled Water – Customer class that receives recycled water from the District in place of potable water.

Residential – Single-family residential customer accounts served by North Coast County Water District.

Service charge - Refers to the District's fixed bi-monthly charge per account based on the size of the service or meter; the official title is "Supply and Distribution Charge." For ease of discussion, the terms "service charge" or "fixed charge" are used in this report.

SFPUC – San Francisco Public Utilities Commission

Volumetric charge - Refers to the District's charge per HCF/unit, which varies depending on the amount of water use during the billing period; the official title is "Water Usage Charge." For ease of discussion, the terms "volumetric Charge" or "volumetric rate" are used in this report.



Water Shortage Revenue Stabilization Factors - Factors that are applied to volume charge rates to stabilize revenue to meet the District's revenue requirements during periods of conservation when there are significant reductions in water usage, and hence in water revenues.

WSCP – Water Shortage Contingency Plan

ACKNOWLEDGEMENTS

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LIMITATIONS

This document was prepared solely for the North Coast County Water District in accordance with the contract between the District and HF&H and is not intended for use by any other party for any other purpose.

In preparing this study, we relied on information from the District, which we consider accurate and reliable. Our analysis is based on the best available information at the time of the study.

Rounding differences caused by stored values in electronic models may exist.

Water Rate Cost-of-Service Study
Limitations



This document represents our understanding of relevant laws, regulations, and court decisions but should not be relied upon as legal advice. Questions concerning the interpretation of legal authorities referenced in this document should be referred to a qualified attorney.



Executive Summary

The Executive Summary presents the findings and recommendations in this report. The report was reviewed with District staff.

STUDY OBJECTIVES

The District undertook this rate study to meet the following key objectives.

1. **Provide revenue sufficiency and financial stability** - Ensure revenues from future water rates continue covering costs without depleting reserves and maintaining necessary debt service coverage requirements. Revenue requirement projections (i.e., expenses) are increasing with expanded capital program expenses to upgrade aging infrastructure.
2. **Maintain adequate reserves to meet District policies** – Confirm future rates will continue to generate revenues that will keep the District’s reserve balance in line with its target threshold to have sufficient reserves on hand for operational cash flow, debt service payments, unplanned emergencies, retirement funding liability, and capital project funding.
3. **Rate payer equity** - Revisit allocation of the District’s costs to verify each customer class pays its proportionate share of expenses. Each customer within each customer class should also pay its proportionate share of expenses via volumetric and service capacity charges.

FINDINGS AND RECOMMENDATIONS

The following findings and recommendations are made.

1. **Annual rate revenue increases.** Annual revenue increases of 7%, 6%, and 6% over the next three fiscal years, FY 2026-27 through FY 2028-29, are recommended so that the projected reserve fund balance stays above the minimum balance while addressing cost increases the District has absorbed since the previous cost-of-service study.
2. **Rate revenue realignment.** The revenue from volumetric and service charges was realigned based on the cost-of-service analysis. The realignment shifts certain costs that were previously allocated to the service charges to the volumetric charges. This shift improves the alignment of fixed costs with fixed charges (i.e., service charges) and of variable costs with variable charges (i.e., volumetric charges). As a result, volumetric rate revenues increase 18.4% and service charges revenues decrease 16.6%. These changes also reflect an overall revenue increase of 7%.
3. **Operating cost increases.** Operating and Maintenance (O&M) expenses comprise the largest category of expenses. Collectively this category of expenses is estimated to increase on average 3.1% annually from the current budget year, FY 2025-26, through FY 2028-29.

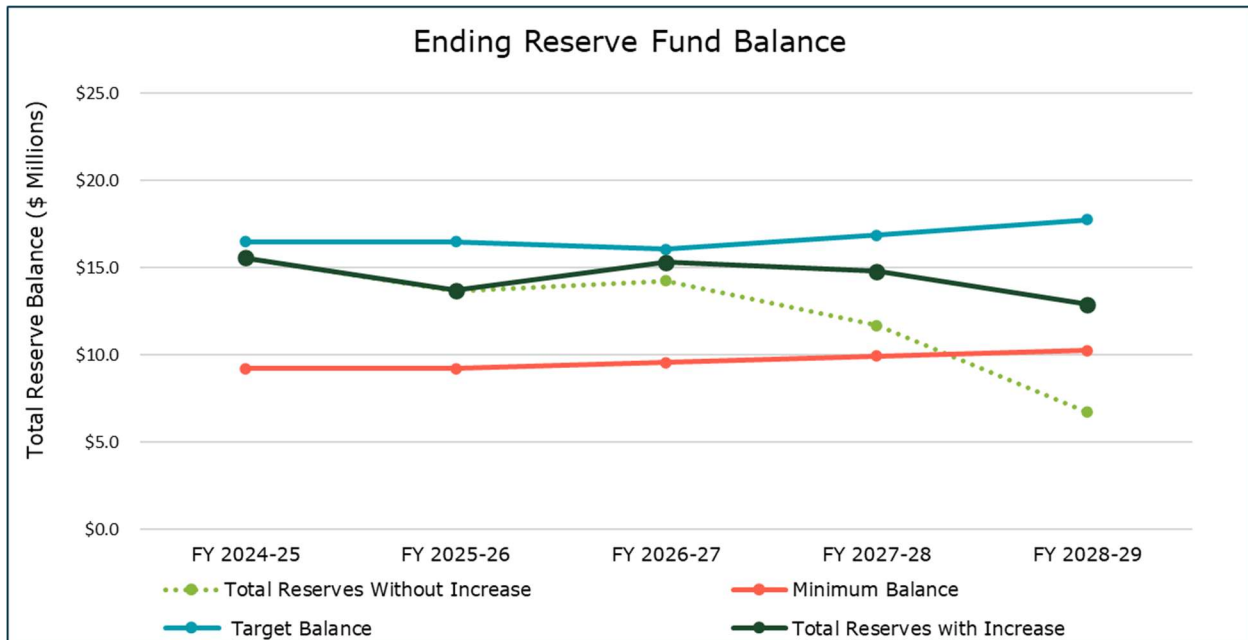


4. **Capital cost increases and future debt issuance.** The District’s three-year capital plan projections show \$7.4 million in escalated project costs. More than \$4.4 million of this total is attributed to tank recoating projects and pipeline replacement projects. All projects planned during this period are to be funded on a pay-as-you-go (PAYGo) basis from existing reserves and rate revenues. No new debt issuance is assumed.

5. **Cost of purchased water.** The District is entirely reliant on the San Francisco Public Utilities Commission (SFPUC) for its potable water supply. The cost of water will increase from \$5.80 per Hundred Cubic Foot (HCF) in FY 2025-26 to \$6.23 per HCF in FY 2026-27, an increase of 7.4%. The SFPUC provided their most-recent projections, which show increases in the cost of water to \$6.91 per HCF by FY 2028-29. The wholesale rate is projected to increase 7.4% and 3.3% in FY 2027-28 and FY 2028-29, respectively.

6. **Reserve Fund Balance¹ (Figure 1-1).** With the recommended rate revenue increases, the District’s reserve fund balance (solid green line) is projected to exceed the minimum balance (red line), which is recommended to maintain a minimum working capital allowance for O&M expenses. However, the rate revenue increases are not sufficient to achieve the overall target balance (solid blue line), which covers both the operating and capital targets.

Figure 1-1. Year End Projected Reserve Fund Balances



¹ The fund balance includes reserves for operations, capital, debt, emergency, and retirement and does not capture the District’s restricted reserves that are not related to ratemaking. These include Compensated Absences, Retiree COLA Payment, and Storage and Transmission Fees.



7. **Debt coverage ratio.** With the recommended revenue increases, the District’s debt service coverage² is higher than the required 1.2 ratio in all years of the rate study. The following values summarize the projected debt coverage ratios after accounting for the recommended revenue increases:

FY 2026-27 – 1.76

FY 2027-28 – 1.86

FY 2028-29 – 2.10

8. **Revenue changes by customer class and by charge.** **Figure 1-2** compares the revenue from current rates in FY 2025-26 with the cost of service for FY 2026-27. This figure indicates how much revenue is needed from volumetric and service charges³ to generate the level of revenue needed in FY 2026-27. This figure also shows the comparison of volumetric rate revenue increases needed from the Residential⁴ class (19.1%) versus the Non-Residential⁵ class (17.0%). Service charge rates will decrease by 16.6%. The proposed rates, effective August 1, 2026, were derived to generate the necessary revenue and were structured based on the cost-of-service analysis. As a result, the portion of revenue generated by service charges is projected to decrease from 32.5% to 25.4%.

² Debt service coverage is the amount of rate revenue available to pay debt service after operating expenses have been paid. The minimum required revenue coverage is 1.2 times the amount of annual debt service after operating expenses have been paid from rate revenue.

³ As noted in the Glossary, the District’s volumetric and service charges are officially titled Water Usage and Supply and Distribution Charges, respectively. The shorter terms are used in this report for ease of discussion.

⁴ Throughout this report, the term, “Residential” will be used to refer to the single-family residential customer class.

⁵ The Non-Residential class includes commercial customers, multi-unit residences, irrigation customers, public customers, temporary meters, and recycled water customers, except when the recycled water customer class is identified separately. The cost-of-service analysis considered Non-Residential and Recycled Water customers as one customer class.



Figure 1-2. Current Rate Revenue Compared with the Cost-of-Service

Components of Rate Structure	Revenue at		Cost of Service		Difference	
	Current Rates (FY 2025-26)		FY 2026-27 Revenue		COS Minus Current	
Volumetric Rates						
Residential	\$6,629,946	44.8%	\$7,898,323	49.9%	\$1,268,377	19.1%
Non-Residential	\$3,343,266	22.6%	\$3,910,741	24.7%	\$567,475	17.0%
	\$9,973,212	67.5%	\$11,809,063	74.6%	\$1,835,851	18.4%
Service Charges						
Residential	\$4,249,807	28.7%	\$3,634,201	23.0%	(\$615,606)	-14.5%
Non-Residential	\$562,089	3.8%	\$376,801	2.4%	(\$185,288)	-33.0%
	\$4,811,896	32.5%	\$4,011,002	25.4%	(\$800,894)	-16.6%
Share of Revenue						
Residential	\$10,879,753	73.6%	\$11,532,524	72.9%	\$652,771	6.0%
Non-Residential	\$3,905,354	26.4%	\$4,287,541	27.1%	\$382,187	9.8%
Total Revenue	\$14,785,108	100.0%	\$15,820,065	100.0%	\$1,034,958	7.0%

Figure 1-2 compares the revenue collected from current rates by customer class with the revenue under the proposed rates for FY 2026-27. The cost-of-service analysis resulted in an increased share of revenues to be paid by Non-Residential customers, such that their share of revenues is projected to increase from 26.4% to 27.1%. In turn, the share of Residential revenues is projected to decrease slightly from 73.6% to 72.9% of the overall rate revenue. While revenues for each customer class are increasing to generate an overall 7.0% revenue increase for FY 2026-27, Non-Residential customers will see a larger rate increase than Residential customers as a result of the cost-of-service analysis.

- Service charge rate adjustments.** **Figure 1-3** shows the current and proposed service charges, which collectively decrease 16.6% effective August 1, 2026 to re-align with the cost-of-service, and then increase annually 6% and 6%.

Figure 1-3. Current and Cost-of-Service Based Bi-Monthly Service Charges

Meter Size	Current Charge per Service	Proposed Rates by Effective Date		
		8/1/2026	7/1/2027	7/1/2028
5/8"	\$60.18	\$51.98	\$55.10	\$58.41
3/4"	\$66.26	\$55.52	\$58.85	\$62.38
1"	\$84.39	\$62.62	\$66.38	\$70.36
1.5"	\$108.46	\$80.35	\$85.17	\$90.28
2"	\$175.18	\$101.62	\$107.72	\$114.18
3"	\$662.52	\$199.15	\$211.10	\$223.77
4"	\$843.45	\$310.85	\$329.50	\$349.27
6"	\$1,265.21	\$612.29	\$649.03	\$687.97
8"	\$1,747.17	\$1,037.84	\$1,100.11	\$1,166.12
10"	\$2,349.76	\$1,534.32	\$1,626.38	\$1,723.96
12"	\$2,952.35	\$1,924.41	\$2,039.87	\$2,162.26
Rate Increase %		<i>varies</i>	6%	6%



10. **Volumetric charge rate structure.** Figure 1-4 shows the current and cost-of-service volumetric rate structure. The Residential volumetric rates are tiered; the Non-Residential and Recycled Water rates are uniform charges. The size of the Residential tiers is generally based on residential billing data. The 5 HCF breakpoint for Tier 1 has been based on an allowance for very low water use. Recent water use data indicates that average winter water use is 8 HCF. It is recommended that the breakpoints for all tiers should be based on billing data rather than allowances. Because average winter water use (8 HCF) is so close to average annual water use (9 HCF, the basis for the existing Tier-2’s breakpoint) we recommend combining Tier-1 with Tier-2.

Rates for Non-Residential and Recycled Water customers are not tiered and increase to generate their shares of the revenue requirement.

Figure 1-4. Current and Cost-of-Service-Based Bi-Monthly Volumetric Rates

Customer Class	Current Tier Size	\$/HCF	Customer Class	Proposed Tier Size	Proposed Rates by Effective Date		
					8/1/2026	7/1/2027	7/1/2028
Residential			Residential				
Tier-1	0-5 hcf	\$7.28	Tier-1	0-9 hcf	\$10.15	\$10.76	\$11.41
Tier-2	6-9 hcf	\$10.77	Tier-2	10-12 hcf	\$11.65	\$12.35	\$13.09
Tier-3	10-13 hcf	\$14.44	Tier-3	Over 12 hcf	\$14.57	\$15.44	\$16.37
Tier-4	Over 13 hcf	\$17.67					
Non-Residential	All usage	\$10.06	Non-Residential	All usage	\$11.72	\$12.42	\$13.17
Recycled Water	All usage	\$9.05	Recycled Water	All usage	\$10.55	\$11.18	\$11.85
<i>Rate Increase %</i>					<i>varies</i>	<i>6%</i>	<i>6%</i>

11. **Volumetric charge rates.** Figure 1-5 compares the breakpoints and rates for the current and cost-of-service-based tiers for Residential accounts. The percentage increases differ from tier to tier. The proposed Tier-1 rates combine the current Tier-1 and Tier-2 rates. The proposed structure is a three-tier structure.



Figure 1-5. Comparison of Current and Proposed Residential Rates by Tier

Bi-Monthly Demand HCF	Gal/Day	FY 2026-27		
		Current Rate	Proposed Rate	\$ Change
1	12	\$7.28	\$10.15	\$2.87
2	25	\$7.28	\$10.15	\$2.87
3	37	\$7.28	\$10.15	\$2.87
4	50	\$7.28	\$10.15	\$2.87
5	62	\$7.28	\$10.15	\$2.87
6	75	\$10.77	\$10.15	(\$0.62)
7	87	\$10.77	\$10.15	(\$0.62)
8	100	\$10.77	\$10.15	(\$0.62)
9	112	\$10.77	\$10.15	(\$0.62)
10	125	\$14.44	\$11.65	(\$2.79)
11	137	\$14.44	\$11.65	(\$2.79)
12	150	\$14.44	\$11.65	(\$2.79)
13	162	\$14.44	\$14.57	\$0.13
14	175	\$17.67	\$14.57	(\$3.10)

12. **Fire Protection Service charges.** The charges for all private fire protection service connections, which include all structures that have a fire service line, are increasing at the same percentages as the overall revenue increases proposed. **Figure 1-6** summarizes the current and proposed bi-monthly fire protection service charges.

Figure 1-6. Current and Proposed Bi-Monthly Fire Protection Service Charges

Fireline Size	Current Charge per Service	Proposed Rates by Effective Date		
		8/1/2026	7/1/2027	7/1/2028
2" or less	\$13.51	\$14.46	\$15.33	\$16.25
4"	\$42.23	\$45.19	\$47.90	\$50.77
6"	\$84.45	\$90.36	\$95.78	\$101.53
8"	\$168.89	\$180.71	\$191.55	\$203.04
<i>Rate Increase %</i>		7%	6%	6%

13. **Pass-through adjustments to volumetric rates.** The cost of SFPUC water is the single largest component of the District’s revenue requirements. Because the District has no control over the SFPUC’s wholesale water rate, this cost is simply passed through to the District’s customers. The SFPUC provides projections of its future wholesale water rates, which are built into the rate projections in this study:

July 2026 – \$6.23 per HCF

July 2027 – \$6.69 per HCF

July 2028 – \$6.91 per HCF



The SFPUC updates its projections each year as part of the rate-making process legally prescribed in the wholesale Water Supply Agreement⁶. California Government Code Section 53756 authorizes water suppliers to adjust their rates in response to changes in pass-through costs. We recommend that the District incorporate annual pass-through adjustments in its Residential and Non-Residential rates. Recycled water rates would change in relation to pass-through adjustments to Non-Residential rates to maintain a ratio of 90% of the Non-Residential rate.

14. **Implement Water Shortage Revenue Stabilization Factors.** Water Shortage Revenue Stabilization Factors are designed to offset the amount of revenue shortfall caused by conservation during specific Board-adopted, water shortage stages. The Board of Directors can choose to implement the Water Shortage Revenue Stabilization Factors, shown in **Figure 1-7**, during declared water shortage emergencies. The Water Shortage Revenue Stabilization Factors are designed to align with the District’s six water shortage levels in the District’s adopted Water Shortage Contingency Plan and are applied to the volumetric rates to ensure that there are sufficient revenues to fund the District’s obligations during shortages.

Figure 1-7. Water Shortage Revenue Stabilization Factors

	Stage 1 Up to 10% Reduction	Stage 2 Up to 20% Reduction	Stage 3 Up to 30% Reduction	Stage 4 Up to 40% Reduction	Stage 5 Up to 50% Reduction	Stage 6 Greater than 50% Reduction
Residential	1.032	1.065	1.123	1.198	1.300	1.410
Non-Residential	1.034	1.070	1.133	1.217	1.334	1.468

To be applied to the non-shortage rates effective at the time of shortage declaration

15. **Customer bill impacts.** With the proposed rates, all Residential customers with a 5/8-inch meter⁷ will pay less than the overall 7% revenue increase per bill for FY 2026-27. Residential customers that use two HCF (units) or less per billing cycle will see bill reductions because of the reduced service charge. Residential customers using 11 HCF or more will also see bill reductions because of lower volumetric rates. Nearly two-thirds of Residential customer bills do not exceed 9 HCF (Tier-1’s breakpoint proposed). At this level of use they will pay only 2.6% more than current rates despite the overall 7% revenue increase. **Figure 1-8** compares bills for Residential customers with a 5/8-inch meter.

⁶ Amended and Restated Water Supply Agreement between the City and County of San Francisco and Wholesale Customers dated January 2021

⁷ 90.4% of all customers have 5/8-inch services.



Figure 1-8. Current and Proposed Residential Bill Comparison

Bi-Monthly Demand		Residential Bi-Monthly Bills (5/8" Service)			
		Current	Proposed	\$	%
HCF	Gal/Day	Rates	FY 2026-27 (3-Tiers)	Difference	Difference
0	0	\$60.18	\$51.98	(\$8.20)	-13.6%
1	12	\$67.46	\$62.13	(\$5.33)	-7.9%
2	25	\$74.74	\$72.28	(\$2.46)	-3.3%
3	37	\$82.02	\$82.43	\$0.41	0.5%
4	50	\$89.30	\$92.58	\$3.28	3.7%
5	62	\$96.58	\$102.73	\$6.15	6.4%
6	75	\$107.35	\$112.88	\$5.53	5.2%
7	87	\$118.12	\$123.03	\$4.91	4.2%
8	100	\$128.89	\$133.18	\$4.29	3.3%
9	112	\$139.66	\$143.33	\$3.67	2.6%
10	125	\$154.10	\$154.98	\$0.88	0.6%
11	137	\$168.54	\$166.63	(\$1.91)	-1.1%
12	150	\$182.98	\$178.28	(\$4.70)	-2.6%
13	162	\$197.42	\$192.85	(\$4.57)	-2.3%
14	175	\$215.09	\$207.42	(\$7.67)	-3.6%
15	187	\$232.76	\$221.99	(\$10.77)	-4.6%
16	199	\$250.43	\$236.56	(\$13.87)	-5.5%
17	212	\$268.10	\$251.13	(\$16.97)	-6.3%
18	224	\$285.77	\$265.70	(\$20.07)	-7.0%
19	237	\$303.44	\$280.27	(\$23.17)	-7.6%
20	249	\$321.11	\$294.84	(\$26.27)	-8.2%
21	262	\$338.78	\$309.41	(\$29.37)	-8.7%
22	274	\$356.45	\$323.98	(\$32.47)	-9.1%
23	287	\$374.12	\$338.55	(\$35.57)	-9.5%
24	299	\$391.79	\$353.12	(\$38.67)	-9.9%
25	312	\$409.46	\$367.69	(\$41.77)	-10.2%
26	324	\$427.13	\$382.26	(\$44.87)	-10.5%
27	337	\$444.80	\$396.83	(\$47.97)	-10.8%
28	349	\$462.47	\$411.40	(\$51.07)	-11.0%
29	362	\$480.14	\$425.97	(\$54.17)	-11.3%
30	374	\$497.81	\$440.54	(\$57.27)	-11.5%

Bill impacts for Non-Residential customers vary. While all customers will see a reduction to their fixed service charge, the savings on the overall bill hinges upon usage. In general, customers with larger meters will save across a broader range of usage. For example, customers with a 3-inch water meter will see a reduction to their bill if using 279 HCF or less while customers with a 3/4-inch meter will only see a reduction when usage is 6 HCF or less.

- Comparison with neighboring agencies.** Figure 1-9 compares the District's current and proposed Residential volumetric rates to some of its neighboring water suppliers. The number of tiers and water use within each tier differs between



jurisdictions. **Figure 1-9** also compares the water bills paid by customers with a 5/8-inch water meter, or the smallest meter size available. Even with the proposed rates, the District’s Residential customers will pay among the lowest for low water use (5 HCF), average water use (9 HCF), and high water use (18 HCF) among customers in neighboring jurisdictions.

Figure 1-9. Residential Volumetric Rates Comparison

	NCCWD		Rates per Tier (\$/HCF)							
	Current	Proposed	Burlingame	Coastside	Hillsborough	Montara	San Bruno	Daly City	Millbrae	Westborough
Tier 1	\$7.28	\$10.15	\$9.79	\$13.30	\$7.59	\$10.29	\$10.79	\$7.99	\$15.42	\$11.69
Tier 2	\$10.77	\$11.65	\$10.98	\$19.76	\$9.91	\$13.58	\$12.80	\$10.58		
Tier 3	\$14.44	\$14.57	\$12.18	\$23.93	\$15.63	\$16.83	\$16.83	\$14.60		
Tier 4	\$17.67		\$13.38		\$20.96	\$22.59				
Tier 5			\$14.58							
Breakpoints (Bi-monthly HCF)										
BP #1	5	9	5	8	22	12	20	13	uniform	uniform
BP #2	9	12	11	16	44	26	40	26		
BP #3	13		21		78	54				
BP #4			32							
Effective Date	7/1/2025	8/1/2026	1/1/2019	1/19/2026	1/1/2026	6/12/2025	1/1/2026	7/1/2026	7/1/2026	7/1/2026
Sample Bi-Monthly Water Bill with the smallest available meter size and range of water usage										
5 HCF	\$96.58	\$102.73	\$132.98	\$149.36	\$205.58	\$122.77	\$114.85	\$103.60	\$145.80	\$135.27
9 HCF	\$139.66	\$143.33	\$176.49	\$209.02	\$235.94	\$163.93	\$158.01	\$135.56	\$207.48	\$182.03
18 HCF	\$285.77	\$265.70	\$284.07	\$395.20	\$304.25	\$276.28	\$255.12	\$220.42	\$346.26	\$287.24

IMPLEMENTATION

After increasing rates effective August 1, 2026, the District should monitor its rates before implementing subsequent rate increases. Several factors influence the accuracy of the projections. For example, the cost of SFPUC water is subject to annual adjustment by the SFPUC. In addition, customer demand is subject to water supply availability, which cannot be precisely projected.

Each year, the District should determine how much, if any, pass-through adjustment is required as soon as the SFPUC submits its updated wholesale rates, which is typically in April or May of each year. The wholesale rate used for the projections in this study should be compared with the updated rate and the difference either added to or subtracted from the District’s volumetric rates.



Section 1. Introduction

The District provides potable water and recycled water services to the City of Pacifica. Since 2001, HF&H Consultants, LLC has assisted the District with its water rates and capacity charges. Most recently in 2021, HF&H completed a five-year, cost-of-service study, recommending implementation of proposed rates each year. As a result of the previous study, rate adjustments in FY 2021-22 were revenue neutral and then were followed by four consecutive increases of 3% that were applied uniformly through FY 2025-26.

In 2025, the District requested HF&H to perform a new three-year, cost-of-service rate study to establish rates for a three-year period beginning with FY 2026-27. The purpose of this report is to document the analysis and summarize our assumptions, findings, and recommendations.

The report is organized to explain how the revenue requirements are determined over the next three years. As part of the documentation, this report includes a copy of the spreadsheet model that was used to derive rates.

STUDY PURPOSE

The purpose of this study is to conduct a cost-of-service analysis that will determine rates that proportionally recover the cost of providing the District's water service. Toward that end, the cost-of-service analysis determined how much revenue should be generated by each component of the rate structures so that rate payers within each customer class are charged for their proportionate shares of the cost of providing service. The cost-of-service analysis is tailored specifically to the District's customer classes and the rate structures.

STUDY PROCESS

The water rates in this study were developed using rate-making principles set forth by the American Water Works Association (AWWA) in *Principles of Water Rates, Fees and Charges* (M1 Manual)⁸. This Manual's cost-of-service principles endeavor to distribute costs to customer classes (also referred to as classes) and to individual customers in proportion to customers' impacts on the water system. Pursuant to the M1 Manual, rate studies generally contain three elements: (1) a revenue requirements analysis, which determines how much revenue is needed from rates to recover a utility's projected costs; (2) a cost-of-service analysis, which allocates the revenue requirements to the rate components and customer classes; and (3) a rate design analysis, which determines any modifications that are required to align the rate structure with the cost of service.

Revenue requirements were projected for a three-year planning period based on operations, maintenance, capital expenses, and contributions to reserves. The cost-of-service analysis allocates the projected expenses among the customer classes in proportion to their use of the systems. Rates are then designed so that rate payers are charged equitably. The impact on customers is then determined by comparing bills under the proposed rates with bills under the current rates.

⁸ *Principles of Water Rates, Fees, and Charges*. American Water Works Association Manual M1. 2025.



REPORT ORGANIZATION

This report describes the steps taken to analyze the District’s water rates. There are four sections following this Introduction section: Revenue Requirements, Cost-of-Service Analysis, Rate Design, and Customer Bill Impacts. A glossary of technical terms and acronyms is provided following the Table of Contents. An appendix contains a copy of portions of the rate model that are not included in the body of the report text as figures.



Section 2. Revenue Requirement Projections

The revenue requirement analysis began with the FY 2025-26 budgeted O&M and capital expenditures. Revenue requirements for each fiscal year were then projected over a three-year planning period, through FY 2028-29. Revenue increases needed to cover the projected revenue requirements were then determined through comparison with projected revenue from current rates. Annual surpluses and deficits were then applied to the reserve funds. Rates were then increased to cover expenses and maintain operating and capital reserves.

ASSUMPTIONS AND PROJECTIONS

The District’s FY 2025-26 budget informed the projections for FY 2026-27, which served as the basis of the revenue requirement. The operating and maintenance expenses were projected through FY 2028-29 using appropriate escalation factors. Capital expenses were projected based on the District’s current capital improvement program. Projects were segregated into categories depending on whether they are to be funded from cash on a pay-as-you-go basis or from bond proceeds. In addition to the District’s budgeted expenses, the revenue requirement includes transfers to the Operating and Capital Improvement Reserves.

The assumptions shown in **Figure 2-1** were used to project expenses through FY 2028-29.

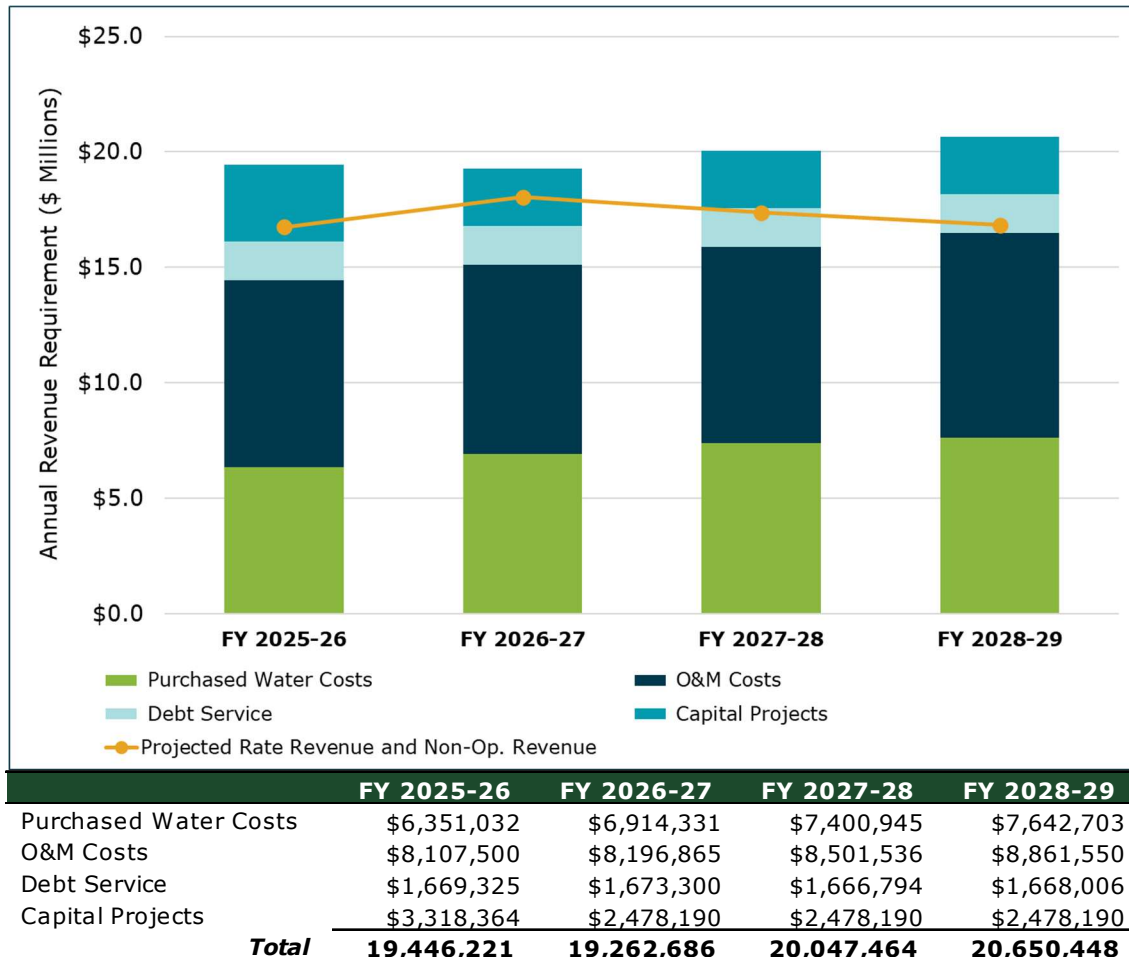
Figure 2-1. Modeling Assumptions

Assumptions	Budget	Projected		
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
General Inflation	Per Budget	3.0%	3.0%	3.0%
Utilities	Per Budget	5.0%	5.0%	5.0%
Salary Increases	Per Budget	3.0%	3.0%	3.0%
Pension	Per Budget	7.0%	7.0%	7.0%
SFPUC Water Rate per HCF	\$5.80	\$6.23	\$6.69	\$6.91
	% Change	7.4%	7.4%	3.3%
SFPUC Purchases (HCF)	997,846	1,022,277	1,022,277	1,022,277
Assumed Losses	5.9%	7.0%	7.0%	7.0%
Liability Insurance	Per Budget	5.0%	5.0%	5.0%
Interest on Earnings	4.0%	3.0%	2.0%	2.0%
Non-rate Revenues	Per Budget	1.0%	1.0%	1.0%
% Cutbacks due to Conservation	0.0%	0%	0%	0%
Growth in Accounts	0.0%	0.00%	0.24%	0.24%
Construction Cost Inflation	Per Budget	3.3%	3.3%	3.3%
Benefit Increases	Per Budget	7.0%	7.0%	7.0%
Change in Residential Consumption	0%	0.0%	0.0%	0.0%
Change in Non-Residential Consumption	0%	0.0%	0.0%	0.0%
Change in Irrigation Consumption	0%	0.0%	0.0%	0.0%
Change in Recycled Water Consumption	0%	0.0%	0.0%	0.0%

The resulting total revenue requirement projections are shown in **Figure 2-2** as stacked bars. In addition, the revenue from current rates is shown as a solid orange line.



Figure 2-2. Revenue Requirement Projections



The expenditure categories are as follows:

SFPUC Water Purchases

The San Francisco Public Utilities Commission (SFPUC) provides nearly all of the District’s water at a cost set by the SFPUC. The cost of SFPUC water depends on (1) the SFPUC’s rates, which are set by the SFPUC and out of the District’s control, and (2) the amount of water purchased. The District’s customers are very efficient water users. Their per capita water use is among some of the lowest in the state.

Projections of future water purchase expenses relied on SFPUC rates and future demand. In March, SFPUC announced plans to increase the current wholesale water rate of \$5.80 per HCF to \$6.23 beginning FY 2026-27 to all Bay Area Water Supply & Conservation Agency (BAWSCA) member agencies, including the District. Rates are projected to increase further to \$6.91 per HCF by FY 2028-29, an average annual increase of 5.5%. It is possible the wholesale water rate projections may be different than estimated values, but the model follows information provided by SFPUC.



Water purchase projections assume future demand will remain constant. Projections of demand in FY 2026-27 of 1,022,277 HCF in water sales reflect actual 2024-25 water purchase volumes. The District does not anticipate substantive growth in water sales or customer account growth during the study period. Hence, changes to demand projections are assumed to remain neutral.

O&M Expenses

Operations and Maintenance (O&M) expenses include labor, benefits, materials, utilities, and non-operating expenditures, such as BAWSCA dues, professional fees, and insurance. Various cost escalation assumptions were applied to the expenses within this category based on **Figure 2-1** including increases associated with utilities, salaries, pensions, liability insurance, benefit increases, and general inflation. Collectively for this sum of expenses, there is an estimated average annual increase of 3.1% from the current budget year, FY 2025-26, through FY 2028-29. This group of expenses is represented by the dark blue bar (O&M Costs) of the revenue requirement.

Capital Improvements

Beginning FY 2026-27, the District's three-year capital plan assumes \$7.4 million in project costs. More than \$4.4 million of this total is attributed to two projects: 1) Recoating projects for the Hickey, Tapis, and Vallemar tanks and 2) Annual pipeline replacement to address the District's risk-prioritized list of system pipelines. All projects are planned to be funded on a pay-as-you-go (PAYGo) basis. These PAYGo projects reflect the District's need to renew and replace its infrastructure to keep pace with depreciation. Without these expenditures, service levels will be affected, which could lead to service interruptions, water quality violations, and other unacceptable conditions. Present day construction cost estimates provided by the District have been escalated to capture assumed increases to construction labor and material supply costs. Over the three-year period of this study, the District anticipates spending approximately \$2.5 million annually for PAYGo capital projects. This figure is represented as the teal bar in the revenue requirement of **Figure 2-2**. Specific capital improvement projects planned during the upcoming three-year period are listed in **Figure 2-3**.



Figure 2-3. Capital Improvement Program Budget

Project Name	Estimated	Projected		
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
21" Transmission Main Pipeline Project	\$0	\$50,000	\$100,000	\$0
Emergency Pipeline Repairs	\$100,000	\$100,000	\$100,000	\$100,000
Loop at Everglades Dr. Pipeline Replacement	\$714,364	\$0	\$0	\$0
Pressure Zone 1 Transmission Line Evaluation	\$0	\$0	\$100,000	\$0
Annual Pipeline CIP	\$0	\$300,000	\$300,000	\$1,000,000
Vehicle Replacement - Pickup Trucks	\$215,000	\$55,000	\$120,000	\$400,000
Automated Metering Infrastructure Upgrade	\$700,000	\$0	\$0	\$0
Water System Hydraulic Model Update & Integration with GIS	\$120,000	\$20,000	\$20,000	\$20,000
Sheila Tank - Construction	\$955,000	\$0	\$0	\$0
Fassler Tank - Design / Construction	\$150,000	\$50,000	\$100,000	\$500,000
Christen Hill Tank Exterior Painting Project	\$0	\$0	\$0	\$0
Park Pacifica Tank and Pump Station Upgrades	\$150,000	\$0	\$100,000	\$0
Tank Recoating (Hickey, Tapis, Vallemar)	\$0	\$150,000	\$1,200,000	\$1,200,000
Reservoir Site Paving Project (Annual)	\$12,000	\$12,000	\$12,000	\$12,000
Reservoir Fence Maintenance (Annual)	\$12,000	\$12,000	\$12,000	\$12,000
Annual Valve Exercise Program	\$5,000	\$5,000	\$5,000	\$5,000
Annual Flushing & Dead-end Blow Off Project	\$10,000	\$10,000	\$10,000	\$10,000
Easement Protection(Annual Program)	\$15,000	\$15,000	\$15,000	\$15,000
Meter Replacement Program	\$5,000	\$10,000	\$10,000	\$10,000
Fire Hydrant Replacement Project	\$50,000	\$40,000	\$40,000	\$40,000
Pressure Regulator Station Upgrades	\$10,000	\$40,000	\$40,000	\$40,000
Francisco Headquarters Upgrade	\$3,580,000	\$0	\$0	\$0
Computer Upgrades/SCADA, Office	\$20,000	\$70,000	\$70,000	\$15,000
Recycled Water	\$10,000	\$10,000	\$10,000	\$10,000
San Pedro Creek Feasibility Study	\$50,000	\$50,000	\$50,000	\$50,000
Equipment (Fog Collectors)	\$15,000	\$15,000	\$15,000	\$15,000
Subtotal	\$6,898,364	\$1,014,000	\$2,429,000	\$3,454,000
Construction Cost Inflation	1.000	1.033	1.068	1.104
Escalated Capital Total	\$6,898,364	\$1,047,870	\$2,593,977	\$3,811,801
		<i>Three-Year Average Annual Capital Improvements</i>		
				\$2,484,549

Existing Debt Service

The District’s existing debt service includes approximately \$512,000 in annual payments for a 2012-issued bond. Payments extend through the three years of the study, ending in FY 2028-29. In addition, the District has 2021 Certificates of Participation that have an approximate annual payment of \$1,160,000 throughout the three-year study period.

Non-Operating Revenue

The District receives non-operating revenues for services performed that are not directly related to the cost of providing water services. These revenues consist of supplemental services, beneficial to the individual parcel requesting the service, such as a water connection or renewal of service. Revenues also consist of lease revenues from land leases for cell phone towers, county taxes and assessments received, and late charges.

It should be noted that the study includes water purchase assumptions for the three-year period. Water purchases are anticipated to be slightly lower for a portion of the study period, as the District will be obtaining water supply through its emergency intertie with a neighboring agency equal to a volume of water previously supplied to that agency to meet an emergency need. The District thus assumes that non-operating revenues will increase due to these water offset revenues. The offset reflects the cost savings the District will see from not having to purchase the reimbursed volume of water at current SFPUC rates as part of its annual supply. These water offset revenues are the reason non-operating revenues increase to more than



\$2.5 million in FY 2026-27 and FY 2027-28. These revenues are accounted for in the reserve fund graph later in this section and the calculation of rates in Section 3 of this report.

RESERVE FUNDS

Reserves are required to stabilize rates and to provide for contingencies. Reserves can be drawn on in years when the District experiences above average costs and augmented during years when costs are below average. The District's reserves are used for operating and capital purposes. Each of these purposes has its own requirements that lead to minimum and optimum target balance. Rates must be set so that the fund balance achieves the target balance.

Operating Reserve Component

The operating component of the reserves provides working capital for month-to-month O&M expenditures. With sufficient working capital, the District can operate without cash flow constraints. The District's approved reserve policy includes six months of operating expenses.

Emergency Reserve Component

The District's approved reserve policy includes three months of operating expenses as an emergency reserve target. This reserve provides liquidity to respond to unplanned or non-routine events that may disrupt the District's ability to deliver service.

Capital Improvement Reserve Component

The capital improvement component of the reserves provides working capital for the District's capital improvement program (CIP). The fund balance needs to be sufficient to at least pay contractors without delays caused by cash flow limitations. The fund balance can be larger so that the District can fund larger construction projects on a pay-as-you-go basis, thereby eliminating financing costs.

The District's approved policy includes a CIP reserve target calculated using the combined sum of the five-year average of previous annual capital improvement expenses and the projection of three months' worth of budgeted PAYGo projects.

Debt Reserve Component

The purpose of a debt reserve is to provide funding to avoid defaulting on the loan if the District fails to make a loan payment. The District has an approved policy of maintaining reserve funds totaling 1.2 times the annual debt service payment.

Retirement Fund Reserve Component

The District currently has a \$326,000 target balance for making annual payments to fund Other-Post Employment Benefits (OPEB), such as health care and dental care. The annual amount to be contributed is established by the Board based on the actual costs to fund these expenses on an annual PAYGo basis.



REVENUE INCREASES

Revenue increases were derived to cover the District’s costs and to fund its reserves. **Figure 2-4** summarizes the projected revenue from current rates, annual net revenue requirements, annual shortfalls, and the proposed revenue increases to address the annual shortfalls.

Figure 2-4. Rate Increase Calculations

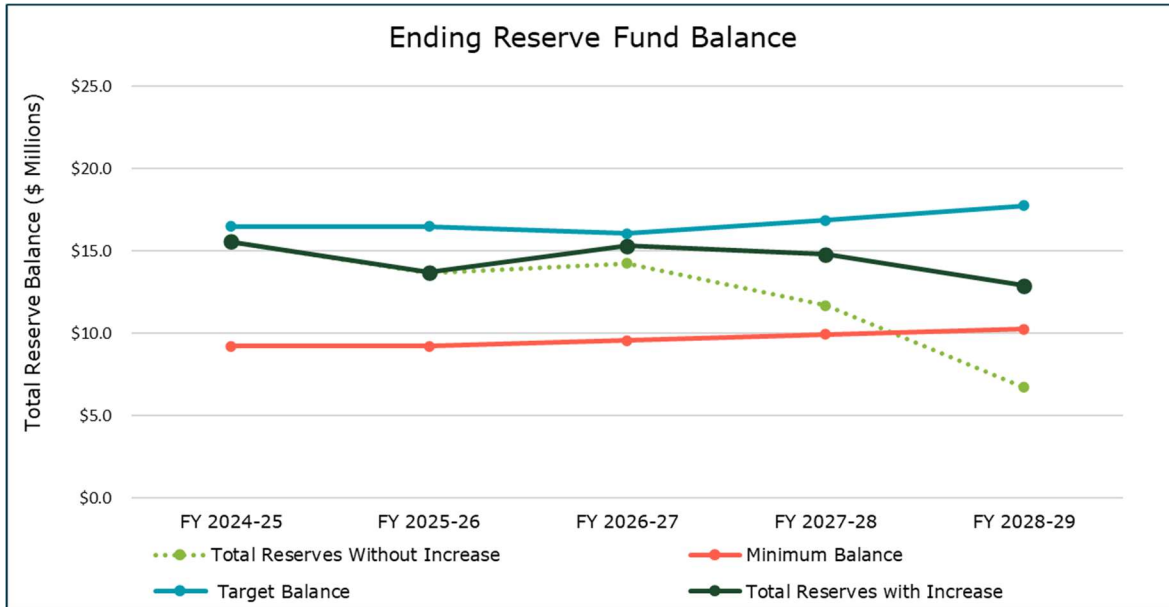
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Revenue From Current Rates	\$14,785,108	\$14,785,108	\$14,796,267	\$14,807,427
Revenue Requirement	\$19,446,221	\$19,262,686	\$20,047,464	\$20,650,448
Less: Non-Operating Revenue	<u>(\$1,974,000)</u>	<u>(\$3,261,370)</u>	<u>(\$2,575,715)</u>	<u>(\$2,023,845)</u>
Net Revenue Requirement	\$17,472,221	\$16,001,316	\$17,471,750	\$18,626,603
Revenue Shortfall	<u>(\$2,687,113)</u>	<u>(\$1,216,208)</u>	<u>(\$2,675,483)</u>	<u>(\$3,819,177)</u>
Proposed Revenue Increase		7.0%	6.0%	6.0%

Rate increases accounted for rate revenue, growth, and future revenue requirements. The projected revenue from current rates (see first line of **Figure 2-4**) increases due to growth in Residential accounts identified in the population growth stated in the District’s 2025 Urban Water Management Plan. The revenue requirement (see also **Figure 2-2**) increases during the study period to fund capital improvements and the increased cost of purchased water. When the revenue from current rates is compared with the net revenue requirements (i.e., revenue requirement less non-operating revenue), there is a deficit variance that requires revenue increases.

For purposes of rate setting, the following combined reserve target balances were established. The red line labeled “Minimum Balance” represents the target balance for the operating reserve and debt reserve components of the reserves. The blue line labeled “Target Balance” is the sum of the minimum balance plus the capital reserve, emergency reserve, and retirement fund reserve components. **Figure 2-5** provides an overview of the District’s reserves in relation to the established Minimum Balance and Target Balance lines.



Figure 2-5. Projected Reserve Fund Balance at Year End



The dashed green line shows the behavior of the fund balance without the projected revenue increases. In this scenario the fund balance would drop from the estimated FY 2025-26 position of \$13.7 million to \$6.7 million by FY 2028-29. The solid green line showing the reserve balance with revenue increases is projected to increase initially in FY 2026-27 to \$15.3 million before using reserves to fund capital improvements such that the balance descends to \$12.9 million by FY 2028-29. Revenue increases projected in FY 2027-28 and FY 2028-29 are projected to maintain the fund balance so that the overall position ends at \$12.9 million by the end of the rate study period. The recommended revenue increases create a stable reserve fund balance trajectory so that the fund balance projection remains above the minimum balance for all three years.

Revenue increases are achieved by increasing rates. In years when rates are not being restructured to align with the cost of service, rates would be increased by the same percentage to generate the required revenue increase. For example, a 6.0% revenue increase in FY 2026-27 would be achieved with a 6.0% across-the-board increase in the current service charges and Residential and Non-Residential volumetric charges. In the current rate study, however, rates are being restructured to align with the cost of service in FY 2026-27. As a result, different percentage adjustments in the volume charges will occur. The derivation of these rate adjustments is explained in the next section of this report.



Section 3. Cost-of-Service Analysis

METHODOLOGY

A cost-of-service (COS) analysis determines the unit cost of the services provided to the District's water customers. Each customer class is charged the same unit cost for its share of the services that it requires. In this way, the total revenue requirement is apportioned between the fixed service charges and the volumetric charges; the volumetric charges are further allocated among the customer classes. This methodology is consistent with industry standards promulgated by the AWWA M1 Manual and referred to as the "base/extra capacity method." The AWWA M1 Manual was used for guidance only, as District specific customer data was used in determining the cost of service in this study.

The District provides demand services and customer services to water customers. Demand services include the costs related to meeting average and peak levels of demand. Customer services include the costs related to customer accounts and the capacity that customers require. The cost-of-service analysis performed in this study also follows the "base/extra capacity" method.

The analytical procedure contains the following steps:

1. **Cost classification** - Costs in the FY 2026-27 projected revenue requirement are classified into the service categories related to providing for customer demands and for customer service. The FY 2026-27 revenue requirement was developed from budgeted expenses for FY 2025-26 and cost increase assumptions.
2. **Cost allocation** - The classified costs are allocated to the functions associated with each service. For demand services, the functions are levels of service that comprise average day, maximum day, and maximum hour demands. For customer services, the functions are customer accounts and customer capacity.

The classifications of major costs are summarized as follows:

Demand services

- Average day – average daily demand utilizing base supply plus a small portion for peaking beyond winter water use levels.
- Maximum day – peaking on the maximum day: peak supply, transmission mains to distribution storage, booster pumps.
- Maximum hour – peak hour on the maximum day: a portion of distribution storage, distribution mains to customers, hydrants.

Customer services

- Accounts: meter reading, billing, accounting, and customer service.
- Capacity: a portion of distribution storage, distribution mains to customers, hydrants, conservation programs.



Composite services

Working with District staff, the individual line items in the revenue requirements were classified into either the demand or customer service categories. Certain costs, however, are not directly related to either demand or customer services. Such costs are considered to be composite in function and are allocated based on a composite of the direct allocations to the demand and customer service categories.

- Capital Improvement Program (CIP) Composite: project-specific allocations to demand and customer service categories for the capital projects identified in **Figure 2-3**.
- O&M & Capital Composite: Indirect allocations for costs that are not directly related to either the demand or customer service functions: administrative services, non-operating revenues, and reserves transfers.

CUSTOMER CLASSES

The cost-of-service analysis distributes the revenue requirements among customer classes in proportion to their service requirements. There is no industry standard that specifies which customer classes should be used. Utilities may exercise discretion in determining the appropriate customer classes provided the rates yield charges that are proportional to the cost of providing service for each category. As a result, the base/extra capacity method needs to be tailored to the customer classes.

The District currently has multiple customer classes: Residential, Non-Residential, and Recycled Water. These classes were last reviewed as part of the previous cost-of-service study in 2021. The segregation into separate customer classes stems from the pattern of usage by each class. For example, Residential (single family) use produces periods of peak demand during summer months, for which the system must be designed to address these customers' indoor and outdoor water needs. No revisions to the number of types of customer classes are recommended at this time.

ALLOCATION FACTORS

Within the demand service function, allocations are made to varying levels of service ranging from average day demand to the highest level of peak demand for outdoor water use and irrigation during the peak hour of the peak day. With these allocations, rates can be designed to proportionately charge customers based on their demands.

Figure 3-1 summarizes the flows by customer class based on the best available District-specific demand data across 2024 and 2025 for each of the service levels and the corresponding load factors. The majority of the District's services are related to meeting customer demands that can vary from low, average demands with very little seasonal fluctuation for irrigation or tourism to high, peak demands that can be two times the average demand.



Figure 3-1. Estimated Demands and Load Factors by Service Level

Flow (HCF/Day)	Average Day	Maximum Day	Maximum Hour
Residential	1,738	2,360	3,635
Non-Residential	914	1,342	2,067
Total	2,652	3,702	5,702
Load Factors			
Ratio of Flows to Average Day			
Residential	1.00	1.36	2.09
Non-Residential	1.00	1.53	2.36
Total	1.00	1.40	2.15

Rounding due to stored values may exist.

Service levels need to increase to accommodate increasing levels of peak demands, which include irrigation, tourism, and other seasonal water uses. Providing for higher service levels requires larger infrastructure. In a cost-of-service analysis, the cost of the infrastructure is allocated to the corresponding level of service. The allocation factors are shown in **Figure 3-2**.

The allocation factors are calculated using load factors from **Figure 3-1**. The load factors represent how much higher maximum day, and maximum hour flows are compared with the average flows. The load factors indicate how much additional capacity is required to supply higher levels of service. For example, the maximum day load factor for the system is 1.40. Of that total 1.40 load, 0.40 is related to the maximum day peak, which is 28.4% of the total maximum day load. For purposes of allocating costs associated with meeting maximum day demands, 28.4% is allocated to the maximum day service and 71.6% is allocated to the average day service.

Figure 3-2. Base/Extra Capacity Allocation Factors

Demand Service	Average Day	Maximum Day	Maximum Hour
Residential Load Factors	1.00	1.36	2.09
Average Day	100.0%		
Maximum Day	73.6%	26.4%	
Maximum Hour	38.6%	26.4%	35.1%
Non-Residential Load Factors	1.00	1.53	2.36
Average Day	100.0%		
Maximum Day	65.2%	34.8%	
Maximum Hour	30.1%	34.8%	35.1%
Total Load Factors	1.00	1.40	2.15
Average Day	100.0%		
Maximum Day	71.6%	28.4%	
Maximum Hour	36.6%	28.4%	35.1%

Note: factors shown are rounded, percentages reflect actual ratios of non-rounded figures.



Once the costs are organized by service function, it is possible to allocate them based on the allocation percentages that correspond to each service function. The allocation percentages are derived from the units of service associated with each service function.

All allocation factors employed in the cost-of-service allocation exercise are shown in **Figure 3-3**.

Figure 3-3. Cost-of-Service Allocation Factors

System-Wide Cost Allocation Factors	Demand Services			Customer Services		Total
	Average Day	Maximum Day	Maximum Hour	Customer Accounts	Customer Capacity	
Average Day	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Max Day	71.6%	28.4%	0.0%	0.0%	0.0%	100.0%
Max Hour	36.6%	28.4%	35.1%	0.0%	0.0%	100.0%
Max Hour Only	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%
Services	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Capacity	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
CIP Composite	27.2%	10.0%	12.6%	49.8%	0.4%	100.0%
O&M & Capital Composite	62.8%	5.7%	7.6%	20.1%	3.8%	100.0%

The cost-of-service analysis using the allocation factor identified for each revenue requirement line item is shown in **Figure 3-4**. In this figure the revenue requirement for FY 2026-27 is allocated to the three demand-related service categories (\$11,809,063) and the customer services category (\$4,011,002). The next step in the cost-of-service analysis is to allocate each of the demand-related expenses between the Residential and Non-Residential customer classes⁹. In doing this, the capital and O&M components are kept separate, which is needed for subsequent rate design.

Figure 3-3 summarizes the allocation factors for the demand and customer service costs. The allocation factors for costs classified as customer service are either 100% customer account or capacity allocations. In addition, **Figure 3-3** shows the composite allocations. The O&M and Capital composite allocations are based on subtotals of the O&M and Capital costs that were directly allocated to either the demand or customer service categories. The PAYGo composite is based on the subtotals of capital projects specifically funded through PAYGo.

The expenses that are allocated to Demand Service Levels are recovered from the District's volumetric charges. Certain portions of the costs are allocated to the customer service and customer capacity categories, which are recovered from the District's fixed service charges. **Figure 3-4** provides a detailed breakdown of the expenses and cost-of-service allocations. The allocations to individual classes are proportioned in **Figure 3-5** to the classes' flows in each category of service. For example, the Residential class is allocated 65.5% of the average day costs based on the fact that Residential flow is 1,738 HCF of the total 2,652 HCF average day flow.

⁹ The customer service and customer capacity expenses are recovered through the District's Service Charges, which are independent of customer classes.

Water Rate Cost-of-Service Study
Section 3. Cost-of-Service Analysis



Figure 3-4. Cost-of-Service Allocations

Revenue Requirement Category	FY 2026-27 Projected Revenue Requirement	Allocation Factor	Demand Functions			Service Functions	
			Average Day	Maximum Day	Maximum Hour	Customer Accounts	Customer Capacity
O&M Expenses							
110 - Plant							
Salaries & Benefits	\$392,430	Average Day	\$392,430	\$0	\$0	\$0	\$0
SFPUC Purchased Water							
Quantity Charge	\$6,368,785	Average Day	\$6,368,785	\$0	\$0	\$0	\$0
Service Charge	\$47,895	Capacity	\$0	\$0	\$0	\$0	\$47,895
Utilities	\$367,500	Max Day	\$263,233	\$104,267	\$0	\$0	\$0
Supplies & Equipment	\$174,070	Max Day	\$124,683	\$49,387	\$0	\$0	\$0
Fees	\$139,050	Average Day	\$139,050	\$0	\$0	\$0	\$0
120 - Distribution							
Salaries & Benefits	\$1,895,715	Max Hour	\$881,728	\$349,256	\$664,731	\$0	\$0
Utilities	\$68,250	Max Hour	\$31,744	\$12,574	\$23,932	\$0	\$0
Supplies & Equipment	\$284,280	Max Hour	\$132,223	\$52,374	\$99,683	\$0	\$0
Recycle Water Ops.	\$8,240	Max Hour	\$3,833	\$1,518	\$2,889	\$0	\$0
Fees	\$61,800	Average Day	\$61,800	\$0	\$0	\$0	\$0
	\$9,808,015		\$8,399,508	\$569,377	\$791,235	\$0	\$47,895
	100% Plant & Distribution Composite		8%	6%	8%	0%	0%
Capital Expenses							
BAWSCA Surcharge	\$497,651	Capacity	\$0	\$0	\$0	\$0	\$497,651
PAYGo Projects	\$2,478,190	CIP Composite	\$673,131	\$248,772	\$312,135	\$1,233,104	\$11,048
Existing Debt Service	\$1,673,300	Services	\$0	\$0	\$0	\$1,673,300	\$0
Subtotal - Capital Expenses	\$4,649,141		\$673,131	\$248,772	\$312,135	\$2,906,404	\$508,698
Subtotal - O&M and Capital	\$14,457,156		\$9,072,640	\$818,148	\$1,103,370	\$2,906,404	\$556,593
	100% O&M & Capital Composite		5.8%	5.7%	7.6%	20.1%	3.8%
130 - Admin							
Salaries & Benefits	\$3,117,520	O&M & Capital Composite	\$1,956,411	\$176,424	\$237,929	\$626,733	\$120,023
Utilities	\$20,600	O&M & Capital Composite	\$12,928	\$1,166	\$1,572	\$4,141	\$793
Supplies & Equipment	\$263,680	O&M & Capital Composite	\$165,473	\$14,922	\$20,124	\$53,009	\$10,152
Fees	\$206,000	O&M & Capital Composite	\$129,276	\$11,658	\$15,722	\$41,413	\$7,931
Rebate program	\$49,955	O&M & Capital Composite	\$31,349	\$2,827	\$3,813	\$10,043	\$1,923
General & Administrative	\$1,147,775	O&M & Capital Composite	\$720,290	\$64,954	\$87,598	\$230,744	\$44,189
	\$4,805,530		\$3,015,728	\$271,951	\$366,758	\$966,083	\$185,011
Subtotal - O&M and Capital	\$19,262,686		\$12,088,367	\$1,090,099	\$1,470,128	\$3,872,487	\$741,604
Non-Operating Revenue							
Fire Standby	(\$63,000)	Services	\$0	\$0	\$0	(\$63,000)	\$0
Water Connections	(\$25,000)	Services	\$0	\$0	\$0	(\$25,000)	\$0
Renewal of Service	(\$21,000)	Services	\$0	\$0	\$0	(\$21,000)	\$0
Late Charges	(\$70,000)	O&M & Capital Composite	(\$43,929)	(\$3,961)	(\$5,342)	(\$14,072)	(\$2,695)
Miscellaneous Revenues	(\$75,000)	O&M & Capital Composite	(\$47,067)	(\$4,244)	(\$5,724)	(\$15,078)	(\$2,887)
Lease Revenues	(\$262,600)	O&M & Capital Composite	(\$164,796)	(\$14,861)	(\$20,042)	(\$52,792)	(\$10,110)
Taxes & Assessments	(\$1,398,850)	O&M & Capital Composite	(\$877,853)	(\$79,163)	(\$106,760)	(\$281,219)	(\$53,855)
Transmission & Storage	(\$75,000)	O&M & Capital Composite	(\$47,067)	(\$4,244)	(\$5,724)	(\$15,078)	(\$2,887)
Intertie Water Offset	(\$1,270,920)	Average Day	(\$1,270,920)	\$0	\$0	\$0	\$0
	(\$3,261,370)		(\$2,451,631)	(\$106,474)	(\$143,592)	(\$487,239)	(\$72,435)
Transfer to/(from) Reserves	(\$181,250)	O&M & Capital Composite	(\$113,744)	(\$10,257)	(\$13,833)	(\$36,438)	(\$6,978)
Total Revenue Requirement	\$15,820,065		\$9,522,992	\$973,368	\$1,312,703	\$3,348,811	\$662,191
<i>Total Revenue Requirement by Demand and Service Functions</i>					\$11,809,063		\$4,011,002
					Volumetric COS		Service COS
					74.6%		25.4%



Figure 3-5. Customer Class Cost-of-Service Allocations for Demand Service Levels

Volumetric Cost of Service	Average Day	Max Day	Max Hour	Total
Volumetric Revenue Requirement				
Operations & Maintenance	\$11,415,236	\$841,328	\$1,157,993	\$13,414,557
Capital Expenses (PayGo)	\$673,131	\$248,772	\$312,135	\$1,234,038
Non-Operating Revenue	(\$2,451,631)	(\$106,474)	(\$143,592)	(\$2,701,696)
Transfers to/(from) Reserves	(\$113,744)	(\$10,257)	(\$13,833)	(\$137,835)
Total Volume Charges	\$9,522,992	\$973,368	\$1,312,703	\$11,809,063
Units of Service - Daily Demand (hcf)				
Residential	1,738	2,360	3,635	
Commercial, Irrigation, Recycled Water	914	1,342	2,067	
	2,652	3,702	5,702	
Proportional Allocation Factors				
Residential	65.5%	63.7%	63.7%	
Non-Residential	34.5%	36.3%	36.3%	
	100.0%	100.0%	100.0%	
Cost-of-Service Single Family				
Operations & Maintenance	\$7,724,153	\$536,337	\$738,207	\$8,998,697
Capital Expenses (PayGo)	\$455,476	\$158,589	\$198,982	\$813,048
Non-Operating Revenue	(\$1,661,685)	(\$67,876)	(\$91,538)	(\$1,821,099)
Transfers to/(from) Reserves	(\$76,965)	(\$6,539)	(\$8,818)	(\$92,323)
	\$6,440,979	\$620,511	\$836,833	\$7,898,323
Cost-of-Service Commercial, Irr, Rec. Water				
Operations & Maintenance	\$3,691,083	\$304,991	\$419,786	\$4,415,860
Capital Expenses (PayGo)	\$217,655	\$90,183	\$113,153	\$420,990
Non-Operating Revenue	(\$789,946)	(\$38,598)	(\$52,054)	(\$880,598)
Transfers to/(from) Reserves	(\$36,779)	(\$3,718)	(\$5,015)	(\$45,512)
	\$3,082,013	\$352,857	\$475,870	\$3,910,741
Revenue Requirement Allocations				
Residential	\$6,440,979	\$620,511	\$836,833	\$7,898,323
Non-Residential	\$3,082,013	\$352,857	\$475,870	\$3,910,741
	\$9,522,992	\$973,368	\$1,312,703	\$11,809,063

The Residential class is allocated \$7,898,323 of the total demand related expenses and the Non-Residential class (including Recycled Water) is allocated \$3,910,741. These customer class allocations and the expense attributable to customer accounts are compared with the estimated revenue from current rates in **Figure 3-6**.



Figure 3-6. Current Rate Revenue Compared with Cost-of-Service

Components of Rate Structure	Revenue at		Cost of Service		Difference	
	Current Rates (FY 2025-26)		FY 2026-27 Revenue		COS Minus Current	
Volumetric Rates						
Residential	\$6,629,946	44.8%	\$7,898,323	49.9%	\$1,268,377	19.1%
Non-Residential	\$3,343,266	22.6%	\$3,910,741	24.7%	\$567,475	17.0%
	\$9,973,212	67.5%	\$11,809,063	74.6%	\$1,835,851	18.4%
Service Charges						
Residential	\$4,249,807	28.7%	\$3,634,201	23.0%	(\$615,606)	-14.5%
Non-Residential	\$562,089	3.8%	\$376,801	2.4%	(\$185,288)	-33.0%
	\$4,811,896	32.5%	\$4,011,002	25.4%	(\$800,894)	-16.6%
Share of Revenue						
Residential	\$10,879,753	73.6%	\$11,532,524	72.9%	\$652,771	6.0%
Non-Residential	\$3,905,354	26.4%	\$4,287,541	27.1%	\$382,187	9.8%
Total Revenue	\$14,785,108	100.0%	\$15,820,065	100.0%	\$1,034,958	7.0%

The comparison of revenue from current rates with the revenue requirement indicates the following:

- Service charge rates should decrease 16.6% to align with cost-of-service.
- Total revenue generated by volumetric charges need to increase 19.1% for Residential customers and increase 17.0% for Non-Residential customers to align with the cost-of service.

Rates need to be designed to generate each class’s share of the revenue requirement related to volumetric charges. **Figure 3-6** indicates that with the cost-of-service analysis, and the overall revenue increase of 7.0%, Non-Residential customers will see a collective increase of 9.8% while Residential customers’ share will increase 6.0%.

The next section provides the recommended modifications to the service charges and volumetric charges needed to meet the cost of service.



Section 4. Rate Design

This section discusses the design of volumetric charges for Residential and Non-Residential customers and the fixed service charges, which are independent of customer class.

CURRENT RATES

The District's rate payers pay the sum of two charges for water service on a bi-monthly basis: a fixed service (meter) charge based on the size of the service connection plus a volumetric charge based on metered water use during the prior bi-monthly billing period. Current rates are summarized in **Figures 4-1 and 4-2**.

The service charges are the same regardless of customer class. In other words, the charge for a meter of a given size is the same for all meters of that size regardless of which class of customer is served.

Figure 4-1. Current Bi-Monthly Service Charges

Meter Size	Charge per Service
5/8"	\$60.18
3/4"	\$66.26
1"	\$84.39
1.5"	\$108.46
2"	\$175.18
3"	\$662.52
4"	\$843.45
6"	\$1,265.21
8"	\$1,747.17
10"	\$2,349.76
12"	\$2,952.35

The volumetric charges vary depending on the customer class. Residential customers pay tiered consumption charges also referred to as "increasing block rates." Residential customers pay rates for each range of consumption (tier or block); the rate in each tier increases as consumption increases. The total volumetric charge is the sum of the consumption in each tier multiplied by the respective rate in each tier. The current Residential increasing block rates comprise four tiers.



Figure 4-2. Current Bi-Monthly Volumetric Rates

Customer Class	Current Tier Size	\$/HCF
Residential		
Tier-1	0-5 hcf	\$7.28
Tier-2	6-9 hcf	\$10.77
Tier-3	10-13 hcf	\$14.44
Tier-4	Over 13 hcf	\$17.67
Non-Residential		\$10.06
Recycled Water		\$9.05

Non-Residential (including multi-family residential customers) customers’ volumetric rates are uniform and do not increase with increasing use the way they do for the Residential (single-family) customers. Recycled water volumetric rates are also uniform.

WATER USAGE CHARGES

The District has separate volumetric charge¹⁰ structures for Residential and Non-Residential customers. Residential volumetric charges are tiered, which is appropriate because of the variation in demands within a comparatively homogeneous class of customers. The tiered rate structure corresponds to levels of service that range from low, essential needs to high, discretionary needs. The rate for each tier is set to reflect the cost of providing for the amount of peaking that occurs in the District’s water system. Calculating the tiered rates for Residential customers needs to ensure that the rates reflect the cost of providing service across the range of tiers.

Non-Residential (i.e., Non-Residential) volumetric charges are uniform, which is appropriate because this class comprises Non-Residential and municipal uses that are very heterogeneous, but whose water uses – which vary considerably – are less discretionary compared to Residential water use. Calculating the uniform rate for Non-Residential customers is less complex than tiered rate calculations and is related to the calculation of Recycled Water rates, which are based on a set fraction of the Non-Residential rates.

Residential Volumetric Charges

The use of four tiers has been in place for the District’s Residential customers for several years. The number of tiers and the location of the breakpoints between tiers is determined by evaluation of the District’s historical and current water consumption and District-specific data, as discussed previously in Section 3. Each breakpoint was calculated utilizing the total residential daily demand consumption divided by the number of Residential accounts, 11,524, as shown in **Figure 4-3**.

¹⁰ The official title is “Water Usage Charge.” For ease of discussion, the terms “volumetric charge” or “volumetric rate” are used in this report.



Figure 4-3. Residential Tier Breakpoint Calculation

	Base Day	Average Day	Maximum Day	Maximum Hour
Residential Daily Volume (HCF)	1,633	1,738	2,360	3,635
Bi-Monthly Volume (HCF)	97,980	104,268	141,616	218,088
Services	11,524	11,524	11,524	11,524
Flow per Service (HCF bi-monthly)	8.50	9.05	12.29	18.92

This calculated the Average Day Tier breakpoint of 9.05 HCF (1,738 HCF per day x 60 days ÷ 11,524 accounts) and the Maximum Day Tier breakpoint of 12.29 HCF (2,360 HCF per day x 60 days ÷ 11,524 accounts). Because the District bills customers based on whole number increments only, the Average Day Tier breakpoint was set to 9 HCF and the Maximum Day Tier breakpoint was rounded down to 12 HCF. All consumption above the 12 HCF is billed at the maximum hour tiered rate.

The current rates set the Tier-1 breakpoint at 5 HCF based on an allowance for very low water use (124 gallons per day). At the time that this allowance was set, the allocation of capital costs to this tier was reduced to reflect the fact that such low water use required much less capital to provide service. Since that time, however, rate-making standards have shifted. Instead of using discretion to set breakpoints, breakpoints should be based on District-specific customer demand data. Furthermore, instead of using discretion to adjust cost allocations, cost allocations based on cost-of-service analysis should be followed.

Using customer billing data indicates a Tier-1 breakpoint of 8.50 HCF (see **Figure 4-3**). The Tier-2 breakpoint is 9.05 HCF. Because both breakpoints round to 9 HCF, we recommend consolidating Tier-1 into Tier-2.

Analysis of customer billing data also indicates that the breakpoint for Tier-3 should be adjusted from 13 HCF to 12 HCF to reflect the fact that the District’s customers have continued to improve their water use efficiency, thereby reducing maximum day peaking.

After setting these breakpoints, volumetric rates were calculated as shown in **Figure 4-4**.



Figure 4-4. Proposed Residential Volumetric Rates – FY 2026-27

Residential Volumetric Rates	Average Day	Maximum Day	Maximum Hour
Demand Condition	Average Day	Max Day	Max Hour
Tier Structure			
Volume per Tier (hcf)	0-9 hcf	10 - 12 hcf	13+ hcf
hcf by Tier	218,579	129,035	286,685
Revenue Requirement by Tier	\$6,440,979	\$620,511	\$836,833
Total hcf by Tier	634,299	415,720	286,685
Cost-of-Service per Unit (hcf)	\$10.15	\$1.49	\$2.92
Tier 1 (0-9 hcf)	\$10.15	\$10.15	\$10.15
Tier 2 (10 - 12 hcf)		\$1.49	\$1.49
Tier 3 (13+ hcf)			\$2.92
Unit Cost per hcf (by Tier)	\$10.15	\$11.65	\$14.57

Figure 4-5 compares the breakpoints and rates for the current and cost-of-service-based tiers for Residential accounts. The percentage increases differ from tier to tier. The proposed rates combine the current Tier-1 and Tier-2 rates. In turn, the current Tier-3 becomes the proposed Tier-2 and the current Tier-4 becomes the proposed Tier-3.

Figure 4-5. Comparison of Current and Proposed Residential Rates by Tier

Bi-Monthly Demand HCF	Gal/Day	FY 2026-27		
		Current Rate	Proposed Rate	\$ Change
1	12	\$7.28	\$10.15	\$2.87
2	25	\$7.28	\$10.15	\$2.87
3	37	\$7.28	\$10.15	\$2.87
4	50	\$7.28	\$10.15	\$2.87
5	62	\$7.28	\$10.15	\$2.87
6	75	\$10.77	\$10.15	(\$0.62)
7	87	\$10.77	\$10.15	(\$0.62)
8	100	\$10.77	\$10.15	(\$0.62)
9	112	\$10.77	\$10.15	(\$0.62)
10	125	\$14.44	\$11.65	(\$2.79)
11	137	\$14.44	\$11.65	(\$2.79)
12	150	\$14.44	\$11.65	(\$2.79)
13	162	\$14.44	\$14.57	\$0.13
14	175	\$17.67	\$14.57	(\$3.10)

Figure 4-6 shows the three-year schedule of proposed volumetric rates.



Figure 4-6. Comparison of Current and COS-Based Residential Tiers

Customer Class	Current Tier Size	\$/HCF	Customer Class	Proposed Tier Size	Proposed Rates by Effective Date		
					8/1/2026	7/1/2027	7/1/2028
Residential			Residential				
Tier-1	0-5 hcf	\$7.28	Tier-1	0-9 hcf	\$10.15	\$10.76	\$11.41
Tier-2	6-9 hcf	\$10.77	Tier-2	10-12 hcf	\$11.65	\$12.35	\$13.09
Tier-3	10-13 hcf	\$14.44	Tier-3	Over 12 hcf	\$14.57	\$15.44	\$16.37
Tier-4	Over 13 hcf	\$17.67					
Non-Residential	All usage	\$10.06	Non-Residential	All usage	\$11.72	\$12.42	\$13.17
Recycled Water	All usage	\$9.05	Recycled Water	All usage	\$10.55	\$11.18	\$11.85
<i>Rate Increase %</i>					<i>varies</i>	<i>6%</i>	<i>6%</i>

The variation in FY 2026-27 rate adjustments occurs as a result of re-aligning the rates with the newly calculated cost-of-service. After the rate adjustment effective August 1, 2026 to re-align the rates with the cost-of-service, the projected increases in subsequent years can be made across-the-board to reflect the cost-of-service during the entire three-year rate projection period.

The size of Tier-1 in the proposed rates will expand to include both the Tier-1 and Tier-2 volumes of the current structure. Tier 2 for the proposed tiers does not include as much water as the existing Tier 3 because of increased efficiency. For an average household, the size of the proposed Tier-1 will cover inside water use with a small allowance for discretionary outdoor water use.

Proposed Tiers 2 and 3 correspond to higher levels of service for irrigation and other seasonal water uses. Tier-2 demand corresponds to maximum day peaking, which occurs in the summer for irrigation. Tier-3 is the highest level of service for peak hour demands when the system is at its highest output. The proposed tiers are compressing from their existing sizes to reflect the effects of conservation. As less peaking demand is placed on the system, a greater portion of consumption is reported in the proposed Tier-1.

Non-Residential Volumetric Charges

The Non-Residential volumetric charge is a uniform rate. For FY 2026-27, the volumetric charge is derived by dividing the volumetric portion of the Non-Residential revenue requirement in **Figure 3-5** by the projected Non-Residential water use. The District also supplies recycled water for irrigation at a rate equal to 90% of the Non-Residential rate. The cost reduction is allocated to other Non-Residential water users who may be future users of recycled water. When this adjustment is made, the Non-Residential uniform volumetric charge is \$11.72 per HCF and the uniform Recycled Water volumetric charge is \$10.55 per HCF.

Pass-Through Adjustment

The cost of SFPUC water is the single largest component of the District’s revenue requirements. Because the District has no control over the SFPUC’s wholesale water rate, this cost is simply passed through to the District’s customers. The SFPUC provides projections of its future wholesale water rates, which are built into the rate projections in this study. The SFPUC updates its projections each year as part of the rate-making process prescribed in the wholesale Water Supply Agreement. California Government Code Section 53756 authorizes



water suppliers to adjust their rates in response to changes in pass-through costs. We recommend that the District incorporate annual pass-through adjustments in its volumetric rates.

Each year the District should determine how much, if any, pass-through adjustment is required as soon as the SFPUC submits its updated wholesale rates, which is typically in April or May each year. The wholesale rate used for the projections in this study should be compared with the updated rate and the difference either added or subtracted from the District's volumetric rates for Residential and Non-Residential customers. The wholesale rates per HCF used in this study¹¹ are as follows:

July 2026 – \$6.23 per HCF

July 2027 – \$6.69 per HCF

July 2028 – \$6.91 per HCF

For example, if the updated SFPUC rate for FY 2027-28 is \$6.84 instead of the projected \$6.69, the \$0.15 difference should be added to the volumetric rates charged to Residential and Non-Residential water customers. If the updated SFPUC rate is less than the foregoing rates, the difference should be subtracted from the District's volumetric rates. In other words, the adjustment should be made in either direction.

Recycled Water rates would change in relation to pass-through adjustments to Non-Residential rates to maintain a ratio of 90% of the Non-Residential volumetric rate charged per the existing agreement the District has with the City of Pacifica. In the example above, if the volumetric rates increased by \$0.15, Non-Residential water rates would increase from \$12.42 to \$12.57 per HCF in FY 2027-28. However, recycled water rates would increase by \$0.13, from \$11.18 to \$11.31, so that the new recycled rate would continue to be equal to 90% of the Non-Residential volumetric rate.

SERVICE CHARGES

Service charge rates are fixed rates that are billed each billing period to recover the cost of the service functions. The cost-of-service analysis determines how much of the revenue requirement is attributable to the customer service function. **Figure 3-6** indicated that the revenue from fixed charges would decrease 16.6% to \$4,011,002 to align with the cost of service. Costs attributable to customer services are allocated to customers in proportion to their number of meters. Costs attributable to customer capacity are allocated to customers in proportion to the capacity of their services. The sum of the customer service and capacity equals the fixed charge rate per connection.

Figure 4-7 lists the units of service corresponding to each of the cost components. The 12,435 services are used for apportioning the customer service cost components.

¹¹ Rate for FY 2026-2027 adopted by the SFPUC on April 28, 2026. Estimated rates for FY 2027-28 and FY 2028-2029 included in SFPUC presentation to BAWSCA members on February 19, 2026.



Figure 4-7. Service Charge Units of Service

Applicable Service Size	Services	Meter Ratings (gpm) ¹	Capacity Multiplier	EMUs
	a	b	c = b ÷ 20	d = a x c
5/8" Meters	11,242	20	1.00	11,242
3/4" Meters	320	30	1.50	480
1" Meters	682	50	2.50	1,705
1.5" Meters	75	100	5.00	375
2" Meters	88	160	8.00	704
3" Meters	17	435	21.75	370
4" Meters	6	750	37.50	225
6" Meters	4	1,600	80.00	320
8" Meters	1	2,800	140.00	140
10" Meters	0	4,200	210.00	0
12" Meters	0	5,300	265.00	0
Total	12,435		Total EMUs	15,561

¹Capacity multiplier assumes 5/8" meter = 1 EMU = 20 gallons per minute.

Capacity costs associated with the distribution system are apportioned among the connections in proportion to the capacity associated with each connection. In **Figure 4-7**, Connections are converted to Equivalent Meter Units (EMUs) to apportion the customer capacity cost component for potable and recycled water meters. An EMU represents the number of 5/8-inch meters to which a larger meter is equivalent. For example, a 1-inch meter provides 2.50 times as much capacity as a 5/8-inch meter. The capacity multipliers are based on the M1 Manual. There are 15,561 total EMUs. In effect, the 12,435 services of assorted sizes have the equivalent capacity as 15,561 5/8-inch meters.

Figure 4-8 derives the unit costs for the customer accounts and customer capacity cost components. Each service is allocated \$44.88 per bi-monthly period for the customer service and public fire protection cost components. This amount represents the costs the District incurs to maintain each service regardless of the capacity of the service (e.g., customer billing, administration overhead). Each potable or Recycled Water (i.e., non-fire protection) service is also allocated \$7.09 per month per EMU. This amount represents a portion of the cost of providing distribution system capacity for each account, and increases based on the capacity of the meter.

Figure 4-8. Service Charge Unit Costs

	Service Component	Capacity Component	Total
Total Expenses FY 2026-27	\$3,348,811	\$662,191	\$4,011,002
Units of Service	12,435	15,561	
	Services	EMUs	
Annual Unit Cost	\$269.31	\$42.56	
Bi-Monthly Unit Cost	\$44.88	\$7.09	
	per Service	per EMU	



Figure 4-9 combines the customer service and capacity components into a single service charge for each size service.

Figure 4-9. Proposed Bi-Monthly Service Charge Rates – FY 2026-27

Meter Size	Service Component	Capacity Component			COS Service Charges (\$/bill)
		\$/EMU	Capacity Multiplier	Capacity Total	
	a	b	c	d = b x c	e = a + d
5/8"	\$44.88	\$7.09	1.00	\$7.09	\$51.98
3/4"	\$44.88	\$7.09	1.50	\$10.64	\$55.52
1"	\$44.88	\$7.09	2.50	\$17.73	\$62.62
1.5"	\$44.88	\$7.09	5.00	\$35.46	\$80.35
2"	\$44.88	\$7.09	8.00	\$56.74	\$101.62
3"	\$44.88	\$7.09	21.75	\$154.26	\$199.15
4"	\$44.88	\$7.09	37.50	\$265.97	\$310.85
6"	\$44.88	\$7.09	80.00	\$567.40	\$612.29
8"	\$44.88	\$7.09	140.00	\$992.96	\$1,037.84
10"	\$44.88	\$7.09	210.00	\$1,489.43	\$1,534.32
12"	\$44.88	\$7.09	265.00	\$1,879.52	\$1,924.41

With the proposed rates, all meter sizes would see a decrease in FY 2026-27. **Figure 4-10** shows the proposed schedule of service charges.

Figure 4-10. Current and Proposed Bi-Monthly Service Charges

Meter Size	Current Charge per Service	Proposed Rates by Effective Date		
		8/1/2026	7/1/2027	7/1/2028
5/8"	\$60.18	\$51.98	\$55.10	\$58.41
3/4"	\$66.26	\$55.52	\$58.85	\$62.38
1"	\$84.39	\$62.62	\$66.38	\$70.36
1.5"	\$108.46	\$80.35	\$85.17	\$90.28
2"	\$175.18	\$101.62	\$107.72	\$114.18
3"	\$662.52	\$199.15	\$211.10	\$223.77
4"	\$843.45	\$310.85	\$329.50	\$349.27
6"	\$1,265.21	\$612.29	\$649.03	\$687.97
8"	\$1,747.17	\$1,037.84	\$1,100.11	\$1,166.12
10"	\$2,349.76	\$1,534.32	\$1,626.38	\$1,723.96
12"	\$2,952.35	\$1,924.41	\$2,039.87	\$2,162.26
<i>Rate Increase %</i>		<i>varies</i>	<i>6%</i>	<i>6%</i>

The bi-monthly service charge is payable whether or not any water is used during the billing period and irrespective of the amount of water, if any, used.

Portable Meters

The charges for portable water meters for construction and other temporary situations are the same as the service charges above in **Figure 4-10**.



Fire Protection Service Charges

The charges for all private fire protection service connections, which include all structures that have a fire service line, are increasing at the same percentages as the revenue increases shown in **Figure 2-4**. **Figure 4-11** summarizes the current and proposed bi-monthly fire protection service charges.

Figure 4-11. Current and Proposed Bi-Monthly Fire Protection Charges

Fireline Size	Current Charge per Service	Proposed Rates by Effective Date		
		8/1/2026	7/1/2027	7/1/2028
2" or less	\$13.51	\$14.46	\$15.33	\$16.25
4"	\$42.23	\$45.19	\$47.90	\$50.77
6"	\$84.45	\$90.36	\$95.78	\$101.53
8"	\$168.89	\$180.71	\$191.55	\$203.04
<i>Rate Increase %</i>		<i>7%</i>	<i>6%</i>	<i>6%</i>

WATER SHORTAGE REVENUE STABILIZATION FACTORS

During prolonged shortages, customers are required to conserve or even ration their water use. These shortages can include locally declared water shortages caused by facility operations, State mandated reductions, or natural disasters including droughts. The magnitude of the water savings can significantly reduce water sales revenue from quantity charges.

During shortages, costs do not decrease in direct proportion to decreases in water use because typically a majority of costs are fixed regardless of how much water is supplied. In the District’s case, 53.7% of costs are fixed and the remaining 46.3% of costs vary in proportion to water use. Hence, a 15% reduction in water use by customers may only reduce costs about 6.9% (i.e., 15% of the 46.3% of costs that vary in proportion to water use). With the revised cost-of-service based rates, the District will receive 25.4% of its revenue from fixed charges and the remaining 74.6% of revenue will come from water use charges (volumetric rates). Therefore a 15% reduction in water sales results in a 11.1% reduction in revenue (i.e., 15% of 74.6% of the revenue from volumetric rates). This means that, in a year-long 15% shortage, 93.1% of the costs are incurred while only 88.9% of the revenue is received, which is a 4.2% revenue shortfall.

Reserves may be able to cover the revenue shortfall during brief rationing periods. For longer or more severe rationing periods, temporary volumetric rate increases are needed to offset this revenue shortfall in order to maintain service levels. On average, the temporary volumetric rate increases are designed to be revenue neutral. In other words, customers will pay increased volumetric rates, which when multiplied by their reduced demand, will generate only enough water use charge revenue to cover costs.

The District proposes to use Water Shortage Revenue Stabilization Factors to make the temporary volumetric rate adjustments that are needed during official water shortage emergencies declared by the Board of Directors to offset the revenue shortfalls caused by conservation. Although the Water Shortage Revenue Stabilization Factors are designed to be revenue neutral, they must be implemented in compliance with the public notification requirements of Proposition 218.



Water Shortage Contingency Plan Levels

The District’s draft Water Shortage Contingency Plan 2025 update (WSCP) was developed to serve as a flexible framework of planned response measures to mitigate future water supply shortages. During shortages, the District may require water conservation by all its customers towards meeting necessary water use reduction goals. The WSCP also directs the District to focus its water conservation efforts on reducing discretionary water uses, such as outdoor irrigation, while attempting to preserve uses that are essential to health and safety and minimize economic and other impacts to its customers.

Consistent with state requirements, the District’s WSCP is based on the six shortage levels shown in **Figure 4-12**. During a water shortage, the District will implement a range of actions to reduce water use and help ensure that demand for water does not exceed supply. Such actions may include public outreach campaigns, water efficiency customer assistance and rebate programs, operational changes, and prohibitions and restrictions on some uses. In the more severe stages of shortage, the District will also implement water rationing and require mandatory water reductions.

The District has planned demand reduction actions and other actions for each shortage level in the WSCP, and the District calculated corresponding reductions that could be achieved for each level. **Figure 4-12** lists the estimated percentage reductions that will be achieved when implementing the demand reduction actions and other actions specified in the WSCP for each shortage level. As can be seen in the figure, for a shortage level up to 10% (Stage 1), the District will require an 8% reduction in water use, and the actions for a shortage of up to 20% (Stage 2) will require a 15% reduction in water use.

Figure 4-12. Water Use Reductions Required for Each Stage of the District’s WSCP

	Stage 1 Up to 10% Reduction	Stage 2 Up to 20% Reduction	Stage 3 Up to 30% Reduction	Stage 4 Up to 40% Reduction	Stage 5 Up to 50% Reduction	Stage 6 Greater than 50% Reduction
WSCP- Estimated Water Use Reduction	8%	15%	25%	35%	45%	53%

As described further below, FY 2024-25 water consumption data was analyzed to determine the reduction requirement for both Residential and Non-Residential customer classes for each shortage level in the WSCP to meet the overall water savings assumed at that level.

Methodology

Since the passage of Proposition 218, recurrent water shortages have led an increasing number of water suppliers to adopt revenue stabilization adjustments that do not trigger the Proposition 218 protest process each time an adjustment is made. This is accomplished by including the Water Shortage Revenue Stabilization Factor Adjustment procedure in the Proposition 218 notice at the time rates are adopted in compliance with Proposition 218. The notice describes the process, which rate payers have the right to protest. Barring a majority protest, the adjustment process is adopted as part of the rate increase and can be implemented as needed during the term of the adopted rate increases.

The adjustment process includes factors by which quantity (volumetric) charge rates are adjusted in alignment with the reduction stages in the WSCP. The factors are only applied to the quantity (volumetric) charge rates and not to the service charge rates to capture a



customer’s changes in water demand. As part of the recommended revenue stabilization factors, it is proposed that the shortage reductions will vary by customer class. Each class’s reduction will be determined by reducing “outdoor” water use (seasonal water use) 2.0 times more than “indoor” (average winter water use) water use. It is assumed that seasonal “outdoor” water demand is primarily for irrigation, which is a lower beneficial use than non-seasonal “indoor” demand, which is primarily related to health and safety needs. In the District’s case, all water consumption by all other groups besides the single-family residential customers is counted as Non-Residential consumption in the figures that follow.

Analysis

Based on FY 2024-25 metered consumption data, the resulting reductions are summarized in **Figure 4-13**. The reductions shown represent the customer class reductions required to achieve the reduction associated with each shortage stage. The customer class reductions are greater or less than the overall average for each stage depending on how much of each class’s water demand is seasonal. The reductions for Non-Residential customers are slightly greater because this class has slightly more seasonal demand.

**Figure 4-13. Required Water Use Reductions
(by Class for Each Drought Stage as Described in the District’s WSCP)**

Class	Stage 1 Up to 10% Reduction	Stage 2 Up to 20% Reduction	Stage 3 Up to 30% Reduction	Stage 4 Up to 40% Reduction	Stage 5 Up to 50% Reduction	Stage 6 Greater than 50% Reduction
Residential	8%	15%	24%	34%	44%	52%
Non-Residential	8%	16%	26%	36%	47%	55%

Figure 4-14 shows the calculation of each customer class’s respective shortage reduction required during each shortage stage. The annual demand for each class is separated into indoor and outdoor water use where indoor water use is defined as the billing period from March through April multiplied times 6 to get the annualized indoor water use over 12 months. Subtracting indoor water use from the total annual water use determines the seasonal outdoor water use.

The percentage reductions for each customer class required to achieve the overall reduction for a particular stage are derived so that outdoor consumption is reduced 2.0 times indoor consumption. In a Stage 1 shortage, a 7.4% reduction in indoor water use and a 14.8% reduction in outdoor water use are required to achieve an overall 8% reduction. Applying the same reduction factors to each class results in different overall reductions for the class based on the relative proportions of their indoor and outdoor water use.

To achieve the 8% Stage 1 reduction, Residential, Non-Residential, and Recycled Water customers, are required to conserve 8%. However, in Stages 2, 3, 4, 5, and 6, Non-Residential and Recycled Water customers are required to conserve a larger percentage than Residential customers. This is because Non-Residential and Recycled Water customers have higher seasonal use compared to Residential customers, as a result of lower Residential irrigation demand and seasonal Non-Residential demand driven by tourism. Note that the reduction required in Stage 6 is so great that all outdoor water use is eliminated. In the example shown in **Figure 4-14**, a 53% reduction is assumed, requiring indoor water use to be cut back 48.8%, which is a slightly greater relationship than the 2-to-1 relationship used for all other stages.



**Figure 4-14. Calculation of Shortage Reductions
(by Stage and Customer Class)**

8% Stage 1 Reduction (up to 10% reduction)									
Baseline Annual Demand (HCF)				Reductions					
Class	Total	Indoor	Outdoor	Indoor	Outdoor	Indoor	Outdoor	Total	Total
Residential	634,299	596,046	38,253	7.4%	14.8%	44,059	5,655	49,715	8%
Non-Residential	321,100	280,764	40,336	7.4%	14.8%	20,754	5,963	26,717	8%
Total	955,399	876,810	78,589	7.4%	14.8%	64,813	11,619	76,432	8.0%
15% Stage 2 Reduction (up to 20% reduction)									
Baseline Annual Demand (HCF)				Reductions					
Class	Total	Indoor	Outdoor	Indoor	Outdoor	Indoor	Outdoor	Total	Total
Residential	634,299	596,046	38,253	13.9%	27.7%	82,611	10,604	93,215	15%
Non-Residential	321,100	280,764	40,336	13.9%	27.7%	38,914	11,181	50,095	16%
Total	955,399	876,810	78,589	13.9%	27.7%	121,525	21,785	143,310	15.0%
25% Stage 3 Reduction (up to 30% reduction)									
Baseline Annual Demand (HCF)				Reductions					
Class	Total	Indoor	Outdoor	Indoor	Outdoor	Indoor	Outdoor	Total	Total
Residential	634,299	596,046	38,253	23.1%	46.2%	137,686	17,673	155,359	24%
Non-Residential	321,100	280,764	40,336	23.1%	46.2%	64,856	18,635	83,491	26%
Total	955,399	876,810	78,589	23.1%	46.2%	202,542	36,308	238,850	25.0%
35% Stage 4 Reduction (up to 40% reduction)									
Baseline Annual Demand (HCF)				Reductions					
Class	Total	Indoor	Outdoor	Indoor	Outdoor	Indoor	Outdoor	Total	Total
Residential	634,299	596,046	38,253	32.3%	64.7%	192,760	24,742	217,502	34%
Non-Residential	321,100	280,764	40,336	32.3%	64.7%	90,799	26,089	116,888	36%
Total	955,399	876,810	78,589	32.3%	64.7%	283,559	50,831	334,390	35.0%
45% Stage 5 Reduction (up to 50% reduction)									
Baseline Annual Demand (HCF)				Reductions					
Class	Total	Indoor	Outdoor	Indoor	Outdoor	Indoor	Outdoor	Total	Total
Residential	634,299	596,046	38,253	41.6%	83.2%	247,834	31,811	279,645	44%
Non-Residential	321,100	280,764	40,336	41.6%	83.2%	116,741	33,543	150,284	47%
Total	955,399	876,810	78,589	41.6%	83.2%	364,575	65,354	429,930	45.0%
53% Stage 6 Reduction (greater than 50% reduction)									
Baseline Annual Demand (HCF)				Reductions					
Class	Total	Indoor	Outdoor	Indoor	Outdoor	Indoor	Outdoor	Total	Total
Residential	634,299	596,046	38,253	48.8%	100.0%	290,795	38,253	329,048	52%
Non-Residential	321,100	280,764	40,336	48.8%	100.0%	136,977	40,336	177,313	55%
Total	955,399	876,810	78,589	48.8%	100.0%	427,772	78,589	506,361	53.0%

The service charges are fixed and generate 25.4% of the total rate revenue regardless of shortages. The remaining 74.6% of revenue is generated by the volumetric rates. In deriving the Water Shortage Revenue Stabilization Factors, the factors will only apply to the volumetric rates because fluctuations in water use correlate with fluctuations in variable costs. Each customer class has its own set of Water Shortage Revenue Stabilization Factors corresponding to its reduction in each stage of shortage.

The formula for the Water Shortage Revenue Stabilization Factors comprises conservation and variable cost components. The conservation component adjusts to account for the required reduction in water demand. The variable cost component adjusts to account for the portion of variable costs that is covered by the quantity charges. The Water Shortage Revenue Stabilization Factors are the product of the conservation component multiplied by the variable cost component. Each component is defined as follows:

Water Shortage Revenue Stabilization Factor = Conservation Component multiplied times Variable Cost Component, where

Conservation Component = $1/(1 - a)$, where



a = required percentage reduction, which varies by customer class.

Variable Cost Component = $(b - (c * a))/b$, where

a = required percentage reduction, which varies by customer class;

b = percentage of revenue from total service charges and volumetric rates for all customer classes that is attributable to volumetric rates, an amount that is 74.6% based on the cost-of-service analysis; and

c = percentage of total revenue requirement covered by service charges and volumetric rates that varies based on fluctuations in demand, an amount that is currently 46.3%.¹²

The following example illustrates how the formula determined the 1.032 Water Shortage Revenue Stabilization Factor in **Figure 4-15** for the Residential customer class in a Stage 1 shortage in which an overall conservation goal of 8% is required.

Conservation Component: $1/(1 - a) = 1/(1 - 0.0784) = 1.0850$, where

a = required percentage reduction is 7.84% for the residential customer class (see **Figure 4-13**, where a rounded 8% is shown).

Variable Cost Component: $(b - (c * a))/b = (0.746 - (0.463 * 0.0784))/0.746 = 0.9514$, where

a = 7.84% reduction for residential customers in a Stage 1 shortage.

b = 74.6% of total rate revenue is generated by quantity charges; and

c = 46.3% of revenue requirement is related to variable costs

Water Shortage Revenue Stabilization Factor: $1.0850 * 0.9514 = 1.0323$ (or 1.032 rounded, as shown in **Figure 4-15**).

The residential quantity charge rates in effect under non-shortage conditions would be multiplied by 1.032 to derive the quantity charge rates to be in effect during a Stage 1 water shortage. **Figure 4-15** shows the Water Shortage Revenue Stabilization Factors that would be applied to the rates that would normally be in effect absent declared shortages.

¹² The cost of SFPUC water is the largest example of a variable cost, which varies with water demand.



**Figure 4-15 Water Shortage Revenue Stabilization Factors by WSCP
(Defined Water Shortage Stage and Customer Class)**

Class	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
	Up to 10% Reduction	Up to 20% Reduction	Up to 30% Reduction	Up to 40% Reduction	Up to 50% Reduction	Greater than 50% Reduction
Residential	1.032	1.065	1.123	1.198	1.300	1.410
Non-Residential	1.034	1.070	1.133	1.217	1.334	1.468

To be applied to the non-shortage rates in effect at the time of the shortage declaration.

Implementation

The recommended Water Shortage Revenue Stabilization Factors in **Figure 4-15** are implemented only during periods of declared water shortage emergencies. Once a mandatory shortage is declared, the Board of Directors has discretion to enact Water Shortage Revenue Stabilization Adjustments corresponding to the level of shortage reduction implemented using the factors provided in **Figure 4-15**. The adjustments can go in either direction from stage to stage depending on whether the level of reduction is increasing or decreasing during the shortage. At least 30 days prior to making the adjustment, notice must be provided to rate payers, which can be included in the customer’s bills. No protest process is required. These adjustments would be temporary, and rates would return to the regular schedule at the conclusion of the water shortage emergency.

These stabilization adjustments act similarly to the pass-through adjustments for the cost of SFPUC purchased water, which were incorporated into the Proposition 218 notice in the last rate increase. The pass-through adjustment allows the District to adjust volumetric rates to track any difference between the SFPUC rates that were included in the model and the actual rates adopted each year by SFPUC. The pass-through adjustment can also be made by providing 30-day notice in the customer bills without triggering the need for a Proposition 218 protest process.



Section 5. Customer Bill Impacts

RESIDENTIAL BILLS

Figure 5-1 tabulates the current and proposed bills for Residential customers with a 5/8" service. The bills are calculated from 0 to 30 HCF. At 0 HCF, only the service charge is shown. From 1 HCF and higher the bi-monthly demand is shown in both HCF and gallons per day (GPD). The color changes highlight the consolidation from four to three tiers. The dollar difference compares the proposed bills with the current bills.

Figure 5-1. Current and Proposed Residential Bill Comparison

Bi-Monthly Demand		Residential Bi-Monthly Bills (5/8" Service)			
		Current	Proposed	\$	%
HCF	Gal/Day	Rates	FY 2026-27 (3-Tiers)	Difference	Difference
0	0	\$60.18	\$51.98	(\$8.20)	-13.6%
1	12	\$67.46	\$62.13	(\$5.33)	-7.9%
2	25	\$74.74	\$72.28	(\$2.46)	-3.3%
3	37	\$82.02	\$82.43	\$0.41	0.5%
4	50	\$89.30	\$92.58	\$3.28	3.7%
5	62	\$96.58	\$102.73	\$6.15	6.4%
6	75	\$107.35	\$112.88	\$5.53	5.2%
7	87	\$118.12	\$123.03	\$4.91	4.2%
8	100	\$128.89	\$133.18	\$4.29	3.3%
9	112	\$139.66	\$143.33	\$3.67	2.6%
10	125	\$154.10	\$154.98	\$0.88	0.6%
11	137	\$168.54	\$166.63	(\$1.91)	-1.1%
12	150	\$182.98	\$178.28	(\$4.70)	-2.6%
13	162	\$197.42	\$192.85	(\$4.57)	-2.3%
14	175	\$215.09	\$207.42	(\$7.67)	-3.6%
15	187	\$232.76	\$221.99	(\$10.77)	-4.6%
16	199	\$250.43	\$236.56	(\$13.87)	-5.5%
17	212	\$268.10	\$251.13	(\$16.97)	-6.3%
18	224	\$285.77	\$265.70	(\$20.07)	-7.0%
19	237	\$303.44	\$280.27	(\$23.17)	-7.6%
20	249	\$321.11	\$294.84	(\$26.27)	-8.2%
21	262	\$338.78	\$309.41	(\$29.37)	-8.7%
22	274	\$356.45	\$323.98	(\$32.47)	-9.1%
23	287	\$374.12	\$338.55	(\$35.57)	-9.5%
24	299	\$391.79	\$353.12	(\$38.67)	-9.9%
25	312	\$409.46	\$367.69	(\$41.77)	-10.2%
26	324	\$427.13	\$382.26	(\$44.87)	-10.5%
27	337	\$444.80	\$396.83	(\$47.97)	-10.8%
28	349	\$462.47	\$411.40	(\$51.07)	-11.0%
29	362	\$480.14	\$425.97	(\$54.17)	-11.3%
30	374	\$497.81	\$440.54	(\$57.27)	-11.5%



With the proposed rates, all customers with a 5/8-inch meter¹³ will pay no more than the overall 7% revenue increase for FY 2026-27. Very low use customers will see bill reductions because of the reduced service charge. Customers using 11 HCF or more will also see bill reductions because of lower volumetric rates. Two-thirds of customer bills do not exceed 9 HCF (Tier-1’s breakpoint) and those using 9 HCF will pay only 2.6% more than current rates despite the overall 7% revenue increase.

NON-RESIDENTIAL BILLS

Figure 5-2 tabulates the current and proposed bills for Non-Residential customers receiving potable water with a 5/8-inch service. This size of service is common for this customer class. The average Non-Residential bill is 58 HCF. Thus, customers with average water use, served by a 5/8-inch meter would see an increase to their bill of \$88.08. This increase is the result of (1) the need for an overall 7% increase in revenue, (2) the updated cost-of-service allocations, and (3) the realignment of the service and volume charges.

Figure 5-2. Current and Proposed Non-Residential Bill Comparison

Bi-Monthly Demand		Commercial Bi-Monthly Bills (5/8" Service)			
HCF	Gal/Day	Current	Proposed FY 2026-27	\$ Difference	% Difference
0	0	\$60.18	\$51.98	(\$8.20)	-13.6%
10	125	\$160.78	\$169.18	\$8.40	5.2%
20	249	\$261.38	\$286.38	\$25.00	9.6%
30	374	\$361.98	\$403.58	\$41.60	11.5%
40	499	\$462.58	\$520.78	\$58.20	12.6%
50	623	\$563.18	\$637.98	\$74.80	13.3%
60	748	\$663.78	\$755.18	\$91.40	13.8%
70	873	\$764.38	\$872.38	\$108.00	14.1%
80	997	\$864.98	\$989.58	\$124.60	14.4%
90	1,122	\$965.58	\$1,106.78	\$141.20	14.6%
100	1,247	\$1,066.18	\$1,223.98	\$157.80	14.8%
110	1,371	\$1,166.78	\$1,341.18	\$174.40	14.9%
120	1,496	\$1,267.38	\$1,458.38	\$191.00	15.1%

Figure 5-2 demonstrates that increases to Non-Residential customer bills are attributable to volumetric charge increases as the percentage increase per bill rises relative to water use recorded. volumetric charges are increasing as a result of the cost-of-service analysis, which indicated that Non-Residential customers share of demand-related expenses has increased relative to Residential customers. However, it is worth noting that both Non-Residential demand and Residential demand have decreased since the previous cost-of-service study. Because Residential use has declined further, Non-Residential customers have been allocated a larger share than in the past. Consequently, the proposed uniform rate is increasing 16.5% from the current rate. Thus, when usage occurs, under the proposed rates Non-Residential customers will pay more for service.

¹³ 90.4% of customers have 5/8-inch services.



Figure 5-3 tabulates the current and proposed bills for Recycled Water customers with a 4-inch service.

Figure 5-3. Current and Proposed Recycled Water Bill Comparison

Bi-Monthly Demand		Recycled Water Bi-Monthly Bills (4" Service)			
HCF	Gal/Day	Current	Proposed FY 2026-27	\$ Difference	% Difference
0	0	\$843.45	\$310.85	(\$532.60)	-63.1%
100	1,247	\$1,748.45	\$1,365.85	(\$382.60)	-21.9%
200	2,493	\$2,653.45	\$2,420.85	(\$232.60)	-8.8%
300	3,740	\$3,558.45	\$3,475.85	(\$82.60)	-2.3%
400	4,987	\$4,463.45	\$4,530.85	\$67.40	1.5%
500	6,233	\$5,368.45	\$5,585.85	\$217.40	4.0%
600	7,480	\$6,273.45	\$6,640.85	\$367.40	5.9%
700	8,727	\$7,178.45	\$7,695.85	\$517.40	7.2%
800	9,973	\$8,083.45	\$8,750.85	\$667.40	8.3%
900	11,220	\$8,988.45	\$9,805.85	\$817.40	9.1%
1,000	12,467	\$9,893.45	\$10,860.85	\$967.40	9.8%
1,100	13,713	\$10,798.45	\$11,915.85	\$1,117.40	10.3%
1,200	14,960	\$11,703.45	\$12,970.85	\$1,267.40	10.8%

AGENCY BILL COMPARISON

Figure 5-4 compares the District’s current and proposed Residential volumetric rates to some of its neighboring water suppliers based on available rate information for 2026. The number of tiers and water use within each tier differs between jurisdictions. **Figure 5-4** also compares the water bills paid by customers with a 5/8-inch water meter, or the smallest meter size available. Even with the proposed rates, the District’s customers will pay among the lowest for low water use (5 HCF), average water use (9 HCF), and high water use (18 HCF) among customers in neighboring jurisdictions.

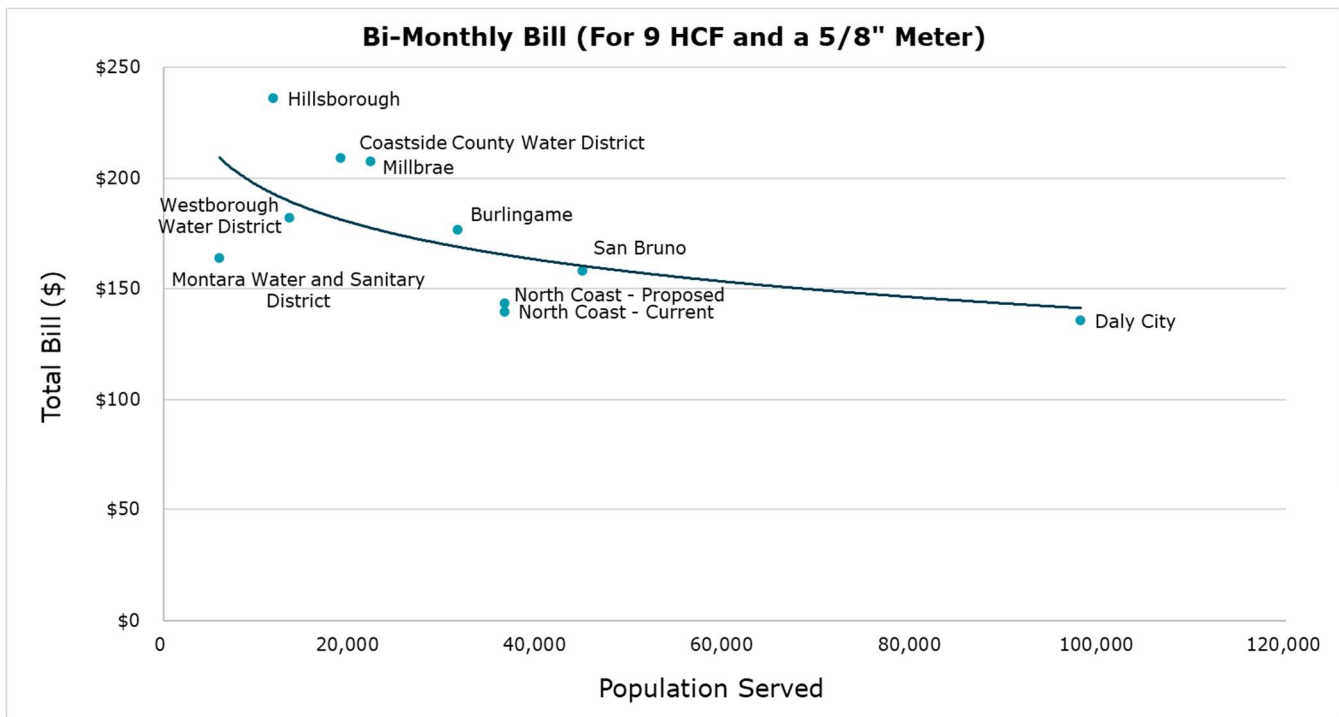
Figure 5-4. Comparison to Other Local Residential Volumetric Rates

	NCCWD		Rates per Tier (\$/HCF)							
	Current	Proposed	Burlingame	Coastside	Hillsborough	Montara	San Bruno	Daly City	Millbrae	Westborough
Tier 1	\$7.28	\$10.15	\$9.79	\$13.30	\$7.59	\$10.29	\$10.79	\$7.99	\$15.42	\$11.69
Tier 2	\$10.77	\$11.65	\$10.98	\$19.76	\$9.91	\$13.58	\$12.80	\$10.58		
Tier 3	\$14.44	\$14.57	\$12.18	\$23.93	\$15.63	\$16.83	\$16.83	\$14.60		
Tier 4	\$17.67		\$13.38		\$20.96	\$22.59				
Tier 5			\$14.58							
	Breakpoints (Bi-monthly HCF)									
BP #1	5	9	5	8	22	12	20	13	uniform	uniform
BP #2	9	12	11	16	44	26	40	26		
BP #3	13		21		78	54				
BP #4			32							
Effective Date	7/1/2025	8/1/2026	1/1/2019	1/19/2026	1/1/2026	6/12/2025	1/1/2026	7/1/2026	7/1/2026	7/1/2026
Sample Bi-Monthly Water Bill with the smallest available meter size and range of water usage										
5 HCF	\$96.58	\$102.73	\$132.98	\$149.36	\$205.58	\$122.77	\$114.85	\$103.60	\$145.80	\$135.27
9 HCF	\$139.66	\$143.33	\$176.49	\$209.02	\$235.94	\$163.93	\$158.01	\$135.56	\$207.48	\$182.03
18 HCF	\$285.77	\$265.70	\$284.07	\$395.20	\$304.25	\$276.28	\$255.12	\$220.42	\$346.26	\$287.24



Figure 5-5 compares average Residential bills (service charge and volumetric charge) for the District with some of its neighboring water suppliers based on the average customer water use of 9 HCF during a bi-monthly billing period. The bi-monthly bills are plotted against the population served. In this way, economies of scale can be accounted for because larger agencies often have lower costs per customer. The curved, dark line is a trend line. The trend line drops from left to right indicating the effect of economies of scale. The District's current and proposed bills fall below the trend line.

Figure 5-5. Comparison to Other Local Residential Bi-Monthly Bills



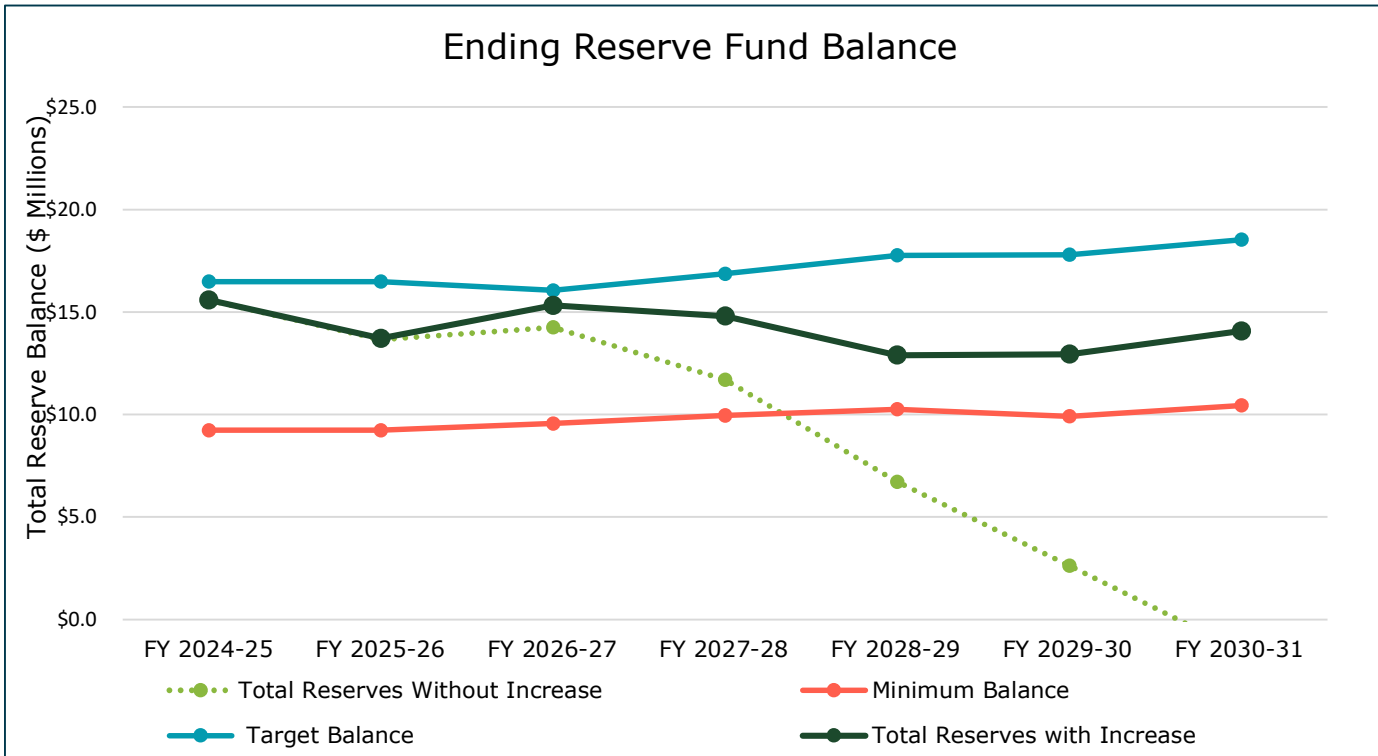


Appendix A

WATER RATE STUDY MODEL

North Coast County Water District
Water Rate Study
1A. Summary

<i>Fiscal Year:</i>	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	Notes
	<i>eff. date</i>	8/1/2026	7/1/2027	7/1/2028	7/1/2029	7/1/2030	
Revenue Increases	Adopted (3%)	7.0%	6.0%	6.0%	6.0%	6.0%	
PAYGO-Funded Capital	\$3,318,364	\$1,047,870	\$2,593,977	\$3,811,801	\$2,952,631	\$1,984,671	\$2,478,190 Average Annual PAYGo
Bond-Funded Capital	\$3,580,000	\$0	\$0	\$0	\$0	\$0	\$0 Total New Debt-funded Capital
Cummulative		7.0%	13.4%	20.2%	27.4%	35.1%	
Debt Coverage Ratio	1.61	1.76	1.86	2.10	3.51	3.60	



**North Coast County Water District
Water Rate Study
1B. General**




Assumptions	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	Notes
a General Inflation	Per Budget	3.0%	3.0%	3.0%	3.0%	3.0%	To Table 2
b Utilities	Per Budget	5.0%	5.0%	5.0%	5.0%	5.0%	To Table 2
c Salary Increases	Per Budget	3.0%	3.0%	3.0%	3.0%	3.0%	To Table 2
d Pension	Per Budget	7.0%	7.0%	7.0%	7.0%	7.0%	To Table 2
e SFPUC Water Rate per HCF	\$5.80	\$6.23	\$6.69	\$6.91	\$7.06	\$7.38	To Table 2
	% Change	7.4%	7.4%	3.3%	2.2%	4.5%	
SFPUC Purchases (HCF)	997,846	1,022,277	1,022,277	1,022,277	1,022,277	1,022,277	To Table 2, 6a
Assumed Losses	5.9%	7.0%	7.0%	7.0%	7.0%	7.0%	To Table 2
f Liability Insurance	Per Budget	5.0%	5.0%	5.0%	5.0%	5.0%	To Table 2
g Interest on Earnings	4.0%	3.0%	2.0%	2.0%	2.0%	2.0%	To Table 4
h Non-rate Revenues	Per Budget	1.0%	1.0%	1.0%	1.0%	1.0%	To Table 2
i % Cutbacks due to Conservation	0.0%	0%	0%	0%	0%	0%	To Tables 2,3
j Growth in Accounts	0.0%	0.00%	0.24%	0.24%	0.24%	0.24%	To Table 3A
k Construction Cost Inflation	Per Budget	3.3%	3.3%	3.3%	3.3%	3.3%	To Table 5
l Benefit Increases	Per Budget	7.0%	7.0%	7.0%	7.0%	7.0%	To Table 2
m Change in Residential Consumption		0.0%	0.0%	0.0%	0.0%	0.0%	To Table 6a
n Change in Non-Residential Consumption		0.0%	0.0%	0.0%	0.0%	0.0%	To Table 6a
o Change in Irrigation Consumption		0.0%	0.0%	0.0%	0.0%	0.0%	
p Change in Recycled Water Consumption		0.0%	0.0%	0.0%	0.0%	0.0%	To Table 6a

Target Fund Balances

Operating Fund

Purpose	For O&M cash flow during the year
Funding priority	Highest.
Minimum balance	Cannot go negative
Target balance	Three months of operating expenses
District Policy	Six months of operating expenses (minus one time expenditures)

Legend

	Input
	Value informed by District budget input (Table 2)
	Formula-based output

North Coast County Water District
Water Rate Study
1B. General

Capital Improvement Fund

Purpose	To be used for replacement of Equipment/ Facilities
Funding priority	Low
Minimum balance	Cannot go negative
Target balance	Average annual expenditure increased by Assumption (12) above
District Policy	Combined sum of the 5-year average of previous CIP + 3 mo's budgeted CIP PAYGo

Debt Reserve Fund

Purpose	For acquisition and construction of facilities and infrastructure for new customers.
Funding priority	As needed
Minimum balance	Cannot go negative
Target balance	100% of all deposited funds
District Policy	FY gross revenues 1.2 x the FY aggregate debt service

Retirement Fund

Purpose	Fund retiree benefits
Funding priority	When possible
Minimum balance	Cannot go negative
Target balance	The amount budgeted annually for retiree health care expenses

Emergency Reserve

Purpose	For emergent, unplanned projects brought on by natural disasters or failure of critical system elements
Funding priority	When possible
Minimum balance	Cannot go negative
Target balance	Three months operating expenses

Drought Contingency Fund

Purpose	For additional cash flow when drought creates reduction of revenue
Funding priority	Low
Minimum balance	Cannot go negative
Target balance	\$500,000

North Coast County Water District
Water Rate Study

2. Rev Req

Account #	Esc. Factors		Budgeted	Projected					Notes
	Tbl 1B	Tbl 1B	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	
SFPUC Water Purchases									
Quantity Charge	e		\$5,800,000	\$6,368,785	\$6,839,033	\$7,063,934	\$7,217,275	\$7,544,404	FY 25-26 per District budget
Service Charge	a		\$46,500	\$47,895	\$49,332	\$50,812	\$52,336	\$53,906	Per District budget
BAWSCA Surcharge	a		\$483,156	\$497,651	\$512,580	\$527,958	\$543,796	\$560,110	Per 2026-27 per SFPUC Rate Notice Letter
Water Management Charge (through 2/2026)			\$21,376	\$0	\$0	\$0	\$0	\$0	Per 2026-27 per SFPUC Rate Notice Letter
Subtotal, SFPUC Water Purchases			\$6,351,032	\$6,914,331	\$7,400,945	\$7,642,703	\$7,813,408	\$8,158,420	
				8.9%	7.0%	3.3%	2.2%	4.4%	
Salaries & Benefits									
5111 Regular Salary	c		\$2,805,000	\$2,889,150	\$2,975,825	\$3,065,099	\$3,157,052	\$3,251,764	
5112 Overtime	c		\$52,000	\$53,560	\$55,167	\$56,822	\$58,526	\$60,282	
5113 Duty	c	d	\$100,000	\$110,210	\$121,462	\$133,864	\$147,531	\$162,594	
5114 Temporary Employment	c		\$0	\$0	\$0	\$0	\$0	\$0	
5640 Payroll Taxes	c		\$193,500	\$199,305	\$205,284	\$211,443	\$217,786	\$224,320	
5641 Workers Compensation	l		\$45,000	\$48,150	\$51,521	\$55,127	\$58,986	\$63,115	
5642 Health Insurance	c		\$624,000	\$642,720	\$662,002	\$681,862	\$702,317	\$723,387	
5642A Retiree Health Insurance	d		\$315,000	\$337,050	\$360,644	\$385,889	\$412,901	\$441,804	
5643 Employee Retirement	d		\$815,000	\$872,050	\$933,094	\$998,410	\$1,068,299	\$1,143,080	
5644 Retiree COLA Benefit	d		\$94,000	\$100,580	\$107,621	\$115,154	\$123,215	\$131,840	
5645 Director's Health Insurance	l		\$92,000	\$98,440	\$105,331	\$112,704	\$120,593	\$129,035	
5646 Life Insurance	l		\$30,000	\$32,100	\$34,347	\$36,751	\$39,324	\$42,077	
5647 Employee Welfare	l		\$5,000	\$5,350	\$5,725	\$6,125	\$6,554	\$7,013	
5940 Directors Fees			\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	
Subtotal, Salaries & Benefits			\$5,187,500	\$5,405,665	\$5,635,020	\$5,876,249	\$6,130,085	\$6,397,309	
				4.2%	4.2%	4.3%	4.3%	4.4%	
O & M									
5230 Utilities	i	b	\$415,000	\$435,750	\$457,538	\$480,414	\$504,435	\$529,657	
5312 Lab	a		\$45,000	\$46,350	\$47,741	\$49,173	\$50,648	\$52,167	
5314 Regulatory Fees/Other Services - Misc.	a		\$185,000	\$190,550	\$196,267	\$202,154	\$208,219	\$214,466	
5315 Contract Services	a		\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	
5350 Tools & Equipment	a		\$21,000	\$21,630	\$22,279	\$22,947	\$23,636	\$24,345	
5410 Meters	a		\$0	\$0	\$0	\$0	\$0	\$0	
5411 Asphaltic Materials	a		\$0	\$0	\$0	\$0	\$0	\$0	
5412 Operating Supplies	a		\$6,000	\$6,180	\$6,365	\$6,556	\$6,753	\$6,956	
5420 Inventory	a		\$135,000	\$139,050	\$143,222	\$147,518	\$151,944	\$156,502	
5513 Payment Center Fees	i	a	\$0	\$0	\$0	\$0	\$0	\$0	
5514 On-line Payment Fees	a		\$200,000	\$206,000	\$212,180	\$218,545	\$225,102	\$231,855	
5621 Printing & Office Supplies	a		\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$17,389	
5623 Telephone	a		\$32,500	\$33,475	\$34,479	\$35,514	\$36,579	\$37,676	
5624 Janitor & Gardener	a		\$35,000	\$36,050	\$37,132	\$38,245	\$39,393	\$40,575	
5627 Postage	a		\$48,000	\$49,440	\$50,923	\$52,451	\$54,024	\$55,645	
5628 General Manager's Expenses	a		\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	
5629 Vehicle Maintenance	a		\$30,000	\$30,900	\$31,827	\$32,782	\$33,765	\$34,778	
5631 Office Building Maintenance	a		\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	\$69,556	
5632 Fuel	a		\$55,000	\$56,650	\$58,350	\$60,100	\$61,903	\$63,760	

**North Coast County Water District
Water Rate Study
2. Rev Req**

Account #	Esc. Factors Tbl 1B Tbl 1B	Budgeted		Projected				Notes
		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	
5635 Staff Training	a	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765	\$34,778	
5650 Office Equipment	a	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765	\$34,778	
5655 Office Equipment Lease	a	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$17,389	
5661 Uniforms & Safety Equip.	a	\$18,500	\$19,055	\$19,627	\$20,215	\$20,822	\$21,447	
5670 Repairs & Maintenance	a	\$100,000	\$103,000	\$106,090	\$109,273	\$112,551	\$115,927	
5675 Flushing	a	\$0	\$0	\$0	\$0	\$0	\$0	
5725 Rebate Programs	a	\$48,500	\$49,955	\$51,454	\$52,997	\$54,587	\$56,225	
5730 Misc. Supplies	a	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185	
Recycle Water Operations	a	\$8,000	\$8,240	\$8,487	\$8,742	\$9,004	\$9,274	
5735 Emergency Repairs	a	\$0	\$0	\$0	\$0	\$0	\$0	
Subtotal, O & M		\$1,567,500	\$1,622,825	\$1,680,225	\$1,739,782	\$1,801,584	\$1,865,720	
<i>Annual Change</i>			3.5%	3.5%	3.5%	3.6%	3.6%	
Non-Operating Expenditures								
5620 Advertising	a	\$8,500	\$8,755	\$9,018	\$9,288	\$9,567	\$9,854	
5522 Bad Debt Write-Off	a	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185	
5523 Bad Debt Recovery	a	\$0	\$0	\$0	\$0	\$0	\$0	
5622 Utilities	a	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185	
5625 Meetings & Conferences	a	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814	\$2,898	
5626 Dues & Membership	a	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	\$69,556	
5626A BAWSCA Dues	a	\$106,500	\$109,695	\$112,986	\$116,375	\$119,867	\$123,463	
5630 Insurance	f	\$165,000	\$173,250	\$181,913	\$191,008	\$200,559	\$210,586	
5637 Billing	a	\$140,000	\$144,200	\$148,526	\$152,982	\$157,571	\$162,298	
5680 Engineering Fees	a	\$175,000	\$125,000	\$128,750	\$132,613	\$136,591	\$196,963	
5681 Legal Fees	a	\$120,000	\$123,600	\$127,308	\$131,127	\$135,061	\$139,113	
5682 Auditing & Accounting Fees	a	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765	\$34,778	
5683 Misc. Professional Fees	a	\$425,000	\$245,000	\$252,350	\$259,921	\$267,718	\$557,087	
5685 Water Education	a	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$17,389	
5687 Water Conservation	a	\$35,000	\$36,050	\$37,132	\$38,245	\$39,393	\$40,575	
5720 Taxes & Assessments	a	\$3,000	\$3,090	\$3,183	\$3,278	\$3,377	\$3,478	
5730 Miscellaneous Expense	a	\$6,000	\$6,180	\$6,365	\$6,556	\$6,753	\$6,956	
5731 Books & Publications	a	\$0	\$0	\$0	\$0	\$0	\$0	
5732 License & Certifications	a	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	
5733 Meals	a	\$3,500	\$3,605	\$3,713	\$3,825	\$3,939	\$4,057	
5734 Travel & Lodging	a	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	
5735 Employee Rec Dinner & Awards	a	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814	\$2,898	
5941 Director's Election	a	\$0	\$20,000	\$0	\$20,000	\$0	\$20,000	
5942 Director's Conv. & Travel	a	\$8,000	\$8,240	\$8,487	\$8,742	\$9,004	\$9,274	
Subtotal, Non-Operating Expenditures		\$1,352,500	\$1,168,375	\$1,186,291	\$1,245,518	\$1,266,104	\$1,665,710	
<i>Annual Change</i>			-13.6%	1.5%	5.0%	1.7%	31.6%	
Total Expenses		\$14,458,532	\$15,111,196	\$15,902,481	\$16,504,253	\$17,011,180	\$18,087,160	
<i>Annual Change</i>			4.5%	5.2%	3.8%	3.1%	6.3%	

North Coast County Water District
 Water Rate Study
 2. Rev Req

Account #	Esc. Factors		Budgeted	Projected				Notes	
	Tbl 1B	Tbl 1B	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30		FY 2030-31
Debt Service									
5800	CSCDA RBP 2012 C		\$513,325	\$514,300	\$509,294	\$513,206	\$0	\$0	From Table 7
	2021 Certificates of Participation		\$1,156,000	\$1,159,000	\$1,157,500	\$1,154,800	\$1,165,800	\$1,167,000	From Table 7
	Future Debt - FY 2030-31 Debt Issuance		\$0	\$0	\$0	\$0	\$0	\$0	From Table 7
	Future Debt - FY 2030-31 Debt Issuance		\$0	\$0	\$0	\$0	\$0	\$0	From Table 7
Subtotal, Debt Service			\$1,669,325	\$1,673,300	\$1,666,794	\$1,668,006	\$1,165,800	\$1,167,000	
<i>Annual Change</i>				0.2%	-0.4%	0.1%	-30.1%	0.1%	
Non-Rate Revenues									
4210	Fire Standby	h	(\$63,000)	(\$63,000)	(\$63,000)	(\$63,000)	(\$63,000)	(\$63,000)	
4230	Water Connections		(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	
4240	Renewal of Service		(\$21,000)	(\$21,000)	(\$21,000)	(\$21,000)	(\$21,000)	(\$21,000)	
4260	Late Charges		(\$70,000)	(\$70,000)	(\$70,000)	(\$70,000)	(\$70,000)	(\$70,000)	
4870	Miscellaneous Revenues		(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	
4910	Lease Revenues	h	(\$260,000)	(\$262,600)	(\$265,226)	(\$267,878)	(\$270,557)	(\$273,263)	
4930	Taxes & Assessments	h	(\$1,385,000)	(\$1,398,850)	(\$1,412,839)	(\$1,426,967)	(\$1,441,237)	(\$1,455,649)	
4980	Transmission & Storage		(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	
	Intertie Water Offset		\$0	(\$1,270,920)	(\$568,650)	\$0	\$0	\$0	
Subtotal, Revenue			(\$1,974,000)	(\$3,261,370)	(\$2,575,715)	(\$2,023,845)	(\$2,040,794)	(\$2,057,912)	
Other Transfers to/(from)									
	Transfer to/(from) Capital Improvement Fund		\$3,318,364	\$2,478,190	\$2,478,190	\$2,478,190	\$2,478,190	\$2,478,190	From Table 4
	Transfer to/(from) Operating Fund		\$0	\$0	\$0	\$0	\$0	\$0	From Table 4
	Transfer to/(from) Retirement Fund (GASB 45)		\$0	\$0	\$0	\$0	\$0	\$0	From Table 4
	Transfer to/(from) Emergency Reserve		\$0	\$0	\$0	\$0	\$0	\$0	From Table 4
Total Transfers			\$3,318,364	\$2,478,190	\$2,478,190	\$2,478,190	\$2,478,190	\$2,478,190	
<i>Annual Change</i>					0.0%	0.0%	0.0%	0.0%	
Net Revenue Requirement			\$17,472,221	\$16,001,316	\$17,471,750	\$18,626,603	\$18,614,376	\$19,674,438	To Table 3
<i>Annual Change</i>				-8.4%	9.2%	6.6%	-0.1%	5.7%	
<i>Cumulative Change</i>				-8.4%	0.0%	6.6%	6.5%	12.6%	

**North Coast County Water District
Water Rate Study
3A. Rev Increase**

		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	Notes
Rate Revenue @ Current Rates								
Revenue from Current Rates		\$14,785,108	\$14,785,108	\$14,796,267	\$14,807,427	\$14,818,586	\$14,829,745	
Revenue Requirement		\$17,472,221	\$16,001,316	\$17,471,750	\$18,626,603	\$18,614,376	\$19,674,438	
Surplus/(Deficit)		(\$2,687,113)	(\$1,216,208)	(\$2,675,483)	(\$3,819,177)	(\$3,795,790)	(\$4,844,693)	
Increase in Revenue from Rates								
		0.0%	7.0%	6.0%	6.0%	6.0%	6.0%	from Table 1A
Revenue from Current Rates		\$14,785,108	\$14,785,108	\$14,796,267	\$14,807,427	\$14,818,586	\$14,829,745	
Revenue from Rate Increases								
FY 2026-27 (eff. August 1, 2026)	11		\$948,711	\$1,035,739	\$1,036,520	\$1,037,301	\$1,038,082	
FY 2027-28 (eff. July 1, 2027)	12			\$949,920	\$950,637	\$951,353	\$952,070	
FY 2028-29 (eff. July 1, 2028)	12				\$1,007,675	\$1,008,434	\$1,009,194	
FY 2029-30 (eff. July 1, 2029)	12					\$1,068,940	\$1,069,745	
FY 2030-31 (eff. July 1, 2030)	12						\$1,133,930	
Subtotal - Revenue from Rate Increases		\$0	\$948,711	\$1,985,659	\$2,994,832	\$4,066,029	\$5,203,021	
Total Rate Revenue		\$14,785,108	\$15,733,819	\$16,781,926	\$17,802,258	\$18,884,615	\$20,032,767	
Net Revenue Requirements		(\$17,472,221)	(\$16,001,316)	(\$17,471,750)	(\$18,626,603)	(\$18,614,376)	(\$19,674,438)	
Surplus/(Deficit) after Rate Increase		(\$2,687,113)	(\$267,497)	(\$689,824)	(\$824,345)	\$270,239	\$358,329	
FY 2026-27 Revenue at 12 months of COS rates								
Revenue Requirement			\$15,820,065					
Difference due to delayed increase			<u>(\$16,001,316)</u>					
				(\$181,250)	<i>to Table 8</i>			

North Coast County Water District
 Water Rate Study
 3B. Current Rev

		Growth							
		Tbl 1B	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	Notes
Supply and Distribution Revenues									
Meter Accounts									
5/8"	j		11,242	11,242	11,269	11,296	11,323	11,350	
3/4"	j		320	320	321	322	323	324	
1"	j		682	682	684	686	688	690	
1.5"	j		75	75	75	75	75	75	
2"	j		88	88	88	88	88	88	
3"	j		17	17	17	17	17	17	
4"	j		6	6	6	6	6	6	
6"	j		4	4	4	4	4	4	
8"	j		1	1	1	1	1	1	
Bi-Monthly Supply and Distribution Charges									
5/8"			\$60.18	\$60.18	\$60.18	\$60.18	\$60.18	\$60.18	From Table 1A
3/4"			\$66.26	\$66.26	\$66.26	\$66.26	\$66.26	\$66.26	
1"			\$84.39	\$84.39	\$84.39	\$84.39	\$84.39	\$84.39	
1.5"			\$108.46	\$108.46	\$108.46	\$108.46	\$108.46	\$108.46	
2"			\$175.18	\$175.18	\$175.18	\$175.18	\$175.18	\$175.18	
3"			\$662.52	\$662.52	\$662.52	\$662.52	\$662.52	\$662.52	
4"			\$843.45	\$843.45	\$843.45	\$843.45	\$843.45	\$843.45	
6"			\$1,265.21	\$1,265.21	\$1,265.21	\$1,265.21	\$1,265.21	\$1,265.21	
8"			\$1,747.17	\$1,747.17	\$1,747.17	\$1,747.17	\$1,747.17	\$1,747.17	
Annual Supply and Distribution Charge Revenue									
5/8"			\$4,059,261	\$4,059,261	\$4,069,011	\$4,078,760	\$4,088,509	\$4,098,258	
3/4"			\$127,219	\$127,219	\$127,617	\$128,014	\$128,412	\$128,809	
1"			\$345,324	\$345,324	\$346,337	\$347,349	\$348,362	\$349,375	
1.5"			\$48,807	\$48,807	\$48,807	\$48,807	\$48,807	\$48,807	
2"			\$92,495	\$92,495	\$92,495	\$92,495	\$92,495	\$92,495	
3"			\$67,577	\$67,577	\$67,577	\$67,577	\$67,577	\$67,577	
4"			\$30,364	\$30,364	\$30,364	\$30,364	\$30,364	\$30,364	
6"			\$30,365	\$30,365	\$30,365	\$30,365	\$30,365	\$30,365	
8"			\$10,483	\$10,483	\$10,483	\$10,483	\$10,483	\$10,483	
Total Annual Supply and Distribution Charge Revenue			\$4,811,896	\$4,811,896	\$4,823,055	\$4,834,215	\$4,845,374	\$4,856,533	
Water Usage Revenues			FY 2024-25						
Single Family Residential Water Use									
0-5 hcf	m		305,357	305,357	305,357	305,357	305,357	305,357	
6-9 hcf	m		163,323	163,323	163,323	163,323	163,323	163,323	
10-13 hcf	m		86,232	86,232	86,232	86,232	86,232	86,232	
Over 13 hcf	m		79,387	79,387	79,387	79,387	79,387	79,387	

North Coast County Water District
 Water Rate Study
 3B. Current Rev

	Growth						Notes	
		Tbl 1B	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29		FY 2029-30
Single Family Residential Water Usage Charges								
0-5 hcf		\$7.28	\$7.28	\$7.28	\$7.28	\$7.28	\$7.28	From Table 1A
6-9 hcf		\$10.77	\$10.77	\$10.77	\$10.77	\$10.77	\$10.77	
10-13 hcf		\$14.44	\$14.44	\$14.44	\$14.44	\$14.44	\$14.44	
Over 13 hcf		\$17.67	\$17.67	\$17.67	\$17.67	\$17.67	\$17.67	
Annual Single Family Residential Water Usage Charges Revenue								
0-5 hcf		\$2,222,999	\$2,222,999	\$2,222,999	\$2,222,999	\$2,222,999	\$2,222,999	
6-9 hcf		\$1,758,989	\$1,758,989	\$1,758,989	\$1,758,989	\$1,758,989	\$1,758,989	
10-13 hcf		\$1,245,190	\$1,245,190	\$1,245,190	\$1,245,190	\$1,245,190	\$1,245,190	
Over 13 hcf		\$1,402,768	\$1,402,768	\$1,402,768	\$1,402,768	\$1,402,768	\$1,402,768	
Commercial/MU/Other Water Use	n	295,144	295,144	295,144	295,144	295,144	295,144	
Commercial/MU/Other Water Usage Charges								
Uniform Rate		\$10.06	\$10.06	\$10.06	\$10.06	\$10.06	\$10.06	
Annual Commercial/MU/Other Water Usage Charges Revenue								
		\$2,969,149	\$2,969,149	\$2,969,149	\$2,969,149	\$2,969,149	\$2,969,149	
Irrigation Water Use	p	25,877	25,877	25,877	25,877	25,877	25,877	
Commercial/MU/Other Water Usage Charges								
Uniform Rate		\$10.06	\$10.06	\$10.06	\$10.06	\$10.06	\$10.06	
Annual Irrigation Water Usage Charges Revenue								
		\$260,323	\$260,323	\$260,323	\$260,323	\$260,323	\$260,323	
Recycled Water Use	o	12,574	12,574	12,574	12,574	12,574	12,574	
Recycled Water Usage Charges								
Uniform Rate		\$9.05	\$9.05	\$9.05	\$9.05	\$9.05	\$9.05	
Annual Recycled Water Usage Charges Revenue								
		\$113,795	\$113,795	\$113,795	\$113,795	\$113,795	\$113,795	
Total Annual Usage Charges Revenue		\$9,973,212	\$9,973,212	\$9,973,212	\$9,973,212	\$9,973,212	\$9,973,212	
Total Annual Rate Revenue at Current Rates		\$14,785,108	\$14,785,108	\$14,796,267	\$14,807,427	\$14,818,586	\$14,829,745	

North Coast County Water District
 Water Rate Study
 4. Reserves

Tbl 1B	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	Notes
Reserve Funds With Rate Increases								
Operating Reserve								
Beginning Balance		\$7,481,298	\$4,985,952	\$4,860,009	\$4,253,589	\$3,497,829	\$3,843,429	
Surplus/(Deficit)		(\$2,687,113)	(\$267,497)	(\$689,824)	(\$824,345)	\$270,239	\$358,329	From Table 3
Transfers (To)/From								
Revenue Requirements								To Table 2
Capital Improvement Fund		\$0	\$0	\$0	\$0	\$0	\$0	From Below
Bond Fund		\$0	\$0	\$0	\$0	\$0	\$0	From Below
Retirement Fund		\$0	\$0	\$0	\$0	\$0	\$0	From Below
Emergency Reserve		\$0	\$0	\$0	\$0	\$0	\$0	From Below
Subtotal		\$4,794,185	\$4,718,455	\$4,170,185	\$3,429,244	\$3,768,067	\$4,201,757	
Estimated Interest Earnings	g	\$191,767	\$141,554	\$83,404	\$68,585	\$75,361	\$84,035	
Ending Balance		\$7,481,298	\$4,985,952	\$4,860,009	\$4,253,589	\$3,497,829	\$4,285,792	
<i>Minimum Balance (6 mo. operations)</i>		\$7,229,266	\$7,555,598	\$7,951,240	\$8,252,126	\$8,505,590	\$9,043,580	6 months of operating expenses
Capital Improvement Fund								
Beginning Balance		\$2,541,698	\$2,643,366	\$4,195,897	\$4,161,712	\$2,884,663	\$2,458,426	
Expenses								
PAYGo-Funded Projects		(\$3,318,364)	(\$1,047,870)	(\$2,593,977)	(\$3,811,801)	(\$2,952,631)	(\$1,984,671)	From Table 5
Transfers (To)/From								
Revenue Requirements		\$3,318,364	\$2,478,190	\$2,478,190	\$2,478,190	\$2,478,190	\$2,478,190	To Table 2
Operating Reserve		\$0	\$0	\$0	\$0	\$0	\$0	To Above
Subtotal		\$2,541,698	\$4,073,686	\$4,080,110	\$2,828,101	\$2,410,222	\$2,951,945	
Estimated Interest Earnings	g	\$101,668	\$122,211	\$81,602	\$56,562	\$48,204	\$59,039	
Ending Balance		\$2,541,698	\$2,643,366	\$4,195,897	\$4,161,712	\$2,884,663	\$3,010,984	
<i>Target Balance</i>	k	\$3,327,248	\$2,397,527	\$2,620,581	\$3,059,566	\$3,319,050	\$3,241,096	Combined sum of the 5-year average of previous CIP + 3 mo's budgeted
Debt Reserve Fund								
Beginning Balance		\$2,002,320	\$2,082,413	\$2,144,885	\$2,187,783	\$2,231,539	\$2,276,169	
Expenses								
Bond Funded Projects		\$0	\$0	\$0	\$0	\$0	\$0	From Table 5
Transfer (To)/From Operating Reserve								
		\$0	\$0	\$0	\$0	\$0	\$0	To Above
Subtotal		\$2,002,320	\$2,082,413	\$2,144,885	\$2,187,783	\$2,231,539	\$2,276,169	
Estimated Interest Earnings	g	\$80,093	\$62,472	\$42,898	\$43,756	\$44,631	\$45,523	
Ending Balance		\$2,002,320	\$2,082,413	\$2,144,885	\$2,187,783	\$2,231,539	\$2,321,693	
<i>Target Balance (1.2 x 1 yr debt service pymt)</i>		\$524,575	\$2,003,190	\$2,007,960	\$2,000,153	\$2,001,607	\$1,398,960	\$1,400,400
Emergency Fund								
Beginning Balance		\$3,556,075	\$3,698,318	\$3,809,268	\$3,885,453	\$3,963,162	\$4,042,425	
Transfers (To)/From								
Revenue Requirements		\$0	\$0	\$0	\$0	\$0	\$0	To Ta
g Reserve		\$0	\$0	\$0	\$0	\$0	\$0	To Above
Subtotal		\$3,556,075	\$3,698,318	\$3,809,268	\$3,885,453	\$3,963,162	\$4,042,425	
Estimated Interest Earnings	g	\$142,243	\$110,950	\$76,185	\$77,709	\$79,263	\$80,849	
Ending Balance		\$3,556,075	\$3,698,318	\$3,809,268	\$3,885,453	\$3,963,162	\$4,123,274	
<i>Target Balance (3 mo. operations)</i>		\$3,614,633	\$3,777,799	\$3,975,620	\$4,126,063	\$4,252,795	\$4,521,790	
Retirement Fund (OPEB)								
Beginning Balance		\$285,000	\$296,400	\$305,292	\$311,398	\$317,626	\$323,978	
Transfers (To)/From								
Revenue Requirements		\$0	\$0	\$0	\$0	\$0	\$0	To Table 2
Operating Reserve		\$0	\$0	\$0	\$0	\$0	\$0	To Above
Subtotal		\$285,000	\$296,400	\$305,292	\$311,398	\$317,626	\$323,978	
Estimated Interest Earnings	g	\$11,400	\$8,892	\$6,106	\$6,228	\$6,353	\$6,480	
Ending Balance		\$285,000	\$296,400	\$305,292	\$311,398	\$317,626	\$330,458	
<i>Target Balance</i>		\$315,000	\$315,000	\$315,000	\$315,000	\$315,000	\$315,000	Per Board policy of annual amount approved.
Estimated Interest Revenue		\$384,928	\$335,129	\$214,009	\$175,131	\$174,549	\$195,077	To Table 6
Total Reserves Without Increase								
		\$15,581,391	\$13,658,507	\$14,251,580	\$11,689,516	\$6,720,983	\$2,629,203	(\$1,530,081)
Total Reserves with Increase								
		\$15,581,391	\$13,706,449	\$15,315,350	\$14,799,935	\$12,894,818	\$12,944,428	\$14,072,201
Minimum Balance								
		\$9,232,456	\$9,232,456	\$9,563,558	\$9,951,393	\$10,253,734	\$9,904,550	\$10,443,980
Target Balance								
		\$16,489,337	\$16,489,337	\$16,053,884	\$16,862,594	\$17,754,362	\$17,791,395	\$18,521,866

North Coast County Water District
 Water Rate Study
 5. CIP

Project Name	Account No.	Project Type	Budgeted		Projected			Allocation Factor	Funding Source	
			FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30			FY 2030-31
21" Transmission Main Pipeline Project	1117-130	Potable Piping Improvements		\$50,000	\$100,000	\$0	\$0	\$0	Max Hour	PAYGo
Emergency Pipeline Repairs	1117-145	Potable Piping Improvements	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	Services	PAYGo
Loop at Everglades Dr. Pipeline Replacement	1117-149	Potable Piping Improvements	\$714,364						Max Hour	PAYGo
Pressure Zone 1 Transmission Line Evaluation	1117-149	Potable Piping Improvements	\$0		\$100,000				Max Hour	PAYGo
Annual Pipeline CIP				\$300,000	\$300,000	\$1,000,000	\$1,000,000	\$1,000,000	Max Hour	PAYGo
Vehicle Replacement - Pickup Trucks	1118-122B	Miscellaneous Projects	\$215,000	\$55,000	\$120,000	\$400,000	\$55,000	\$55,000	Services	PAYGo
Automated Metering Infrastructure Upgrade	1118-135	Miscellaneous Projects	\$700,000						Capacity	PAYGo
Water System Hydraulic Model Update & Integration with GIS	1118-160	Miscellaneous Projects	\$120,000	\$20,000	\$20,000	\$20,000	\$50,000	\$20,000	Services	PAYGo
Sheila Tank - Construction	1117-135	Potable Storage Tank/Reservoir Projects	\$955,000						Max Day	PAYGo
Fassler Tank - Design / Construction	1117-137	Reservoir Construction Projects	\$150,000	\$50,000	\$100,000	\$500,000	\$0		Max Day	PAYGo
Christen Hill Tank Exterior Painting Project	1117-134	Potable Storage Tank/Reservoir Projects	\$0	\$0				\$0	Max Day	PAYGo
Park Pacifica Tank and Pump Station Upgrades	1117-118A	Potable Storage Tank/Reservoir Projects	\$150,000	\$0	\$100,000	\$0			Max Day	PAYGo
Second Royce Tank Design and Construction		Potable Storage Tank/Reservoir Projects				\$0	\$0	\$340,000	Max Day	PAYGo
Tank Recoating (Hickey, Tapis, Vallemar)		Potable Storage Tank/Reservoir Projects		\$150,000	\$1,200,000	\$0	\$0	\$0	Services	PAYGo
Tank Recoating (Hickey, Tapis, Vallemar)		Potable Storage Tank/Reservoir Projects			\$0	\$1,200,000	\$1,200,000	\$0	Services	PAYGo
Reservoir Site Paving Project (Annual)	1117-112	Annual Projects	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	Max Hour	PAYGo
Reservoir Fence Maintenance (Annual)	1117-113	Annual Projects	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	Max Hour	PAYGo
Annual Valve Exercise Program	1117-145	Annual Projects	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	Services	PAYGo
Annual Flushing & Dead-end Blow Off Project	1117-145	Annual Projects	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	Services	PAYGo
Easement Protection(Annual Program)	1117-165	Annual Projects	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	Services	PAYGo
Meter Replacement Program	1117-169	Annual Projects	\$5,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	Capacity	PAYGo
Fire Hydrant Replacement Project	1117-170	Annual Projects	\$50,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	Services	PAYGo
Pressure Regulator Station Upgrades	1117-183B	Annual Projects	\$10,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	Max Day	PAYGo
Francisco Headquarters Upgrade	1118-112B	Building Project	\$3,580,000						Services	Existing Bond
Computer Upgrades/SCADA, Office	1118-172B	Building Project	\$20,000	\$70,000	\$70,000	\$15,000	\$15,000	\$15,000	Services	PAYGo
Recycled Water	1116-201B	Recycled Water Project	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	Max Day	PAYGo
San Pedro Creek Feasibility Study	1116-610A	Water Availability Study	\$50,000	\$50,000	\$50,000	\$50,000			Average Day	PAYGo
Equipment (Fog Collectors)	1118-130	Water Availability Study	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000		Average Day	PAYGo
Placeholder				\$0	\$0	\$0	\$0	\$0		PAYGo
Total			\$6,898,364	\$1,014,000	\$2,429,000	\$3,454,000	\$2,589,000	\$1,684,000		
Construction Cost Inflation			1.00	1.03	1.07	1.10	1.14	1.18		
Escalated Capital Total			\$6,898,364	\$1,047,870	\$2,593,977	\$3,811,801	\$2,952,631	\$1,984,671		
Escalated Project Totals										
PAYGo			\$3,318,364	\$1,047,870	\$2,593,977	\$3,811,801	\$2,952,631	\$1,984,671	\$15,709,313	
Existing Bond			\$3,580,000	\$0	\$0	\$0	\$0	\$0	\$3,580,000	
Grand Total			\$6,898,364	\$1,047,870	\$2,593,977	\$3,811,801	\$2,952,631	\$1,984,671	\$19,289,313	
check			\$0	\$0	\$0	\$0	\$0	\$0		
Escalated values shown										
Total by Allocation category			FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	5-Year Total	
Base Day				\$0	\$0	\$0	\$0	\$0	\$0	
Average Day				\$67,171	\$69,415	\$71,733	\$17,107	\$0	\$225,426	
Max Day				\$103,340	\$266,980	\$606,975	\$57,023	\$459,633	\$1,493,950	
Max Hour				\$386,492	\$559,590	\$1,130,076	\$1,167,823	\$1,206,831	\$4,450,813	
Max Hour Only				\$0	\$0	\$0	\$0	\$0	\$0	
Services				\$480,532	\$1,687,313	\$1,991,980	\$1,699,274	\$306,422	\$6,165,521	
Capacity				\$10,334	\$10,679	\$11,036	\$11,405	\$11,785	\$55,239	
			\$1,047,870	\$2,593,977	\$3,811,801	\$2,952,631	\$1,984,671	\$1,984,671	\$12,390,949	

**North Coast County Water District
Water Rate Study
6. Debt Service**

	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	Notes
CSCDA Pooled Revenue and Bond Program Series 2012C (matures 10/2028)							
Principal	\$460,000	\$475,000	\$485,000	\$505,000	\$0	\$0	
Interest	\$53,325	\$39,300	\$24,294	\$8,206	\$0	\$0	
	\$513,325	\$514,300	\$509,294	\$513,206	\$0	\$0	To Table 2
2021 Certificates of Participation							
Principal	\$400,000	\$420,000	\$435,000	\$450,000	\$470,000	\$490,000	
Interest	\$756,000	\$739,000	\$722,500	\$704,800	\$695,800	\$677,000	
	\$1,156,000	\$1,159,000	\$1,157,500	\$1,154,800	\$1,165,800	\$1,167,000	To Table 2
Total Debt Service	\$1,669,325	\$1,673,300	\$1,666,794	\$1,668,006	\$1,165,800	\$1,167,000	To below
Debt Coverage							
Revenue							
Water Service & Volumetric Charges	\$14,785,108	\$15,733,819	\$16,781,926	\$17,802,258	\$18,884,615	\$20,032,767	From Table 3
Fire Standby	\$63,000	\$63,000	\$63,000	\$63,000	\$63,000	\$63,000	From Table 3
Water Connections	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	From Table 3
Renewal of Service	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	From Table 3
Late Charges	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	From Table 3
Lease Revenues	\$260,000	\$262,600	\$265,226	\$267,878	\$270,557	\$273,263	From Table 3
Taxes & Assessments	\$1,385,000	\$1,398,850	\$1,412,839	\$1,426,967	\$1,441,237	\$1,455,649	From Table 3
Miscellaneous Revenues	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	From Table 3
Storage & Transmission	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	From Table 4
Estimated Interest Earnings	\$384,928	\$335,129	\$214,009	\$175,131	\$174,549	\$195,077	From Table 4
Total Revenue	\$17,144,036	\$18,059,397	\$19,003,000	\$20,001,234	\$21,099,958	\$22,285,755	
Expenses							
SFPUC Water Purchases	\$6,351,032	\$6,914,331	\$7,400,945	\$7,642,703	\$7,813,408	\$8,158,420	From Table 2
Salaries & Benefits	\$3,963,500	\$4,095,985	\$4,233,662	\$4,376,797	\$4,525,670	\$4,680,586	From Table 2
O & M	\$1,567,500	\$1,622,825	\$1,680,225	\$1,739,782	\$1,801,584	\$1,865,720	From Table 2
Pension /Health/GASB 45 Benefits	\$1,224,000	\$1,309,680	\$1,401,358	\$1,499,453	\$1,604,414	\$1,716,723	From Table 2
Non-Operating Expenditures	\$1,352,500	\$1,168,375	\$1,186,291	\$1,245,518	\$1,266,104	\$1,665,710	From Table 2
Total Expenses	\$14,458,532	\$15,111,196	\$15,902,481	\$16,504,253	\$17,011,180	\$18,087,160	
Net Operating Cash Flow	\$2,685,504	\$2,948,202	\$3,100,520	\$3,496,981	\$4,088,778	\$4,198,595	
Debt Service	\$1,669,325	\$1,673,300	\$1,666,794	\$1,668,006	\$1,165,800	\$1,167,000	From Above
Coverage Ratio	1.61	1.76	1.86	2.10	3.51	3.60	Minimum 1.20x

**North Coast County Water District
Water Rate Study
7. Load Factors**

FACTORS

	Base Non-Seasonal Day	Average Day	Maximum Day	Maximum Hour
Flow (HCF/Day)				
Residential	1,633	1,738	2,360	3,635
Non-Residential	756	809	1,097	1,689
Irrigation	13	71	153	236
Recycled Water	3	34	92	142
Total	2,406	2,652	3,702	5,702

FY 2024-25 water use

	Total	Non-Seasonal	Seasonal	Max. Bill Period	Max Summer Bill
Total Water	967,973	878,034	89,939	179,095	2,936
Residential	634,299	596,046	38,253	114,171	1,872
Commercial	295,223	275,880	19,343	53,060	870
Irrigation	25,877	4,884	20,993	7,399	121
Recycled Water	12,574	1,224	11,350	4,465	73

Load Factors

	Ratio of Flows to Average Day	Ratio of Flows to Base Non-Seasonal Day	Maximum Day	Maximum Hour
Ratio of Flows to Average Day				
Residential	0.94	1.00	1.36	2.09
Non-Residential	0.93	1.00	1.36	2.09
Irrigation	0.19	1.00	2.16	3.32
Recycled Water	0.10	1.00	2.68	4.13
Total	0.91	1.00	1.40	2.15
Ratio of Flows to Base Non-Seasonal Day				
Residential	1.00	1.06	1.45	2.23
Commercial ¹	1.00	1.07	1.45	2.23
Irrigation	1.00	5.30	11.43	17.60
Recycled Water	1.00	10.27	27.53	42.39
Total	1.00	1.10	1.54	2.37

Peak Day vs. Avg. Day

Residential	1.08
Non-Resi	1.08
Irrigation	1.71
Rec. Water	2.12
Total	1.11

Note

Maximum Day: Avg Day ratio calculated using District SCADA data - average of CY 2024, 2025

Max Hour: Max Day ratio calculated District SCADA data - average of CY 2024 and 2025 data

**North Coast County Water District
Water Rate Study
7. Load Factors**

	Base Day	Avg. Day	Max. Day	Max. Hour	
Residential Load Factors	1.00	1.06	1.45	2.23	
Base (Non-seasonal Avg)	100.0%				100.0%
Avg Day	94.0%	6.0%			100.0%
Max Day	69.2%	4.4%	26.4%		100.0%
Max Hour	44.9%	2.9%	17.1%	35.1%	100.0%
Commercial Load Factors	1.00	1.07	1.45	2.23	
Base (Non-seasonal Avg)	100.0%				100.0%
Avg Day	93.4%	6.6%			100.0%
Max Day	68.9%	4.8%	26.3%		100.0%
Max Hour	44.7%	3.1%	17.1%	35.1%	100.0%
Irrigation Load Factors	1.00	5.30	11.43	17.60	
Base (Non-seasonal Avg)	100.0%				100.0%
Avg Day	18.9%	81.1%			100.0%
Max Day	8.7%	37.6%	53.7%		100.0%
Max Hour	5.7%	24.4%	34.8%	35.1%	100.0%
Recycled Water Load Factors	1.00	10.27	27.53	42.39	
Base (Non-seasonal Avg)	100.0%				100.0%
Avg Day	9.7%	90.3%			100.0%
Max Day	3.6%	33.7%	62.7%		100.0%
Max Hour	2.4%	21.9%	40.7%	35.1%	100.0%
Total Load Factors	1.00	1.10	1.54	2.37	
Base (Non-seasonal Avg)	100.0%				100.0%
Avg Day	90.7%	9.3%			100.0%
Max Day	65.0%	6.7%	28.4%		100.0%
Max Hour	42.2%	4.3%	18.4%	35.1%	100.0%
Flow Per Account (HCF bimonthly)					<u>Accounts</u>
	Base Day	Avg. Day	Max. Day	Max. Hour	
Residential	9	9	12	13+	11,524
Commercial	56	60	82	83+	807
Irrigation	8	43	94	95+	98
Recycled Water	34	344	923	924+	6

North Coast County Water District
Water Rate Study
8. Allocations

System-Wide Cost Allocation Factors	Demand Services				Customer Services		Total	Notes
	Base	Average Day	Maximum Day	Maximum Hour	Customer Accounts	Customer Capacity		
Volumetric Allocations								
Base Day	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
Average Day	90.7%	9.3%	0.0%	0.0%	0.0%	0.0%	100.0%	
Max Day	65.0%	6.7%	28.4%	0.0%	0.0%	0.0%	100.0%	
Max Hour	42.2%	4.3%	18.4%	35.1%	0.0%	0.0%	100.0%	
Max Hour Only	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%	
Services	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%	
Capacity	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	
Plant & Distribution Composite	77.7%	8.0%	5.8%	8.1%	0.0%	0.5%	100.0%	
CIP Composite	24.6%	2.5%	10.0%	12.6%	49.8%	0.4%	100.0%	From Table 5
O&M & Capital Composite	56.9%	5.8%	5.7%	7.6%	20.1%	3.8%	100.0%	

FY 2026-27 Estimated Budget	Allocation Factor	Demand Functions				Service Functions		
		Base Day	Average Day	Maximum Day	Maximum Hour	Customer Accounts	Customer Capacity	
O&M Expenses								
<u>110- Plant</u>								
Salaries & Benefits	\$392,430	Average Day	\$355,967	\$36,463	\$0	\$0	\$0	\$0
SFPUC Purchased Water								
Quantity Charge	\$6,368,785	Average Day	\$5,777,031	\$591,754	\$0	\$0	\$0	\$0
Service Charge	\$47,895	Capacity	\$0	\$0	\$0	\$0	\$0	\$47,895
Utilities	\$367,500	Max Day	\$238,774	\$24,458	\$104,267	\$0	\$0	\$0
Supplies & Equipment	\$174,070	Max Day	\$113,098	\$11,585	\$49,387	\$0	\$0	\$0
Fees	\$139,050	Average Day	\$126,130	\$12,920	\$0	\$0	\$0	\$0
<u>120 - Distribution</u>								
Salaries & Benefits	\$1,895,715	Max Hour	\$799,802	\$81,926	\$349,256	\$664,731	\$0	\$0
Utilities	\$68,250	Max Hour	\$28,795	\$2,950	\$12,574	\$23,932	\$0	\$0
Supplies & Equipment	\$284,280	Max Hour	\$119,938	\$12,285	\$52,374	\$99,683	\$0	\$0
Recycle Water Ops.	\$8,240	Max Hour	\$3,476	\$356	\$1,518	\$2,889	\$0	\$0
Fees	\$61,800	Average Day	\$56,058	\$5,742	\$0	\$0	\$0	\$0
	\$9,808,015		\$7,619,070	\$780,438	\$569,377	\$791,235	\$0	\$47,895
	100% Plant & Distribution Composite		78%	8%	6%	8%	0%	0%
Capital Expenses								
BAWSCA Surcharge	\$497,651	Capacity	\$0	\$0	\$0	\$0	\$0	\$497,651
PAYGo Projects	\$2,478,190	CIP Composite	\$610,587	\$62,544	\$248,772	\$312,135	\$1,233,104	\$11,048
Existing Debt Service	\$1,673,300	Services	\$0	\$0	\$0	\$0	\$1,673,300	\$0
Subtotal - Capital Expenses	\$4,649,141		\$610,587	\$62,544	\$248,772	\$312,135	\$2,906,404	\$508,698
Subtotal - O&M and Capital	\$14,457,156		\$8,229,657	\$842,982	\$818,148	\$1,103,370	\$2,906,404	\$556,593
	100% O&M & Capital Composite		56.9%	5.8%	5.7%	7.6%	20.1%	3.8%
<u>130 - Admin</u>								
Salaries & Benefits	\$3,117,520	O&M & Capital Composite	\$1,774,631	\$181,779	\$176,424	\$237,929	\$626,733	\$120,023
Utilities	\$20,600	O&M & Capital Composite	\$11,726	\$1,201	\$1,166	\$1,572	\$4,141	\$793
Supplies & Equipment	\$263,680	O&M & Capital Composite	\$150,098	\$15,375	\$14,922	\$20,124	\$53,009	\$10,152
Fees	\$206,000	O&M & Capital Composite	\$117,264	\$12,012	\$11,658	\$15,722	\$41,413	\$7,931
Rebate program	\$49,955	O&M & Capital Composite	\$28,437	\$2,913	\$2,827	\$3,813	\$10,043	\$1,923
General & Administrative	\$1,147,775	O&M & Capital Composite	\$653,365	\$66,926	\$64,954	\$87,598	\$230,744	\$44,189
	\$4,805,530		\$2,735,522	\$280,206	\$271,951	\$366,758	\$966,083	\$185,011
Subtotal - O&M and Capital	\$19,262,686		\$10,965,179	\$1,123,188	\$1,090,099	\$1,470,128	\$3,872,487	\$741,604
Non-Operating Revenue								
Fire Standby	(\$63,000)	Services	\$0	\$0	\$0	\$0	(\$63,000)	\$0
Water Connections	(\$25,000)	Services	\$0	\$0	\$0	\$0	(\$25,000)	\$0
Renewal of Service	(\$21,000)	Services	\$0	\$0	\$0	\$0	(\$21,000)	\$0
Late Charges	(\$70,000)	O&M & Capital Composite	(\$39,847)	(\$4,082)	(\$3,961)	(\$5,342)	(\$14,072)	(\$2,695)
Miscellaneous Revenues	(\$75,000)	O&M & Capital Composite	(\$42,693)	(\$4,373)	(\$4,244)	(\$5,724)	(\$15,078)	(\$2,887)
Lease Revenues	(\$262,600)	O&M & Capital Composite	(\$149,484)	(\$15,312)	(\$14,861)	(\$20,042)	(\$52,792)	(\$10,110)
Taxes & Assessments	(\$1,398,850)	O&M & Capital Composite	(\$796,288)	(\$81,566)	(\$79,163)	(\$106,760)	(\$281,219)	(\$53,855)
Transmission & Storage	(\$75,000)	O&M & Capital Composite	(\$42,693)	(\$4,373)	(\$4,244)	(\$5,724)	(\$15,078)	(\$2,887)
Intertie Water Offset	(\$1,270,920)	Base Day	(\$1,270,920)	\$0	\$0	\$0	\$0	\$0
	(\$3,261,370)		(\$2,341,925)	(\$109,705)	(\$106,474)	(\$143,592)	(\$487,239)	(\$72,435)
Transfer to/(from) Reserves	(\$181,250)	O&M & Capital Composite	(\$103,176)	(\$10,569)	(\$10,257)	(\$13,833)	(\$36,438)	(\$6,978)
Total Revenue Requirement	\$15,820,065		\$8,520,078	\$1,002,914	\$973,368	\$1,312,703	\$3,348,811	\$662,191
						\$11,809,063 75%		\$4,011,002 25%
						Volumetric COS		Service COS

North Coast County Water District
Water Rate Study
9a. Service Charges

Services and EMU Summary

Applicable Service Size	Commercial	Residential	Irrigation	Public	Multi Unit	Portable Meter	Recycled Water	Services	Meter Ratings (gpm)	Capacity Multiplier	EMUs
								a	b	c = b ÷ 20	d = a x c
5/8" Meters	266	10,736	50	31	151	8	0	11,242	20	1.00	11,242
3/4" Meters	13	248	4	2	53	0	0	320	30	1.50	480
1" Meters	54	537	15	18	57	0	1	682	50	2.50	1,705
1.5" Meters	24	1	11	8	31	0	0	75	100	5.00	375
2" Meters	22	2	17	22	23	0	2	88	160	8.00	704
3" Meters	1	0	0	0	6	10	0	17	435	21.75	370
4" Meters	0	0	1	1	1	0	3	6	750	37.50	225
6" Meters	0	0	0	4	0	0	0	4	1,600	80.00	320
8" Meters	0	0	0	1	0	0	0	1	2,800	140.00	140
10" Meters	0	0	0	0	0	0	0	0	4,200	210.00	0
12" Meters	0	0	0	0	0	0	0	0	5,300	265.00	0
Total Accounts/DUs	380	11,524	98	87	322	18	6	12,435		Total EMUs	15,561

Customer + Public Fire Protection Units Costs **\$3,348,811**
 Total Services 12,435
 per Service/DU **\$269.31**
 Bi-monthly **\$44.88**

Units Costs **\$662,191**
 EMUs 15,561
 per EMU **\$42.56**
 Bi-monthly **\$7.09**

Service Charge Component Calculation

Applicable Service Size	% of Meters	Service Component (\$/bill)	Capacity Component			COS		Total		% Difference
			\$/EMU	Capacity Multiplier	Capacity Total	Service Charges (\$/bill)	Current Charge	\$ Difference		
		a	b	c	d = b x c	e = a + d	g	h = e - f		
5/8" Meters	90.4%	\$44.88	\$7.09	1.00	\$7.09	\$51.98	\$60.18	(\$8.20)	-13.6%	
3/4" Meters	2.6%	\$44.88	\$7.09	1.50	\$10.64	\$55.52	\$66.26	(\$10.74)	-16.2%	
1" Meters	5.5%	\$44.88	\$7.09	2.50	\$17.73	\$62.62	\$84.39	(\$21.77)	-25.8%	
1.5" Meters	0.6%	\$44.88	\$7.09	5.00	\$35.46	\$80.35	\$108.46	(\$28.11)	-25.9%	
2" Meters	0.7%	\$44.88	\$7.09	8.00	\$56.74	\$101.62	\$175.18	(\$73.56)	-42.0%	
3" Meters	0.1%	\$44.88	\$7.09	21.75	\$154.26	\$199.15	\$662.52	(\$463.37)	-69.9%	
4" Meters	0.0%	\$44.88	\$7.09	37.50	\$265.97	\$310.85	\$843.45	(\$532.60)	-63.1%	
6" Meters	0.0%	\$44.88	\$7.09	80.00	\$567.40	\$612.29	\$1,265.21	(\$652.92)	-51.6%	
8" Meters	0.0%	\$44.88	\$7.09	140.00	\$992.96	\$1,037.84	\$1,747.17	(\$709.33)	-40.6%	
10" Meters	0.0%	\$44.88	\$7.09	210.00	\$1,489.43	\$1,534.32	\$2,349.76	(\$815.44)	-34.7%	
12" Meters	0.0%	\$44.88	\$7.09	265.00	\$1,879.52	\$1,924.41	\$2,952.35	(\$1,027.94)	-34.8%	
			Total EMUs							

Bi-Monthly Supply and Distribution Charges

5/8"	\$60.18
3/4"	\$66.26
1"	\$84.39
1.5"	\$108.46
2"	\$175.18
3"	\$662.52
4"	\$843.45
6"	\$1,265.21
8"	\$1,747.17

COS Revenue

Applicable Service Size	Commercial Services	Annual Revenue	Residential Services	Annual Revenue	Irrigation Accounts	Annual Revenue	Public Services	Annual Revenue	Multi Unit Services	Annual Revenue	Portable Services	Annual Revenue	Rec. Wat Services	Annual Revenue
5/8" Meters	266	\$82,955	10,736	\$3,348,134	50	\$15,593	31	\$9,668	151	\$47,091	8	\$2,495	0	\$0
3/4" Meters	13	\$4,331	248	\$82,618	4	\$1,333	2	\$666	53	\$17,656	0	\$0	0	\$0
1" Meters	54	\$20,287	537	\$201,747	15	\$5,635	18	\$6,762	57	\$21,415	0	\$0	1	\$376
1.5" Meters	24	\$11,570	1	\$482	11	\$5,303	8	\$3,857	31	\$14,945	0	\$0	0	\$0
2" Meters	22	\$13,414	2	\$1,219	17	\$10,366	22	\$13,414	23	\$14,024	0	\$0	2	\$1,219
3" Meters	1	\$1,195	0	\$0	0	\$0	0	\$0	6	\$7,169	10	\$11,949	0	\$0
4" Meters	0	\$0	0	\$0	1	\$1,865	1	\$1,865	1	\$1,865	0	\$0	3	\$5,595
6" Meters	0	\$0	0	\$0	0	\$0	4	\$14,695	0	\$0	0	\$0	0	\$0
8" Meters	0	\$0	0	\$0	0	\$0	1	\$6,227	0	\$0	0	\$0	0	\$0
10" Meters	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
12" Meters	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
		\$133,752	\$3,634,201		\$40,095		\$57,155		\$124,165		\$14,444		\$7,191	

Current Revenue

FY 25-26 Current Revenue

Applicable Service Size	Commercial Services	Annual Revenue	Residential Services	Annual Revenue	Irrigation Accounts	Annual Revenue	Public Services	Annual Revenue	Multi Unit Services	Annual Revenue	Portable Services	Annual Revenue	Rec. Wat Services	Annual Revenue	
5/8" Meters	266	\$96,047	10,736	\$3,876,555	50	\$18,054	31	\$11,193	151	\$54,523	8	\$2,889	0	\$0	
3/4" Meters	13	\$5,168	248	\$98,595	4	\$1,590	2	\$795	53	\$21,071	0	\$0	0	\$0	
1" Meters	54	\$27,342	537	\$271,905	15	\$7,595	18	\$9,114	57	\$28,861	0	\$0	1	\$506	
1.5" Meters	24	\$15,618	1	\$651	11	\$7,158	8	\$5,206	31	\$20,174	0	\$0	0	\$0	
2" Meters	22	\$23,124	2	\$2,102	17	\$17,868	22	\$23,124	23	\$24,175	0	\$0	2	\$2,102	
3" Meters	1	\$3,975	0	\$0	0	\$0	0	\$0	6	\$23,851	10	\$39,751	0	\$0	
4" Meters	0	\$0	0	\$0	1	\$5,061	1	\$5,061	1	\$5,061	0	\$0	3	\$15,182	
8" Meters	0	\$0	0	\$0	0	\$0	1	\$10,483	0	\$0	0	\$0	0	\$0	
		380	171,275	11,524	4,249,807	98	57,327	87	95,341	322	177,715	18	42,640	6	17,791

North Coast County Water District
 Water Rate Study
 9b. Volume Charges

Consumption Charge Cost of Service	Base Day	Average Day	Max Day	Max Hour	Total
Operations & Maintenance	\$10,354,592	\$1,060,644	\$841,328	\$1,157,993	\$13,414,557
Capital Expenses (PayGo)	\$610,587	\$62,544	\$248,772	\$312,135	\$1,234,038
Non-Operating Revenue	(\$2,341,925)	(\$109,705)	(\$106,474)	(\$143,592)	(\$2,701,696)
Transfers to/(from) Reserves	(\$103,176)	(\$10,569)	(\$10,257)	(\$13,833)	(\$137,835)
Total Volume Charges	\$8,520,078	\$1,002,914	\$973,368	\$1,312,703	\$11,809,063

Units of Service - Daily Demand (hcf)

Residential	1,633	1,738	2,360	3,635
Commercial, Irrigation, Recycled Water	773	914	1,342	2,067
	2,406	2,652	3,702	5,702

Proportional Allocation Factors

Residential	67.9%	65.5%	63.7%	63.7%
Commercial	32.1%	34.5%	36.3%	36.3%
	100.0%	100.0%	100.0%	100.0%

Cost-of-Service Single Family

Operations & Maintenance	\$7,029,128	\$695,025	\$536,337	\$738,207	\$8,998,697
Capital Expenses (PayGo)	\$414,492	\$40,984	\$158,589	\$198,982	\$813,048
Non-Operating Revenue	(\$1,589,796)	(\$71,888)	(\$67,876)	(\$91,538)	(\$1,821,099)
Transfers to/(from) Reserves	(\$70,040)	(\$6,925)	(\$6,539)	(\$8,818)	(\$92,323)
	\$5,783,783	\$657,195	\$620,511	\$836,833	\$7,898,323
				Annual water Use	634,299
				Average \$ per hcf	\$12.45

Cost-of-Service Commercial, Irr, Rec. Water

Operations & Maintenance	\$3,325,464	\$365,619	\$304,991	\$419,786	\$4,415,860
Capital Expenses (PayGo)	\$196,095	\$21,560	\$90,183	\$113,153	\$420,990
Non-Operating Revenue	(\$752,129)	(\$37,817)	(\$38,598)	(\$52,054)	(\$880,598)
Transfers to/(from) Reserves	(\$33,136)	(\$3,643)	(\$3,718)	(\$5,015)	(\$45,512)
	\$2,736,295	\$345,719	\$352,857	\$475,870	\$3,910,741
				Annual water Use	333,674
				Average \$ per hcf	\$11.72

Volumetric Cost of Service	Base	Average Day	Maximum Day	Maximum Hour	Total	Annual HCF	Avg. Cost Per HCF
Residential	\$5,783,783	\$657,195	\$620,511	\$836,833	\$7,898,323		
Commercial	\$2,736,295	\$345,719	\$352,857	\$475,870	\$3,910,741		
	\$8,520,078	\$1,002,914	\$973,368	\$1,312,703	\$11,809,063	967,973	\$12.20

North Coast County Water District
 Water Rate Study
 9b. Volume Charges

Components of Rate Structure	Revenue at Current Rates (FY 2025-26)		Cost of Service FY 2026-27		Difference COS Minus Current	
Volumetric Rates						
Residential	\$6,629,946	44.8%	\$7,898,323	49.9%	\$1,268,377	19.1%
Non-Residential	\$3,343,266	22.6%	\$3,910,741	24.7%	\$567,475	17.0%
	<u>\$9,973,212</u>	<u>67.5%</u>	<u>\$11,809,063</u>	<u>74.6%</u>	<u>\$1,835,851</u>	<u>18.4%</u>
Service Charges	\$4,811,896	32.5%	\$4,011,002	25.4%	(\$800,894)	-16.6%
Total	\$14,785,108	100.0%	\$15,820,065	100.0%	\$1,034,958	7.0%

Revenue	FY 2025-26 Revenue				FY 2026-27 Revenue				Difference	
	Service Charges	Volume Charges	Total	% of Total	Service Charges	Volume Charges	Total	% of Total	COS Minus Current	
Residential	\$4,249,807	\$6,629,946	\$10,879,753	73.6%	\$3,634,201	\$7,898,323	\$11,532,524	72.9%	\$652,771	6.0%
Non-Residential	\$562,089	\$3,343,266	\$3,905,354	26.4%	\$376,801	\$3,910,741	\$4,287,541	27.1%	\$382,187	9.8%
	<u>\$4,811,896</u>	<u>\$9,973,212</u>	<u>\$14,785,108</u>		<u>\$4,011,002</u>	<u>\$11,809,063</u>	<u>\$15,820,065</u>		<u>\$1,034,958</u>	
Total Revenue	\$4,811,896	\$9,973,212	\$14,785,108	100.0%	\$4,011,002	\$11,809,063	\$15,820,065	100.0%	\$1,034,958	7.0%

Residential ONLY			
Tiered Consumption Rates	Tier 1	Tier 2	Tier 3
Demand Condition	Average Day	Max Day	Max Hour
Tier Structure			
Volume per tier (hcf)	0-9 hcf	10 - 12 hcf	13+ hcf
hcf by Tier	218,579	129,035	286,685
Cost of Service by Tier	\$6,440,979	\$620,511	\$836,833
Demand Per Tier	Average Day	Maximum Day	Maximum Hour
Tier 1 (0-9 hcf)	218,579		
Tier 2 (10 - 12 hcf)	129,035	129,035	
Tier 3 (13+ hcf)	286,685	286,685	286,685
Total hcf per Tier	634,299	415,720	286,685
Cost-of-Service per Unit (hcf)	\$10.15	\$1.49	\$2.92
Tier 1 (0-9 hcf)	\$10.15	\$10.15	\$10.15
Tier 2 (10 - 12 hcf)		\$1.49	\$1.49
Tier 3 (13+ hcf)			\$2.92
Unit Cost per hcf (by Tier)	\$10.15	\$11.65	\$14.57

not rounded

North Coast County Water District
 Water Rate Study
 10. Rev Stabilization Factors

Class	Water Usage Fiscal Year 2024-25													Total
	July	August	September	October	November	December	January	February	March	April	May	June		
Residential	55,197	50,391	62,752	51,419	61,244	50,833	58,020	47,253	51,898	47,443	50,971	46,878	634,299	
Non-Residential	13,989	37,958	17,458	43,001	18,064	41,995	15,274	36,965	12,044	34,750	11,434	38,168	321,100	
Subtotal	69,186	88,349	80,210	94,420	79,308	92,828	73,294	84,218	63,942	82,193	62,405	85,046	955,399	

Non-Seasonal Average			
	March	April	Average
Residential	51,898	47,443	49,671
Non-Residential	12,044	34,750	23,397
Subtotal	63,942	82,193	73,068

FY 2024-25 Water Use Data

Ratio of outdoor reduction to indoor reduction = 2.00 to 1.00

8% Stage 1 Reduction (up to 10% reduction) Baseline Annual Demand (HCF)									
Class	Total	Indoor	Outdoor	Reductions				Total	Total
				Indoor	Outdoor	Indoor	Outdoor		
Residential	634,299	596,046	38,253	7.4%	14.8%	44,059	5,655	49,715	8%
Non-Residential	321,100	280,764	40,336	7.4%	14.8%	20,754	5,963	26,717	8%
Total	955,399	876,810	78,589	7.4%	14.8%	64,813	11,619	76,432	8.0%

15% Stage 2 Reduction (up to 20% reduction) Baseline Annual Demand (HCF)									
Class	Total	Indoor	Outdoor	Reductions				Total	Total
				Indoor	Outdoor	Indoor	Outdoor		
Residential	634,299	596,046	38,253	13.9%	27.7%	82,611	10,604	93,215	15%
Non-Residential	321,100	280,764	40,336	13.9%	27.7%	38,914	11,181	50,095	16%
Total	955,399	876,810	78,589	13.9%	27.7%	121,525	21,785	143,310	15.0%

25% Stage 3 Reduction (up to 30% reduction) Baseline Annual Demand (HCF)									
Class	Total	Indoor	Outdoor	Reductions				Total	Total
				Indoor	Outdoor	Indoor	Outdoor		
Residential	634,299	596,046	38,253	23.1%	46.2%	137,686	17,673	155,359	24%
Non-Residential	321,100	280,764	40,336	23.1%	46.2%	64,856	18,635	83,491	26%
Total	955,399	876,810	78,589	23.1%	46.2%	202,542	36,308	238,850	25.0%

35% Stage 4 Reduction (up to 40% reduction) Baseline Annual Demand (HCF)									
Class	Total	Indoor	Outdoor	Reductions				Total	Total
				Indoor	Outdoor	Indoor	Outdoor		
Residential	634,299	596,046	38,253	32.3%	64.7%	192,760	24,742	217,502	34%
Non-Residential	321,100	280,764	40,336	32.3%	64.7%	90,799	26,089	116,888	36%
Total	955,399	876,810	78,589	32.3%	64.7%	283,559	50,831	334,390	35.0%

45% Stage 5 Reduction (up to 50% reduction) Baseline Annual Demand (HCF)									
Class	Total	Indoor	Outdoor	Reductions				Total	Total
				Indoor	Outdoor	Indoor	Outdoor		
Residential	634,299	596,046	38,253	41.6%	83.2%	247,834	31,811	279,645	44%
Non-Residential	321,100	280,764	40,336	41.6%	83.2%	116,741	33,543	150,284	47%
Total	955,399	876,810	78,589	41.6%	83.2%	364,575	65,354	429,930	45.0%

53% Stage 6 Reduction (greater than 50% reduction) Baseline Annual Demand (HCF)									
Class	Total	Indoor	Outdoor	Reductions				Total	Total
				Indoor	Outdoor	Indoor	Outdoor		
Residential	634,299	596,046	38,253	48.8%	100.0%	290,795	38,253	329,048	52%
Non-Residential	321,100	280,764	40,336	48.8%	100.0%	136,977	40,336	177,313	55%
Total	955,399	876,810	78,589	48.8%	100.0%	427,772	78,589	506,361	53.0%

North Coast County Water District
 Water Rate Study
 10. Rev Stabilization Factors

Class	Stage 1 Up to 10% Reduction	Stage 2 Up to 20% Reduction	Stage 3 Up to 30% Reduction	Stage 4 Up to 40% Reduction	Stage 5 Up to 50% Reduction	Stage 6 Greater than 50% Reduction
Residential	7.84%	14.70%	24.49%	34.29%	44.09%	51.88%
Non-Residential	8.32%	15.60%	26.00%	36.40%	46.80%	55.22%

Ratio of outdoor reduction to indoor reduction = 2.00 to 1.00

Rev. Stabilization Factors = $1/(1-a) * (b-(c*a))/b$
 varies a = assumed percentage of reduction in water usage
 74.6% b = proportion of revenue from volumetric rates, from model
 46.3% c = proportion of water utility expenses that are variable
 (see calculation to the right)

Water Expenses	
Water Purchases	\$6,368,785
BAWSCA Surcharge	\$497,651
Utilities	<u>\$456,350</u>
FY 2026-27 Reve Req.	\$7,322,786
	46%

Class	Stage 1 Up to 10% Reduction	Stage 2 Up to 20% Reduction	Stage 3 Up to 30% Reduction	Stage 4 Up to 40% Reduction	Stage 5 Up to 50% Reduction	Stage 6 Greater than 50% Reduction
Residential	8%	15%	24%	34%	44%	52%
Non-Residential	8%	16%	26%	36%	47%	55%

Class	Stage 1 Up to 10% Reduction	Stage 2 Up to 20% Reduction	Stage 3 Up to 30% Reduction	Stage 4 Up to 40% Reduction	Stage 5 Up to 50% Reduction	Stage 6 Greater than 50% Reduction
Residential	1.032	1.065	1.123	1.198	1.300	1.410
Non-Residential	1.034	1.070	1.133	1.217	1.334	1.468

To be applied to the non-shortage rates in effect at the time of the shortage declaration

Class	Stage 1 Up to 10% Reduction	Stage 2 Up to 20% Reduction	Stage 3 Up to 30% Reduction	Stage 4 Up to 40% Reduction	Stage 5 Up to 50% Reduction	Stage 6 Greater than 50% Reduction
WSCP- Estimated Water Use Reduction	8%	15%	25%	35%	45%	53%

Notice of Public Hearing on Proposed Water Rates



Wednesday, July 15, 2026 at 7:00 P.M.

- To view the agenda, including participation and viewing instructions, go to: [NCCWD.com](https://www.nccwd.com)
- To join the webinar, visit zoom.us/join and use Webinar ID: 893 1221 7634 Passcode: 189593
- To join via telephone, call (669) 444-9171 and enter Webinar ID: 893 1221 7634
- For requests for accommodations or alternate formats, contact (650) 355-3462

Dear Customer/Record Property Owner:

The Board of Directors of the North Coast County Water District (District) will hold a public hearing to consider adoption of new rate schedules with adjustments to the Water Usage Charges (potable and recycled), Supply and Distribution Charges, Portable Meter Charges, and Fire Protection Service Connection Charges, as well as new Water Shortage Revenue Stabilization Adjustments for the next three years. All these charges are collectively referred to in this Notice as “Water Rates.” The proposed rates are described in this notice. To learn more about the District or to review the complete *Water Rate Cost-of-Service Study*, dated May 11, 2026, visit [NCCWD.com/rates](https://www.nccwd.com/rates)



ABOUT NORTH COAST COUNTY WATER DISTRICT

The North Coast County Water District provides water to approximately 39,000 residents through more than 12,500 service connections, and is the sole water purveyor for the City of Pacifica. The District is a public agency that is governed by a five-member Board of Directors elected by residents within the District’s boundaries. The District operates and maintains a complex potable water distribution system with varying topography and 32 separate but inter-connected pressure zones. The infrastructure network includes approximately 132 miles of pipelines, 12 storage tanks, 4 pump stations, and thousands of various assets such as fire hydrants, water meters, and valves. The District purchases 100% of its potable water from the San Francisco Public Utilities Commission (SFPUC), receiving approximately 2.5 million gallons of treated water per day. The District also operates a small recycled water system with a pump station, a storage tank, and over 3 miles of pipelines.

Investing in Our Community’s Water Future

As a public agency, North Coast County Water District is largely funded by our customers through rates and charges for water services. Your money is directly reinvested to pay for the water that you use every day and less visible expenses like operation, maintenance, replacement, and improvement of the distribution system, as well as costs for administration, debt service, and maintaining prudent financial reserves. In accordance with State Proposition 218, the proposed changes to the Water Rates are based on the *Water Rate Cost-of-Service Study* report (available online at NCCWD.com/rates). The *Water Rate Cost-of-Service Study* is designed to ensure that the District does not collect more revenue than is necessary to cover these costs, and that the rate structure is aligned with the proportional cost of providing the services. The proposed modification of the water rates is to ensure the rate structure reflects the proportionate cost of providing water services to each customer. The revenue from the modified rates will not exceed the amount required to cover the costs of providing adequate water services to each customer class. The proposed adjustments in Water Rates are needed to cover the costs associated with:

- Purchasing treated water from San Francisco Public Utilities Commission (SFPUC)
- Maintaining, replacing, and rehabilitating aging water infrastructure
- Energy to pump and distribute water
- Preparations for emergency response and recovery
- Debt service obligations
- Meeting legal and regulatory requirements
- Other administrative and operating expenses

How Bills Are Calculated

The District’s water service charges are billed on a bi-monthly basis. Water service charges include two components:

1. a **Water Usage Charge** for water used over a two-month period; and
2. a **Supply and Distribution Charge** based on the meter size.

The customer’s bill is the sum of these two charges. The Water Usage Charge for residential accounts is currently billed according to a 4-tier rate structure with water first billed in Tier 1 and subsequently billed in higher tiers as water use increases. As required by law, the District’s *Water Rate Cost-of-Service Study* calculated the cost of service attributable to each of the four tiers. The Water Usage Charge for all other accounts, including commercial, public, and multi-unit, is billed at a uniform rate.

Proposed Realignment of Tiers for Residential Accounts and Changes to Water Usage Charges

The District is proposing to simplify the residential tier structure by reducing the number of tiers from four to three. Using recent customer billing data, the District found that enlarging Tier 1 from 0-5 hundred cubic feet (CCF) to 0-9 CCF, more closely aligned with current demands. The proposed size of Tier 2 will now cover usage from 10-12 CCF, and Tier 3 will apply to all usage 13 CCF and above. For an average household, the size of Tier 1 covers indoor water use with a small allowance for discretionary outdoor water use. Tiers 2 and 3 correspond to higher levels of service for irrigation and other seasonal water uses. Tier 2 demand corresponds to maximum day peaking, which occurs in the summer for irrigation. Tier 3 is the highest level of service for peak hour demands when the system is at its highest output. The proposed tiers are compressing from their existing sizes to reflect the effects of conservation. As less peaking demand is placed on the system, a greater portion of consumption is reported in the proposed Tier 1. The proposed realignment of the tiers for residential accounts is described in more detail in the *Water Rate Cost-of-Service Study*.

TABLE 1
Proposed Changes to Tier Structure for Residential Customers

Tier Level	Existing Size	Proposed Size
Tier 1	0-5 CCF	0-9 CCF
Tier 2	6-9 CCF	10-12 CCF
Tier 3	10-13 CCF	13 CCF and Over
Tier 4	14 CCF and Over	(Removed)

TABLE 2

Proposed Changes to Water Usage Charges

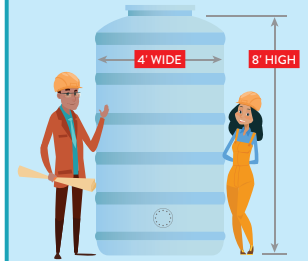
Rates per CCF (CCF = 748 Gallons)

CUSTOMER CLASS	CURRENT	FY 2026-27 Eff. 8/1/2026	FY 2027-28 Eff. 7/1/2027	FY 2028-29 Eff. 7/1/2028
Residential Tier 1	\$7.28	\$10.15	\$10.76	\$11.41
Residential Tier 2	\$10.77	\$11.65	\$12.35	\$13.09
Residential Tier 3	\$14.44	\$14.57	\$15.44	\$16.37
Residential Tier 4	\$17.67	(Removed)	(Removed)	(Removed)
Commercial*	\$10.06	\$11.72	\$12.42	\$13.17
Recycled Water	\$9.05	\$10.55	\$11.18	\$11.85

* Includes Portable Meters, Master Meters Multi-Unit Residential, Commercial, Irrigation, Public, and Fire Standby.

WHAT DOES 1 CCF OF WATER LOOK LIKE?

(Approximate representation.)



Proposed Changes to Supply and Distribution Charges

The District is proposing the following schedule of changes to its Supply and Distribution Charges for Fiscal Years (FY) 2026-27 through 2028-29, as presented in Table 3. With the exception of the first adjustment

that would take place on August 1, 2026, all changes would be effective on July 1 each year or as soon thereafter, with notice provided to customers not less than 30 days before the effective date of the adjustment.

TABLE 3

Bi-Monthly Supply and Proposed Distribution Charges

METER SIZE	CURRENT RATES	FY 2026-27 Eff. 8/1/2026	FY 2027-28 Eff. 7/1/2027	FY 2028-29 Eff. 7/1/2028
5/8"	\$60.18	\$51.98	\$55.10	\$58.41
3/4"	\$66.26	\$55.52	\$58.85	\$62.38
1"	\$84.39	\$62.62	\$66.38	\$70.36
1.5"	\$108.46	\$80.35	\$85.17	\$90.28
2"	\$175.18	\$101.62	\$107.72	\$114.18
3"	\$662.52	\$199.15	\$211.10	\$223.77
4"	\$843.45	\$310.85	\$329.50	\$349.27
6"	\$1,265.21	\$612.29	\$649.03	\$687.97
8"	\$1,747.17	\$1,037.84	\$1,100.11	\$1,166.12
10"	\$2,349.76	\$1,534.32	\$1,626.38	\$1,723.96
12"	\$2,952.35	\$1,924.41	\$2,039.87	\$2,162.26



To learn more about the District's upcoming projects, please visit: [NCCWD.com/projects](https://www.nccwd.com/projects)

The charge for all private fire protection service connections, which include all structures that have a fire service line, is proposed to be as shown in **Table 4**.

TABLE 4 Bi-Monthly Fire Protection Service Connections

METER SIZE	CURRENT RATES	PROPOSED RATES		
		FY 2026-27 <i>Eff. 8/1/2026</i>	FY 2027-28 <i>Eff. 7/1/2027</i>	FY 2028-29 <i>Eff. 7/1/2028</i>
2" or less	\$13.51	\$14.46	\$15.33	\$16.25
4"	\$42.23	\$45.19	\$47.90	\$50.77
6"	\$84.45	\$90.36	\$95.78	\$101.53
8"	\$168.89	\$180.71	\$191.55	\$203.04

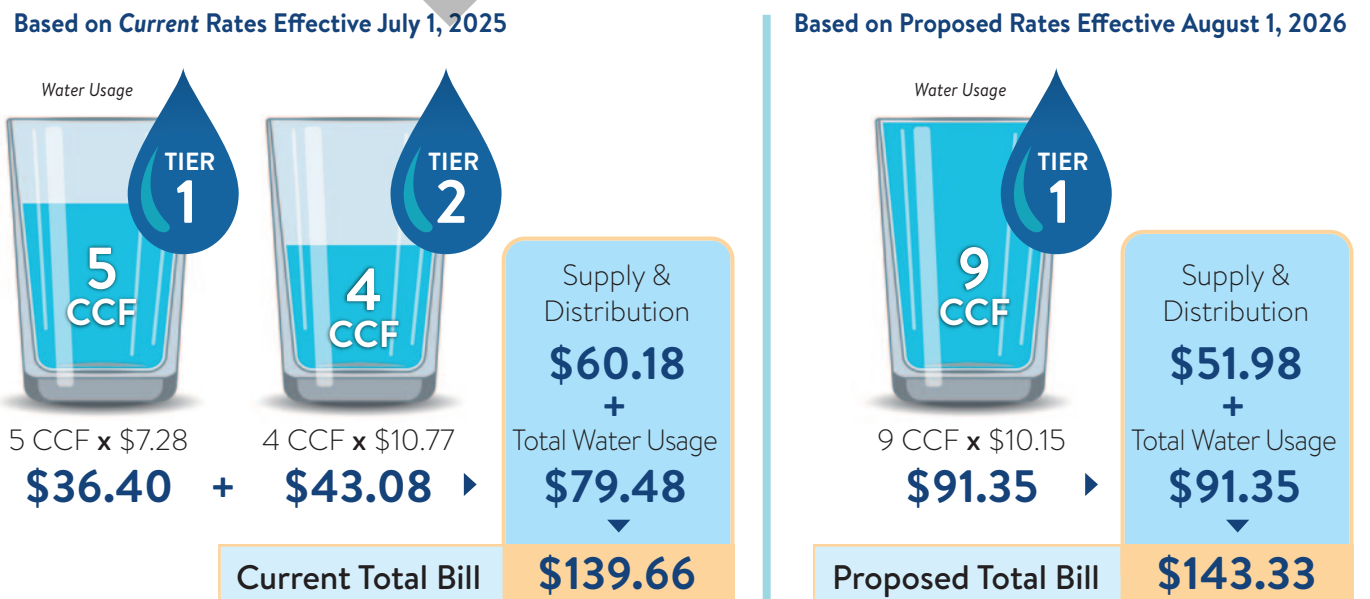
Estimating Your Water Bill

Customer bills will be adjusted by varying amounts depending on the bi-monthly water usage and the size of the meter.

The calculation of a bi-monthly bill from the District for water service to a typical single-family home with the rates proposed for August 1, 2026 is shown below in **Figure 1**. This example assumes a standard 5/8" meter and 9 CCFs of water usage:

Customers can reference a recent bill from the District to identify their account type, meter size, and water usage (for that billing period). Then, using the tables on the previous pages, find the proposed Water Usage Charges and Supply and Distribution Charges appropriate for their account. Contact a Customer Service Representative at 650-355-3462 for assistance in determining how the proposed rates may affect your bill.

FIGURE 1 Bill Comparison for a Typical Single Family Home (9 CCF)





Pass-through Adjustment for the Cost of SFPUC Purchased Water

As previously noted, the District purchases 100% of its water supply from the San Francisco Public Utilities Commission (SFPUC). Because the District has no control over the SFPUC's wholesale water rate, this cost is simply passed through to the District's customers. The SFPUC provides projections of its future wholesale water rates, which are built into the rate projections utilized in the *Water Rate Cost-of-Service Study*. SFPUC rates are projected to increase from the current rate of \$5.80 per CCF to \$6.23 per CCF in July 2026, \$6.69 per CCF in July 2027, and \$6.91 per CCF in July 2028. Pursuant to California Government Code Section 53756, the District is proposing to pass through any additional increases in the SFPUC wholesale water rates that are above these projected SFPUC wholesale water rates.

A pass-through will be implemented by increasing the District's proposed Water Usage Charge by the amount of the SFPUC wholesale water rate increase in cents per CCF in excess of the projected SFPUC

wholesale rate. For example, if the updated SFPUC rate for FY 2027-28 changes to \$6.84, the \$0.15 difference will be added to the Water Usage Charge charged to residential and commercial customers. Similarly, the District will pass through any savings in the SFPUC wholesale water rates that are below the projected wholesale water rates. Recycled water rates would change in relation to pass-through adjustments to commercial rates to maintain a ratio of 90% of the commercial volumetric rate charged. In the example above, if the volumetric rates increased by \$0.15, commercial water rates would increase from \$12.42 to \$12.57 per CCF in FY 2027-28. However, recycled water rates would increase by \$0.13, from \$11.18 to \$11.31, so that the new recycled rate would continue to be equal to 90% of the commercial volumetric rate.

Prior to implementing a pass-through of the SFPUC wholesale water rates, the District will send written notification to all customers at least 30 days prior to the effective date.

Rate Adjustments During Water Shortages

To recover its costs of service and remain financially stable during periods of drought and reduced water sales, the District is proposing a temporary Water Shortage Revenue Stabilization Adjustment that corresponds to the water shortage. During a water shortage, the District will implement a range of actions to reduce water use and help ensure that demand for water does not exceed supply. Such actions may include public outreach campaigns, water efficiency customer assistance and rebate programs, operational changes, and prohibitions and restrictions on some water uses. In the more severe stages of shortage, the District will also implement water rationing and require mandatory water reductions. The District's Water Shortage Contingency Plan, adopted in July 2026, describes the six drought stages and can be viewed at NCCWD.com.

The proposed Water Shortage Revenue Stabilization Factors, by which Water Usage Charges are adjusted in conjunction with the varying reduction stages, are

presented in Table 5. The factors are only applied to the Water Usage Charges and not to the Supply and Distribution Charges. The proposed Water Shortage Revenue Stabilization Factors for each stage are multiplied by the existing water usage rates at the time a shortage is declared to set the Water Shortage Revenue Stabilization Adjustments. As an example, the Tier 1 single family water usage rate is proposed to be \$10.15 starting August 1, 2026. If a Stage 1 shortage were declared in that year, and the Board of Directors chose to enact corresponding Water Shortage Revenue Stabilization Adjustments, the Tier 1 water usage rate, \$10.15, would be multiplied by the Water Shortage Revenue Stabilization Factor of 1.032, which would equate to \$10.47 per CCF in Tier 1. Similarly, the Tier 2 water usage rate, \$11.65, would also be multiplied by the Water Shortage Revenue Stabilization Factor of 1.032, which would equate to \$12.02 per CCF in Tier 2.

TABLE 5

Proposed Water Shortage Revenue Stabilization Adjustments by Water Shortage Stage¹ and Customer Class

	<p>0-10% Reduction</p> <table border="0"> <tr> <td>Single Family</td> <td style="text-align: right;"><i>Factor</i></td> </tr> <tr> <td>Residential</td> <td style="text-align: right;">1.032</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">1.034</td> </tr> </table>	Single Family	<i>Factor</i>	Residential	1.032	Commercial	1.034		<p>31-40% Reduction</p> <table border="0"> <tr> <td>Single Family</td> <td style="text-align: right;"><i>Factor</i></td> </tr> <tr> <td>Residential</td> <td style="text-align: right;">1.198</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">1.217</td> </tr> </table>	Single Family	<i>Factor</i>	Residential	1.198	Commercial	1.217
Single Family	<i>Factor</i>														
Residential	1.032														
Commercial	1.034														
Single Family	<i>Factor</i>														
Residential	1.198														
Commercial	1.217														
	<p>11-20% Reduction</p> <table border="0"> <tr> <td>Single Family</td> <td style="text-align: right;"><i>Factor</i></td> </tr> <tr> <td>Residential</td> <td style="text-align: right;">1.065</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">1.070</td> </tr> </table>	Single Family	<i>Factor</i>	Residential	1.065	Commercial	1.070		<p>41-50% Reduction</p> <table border="0"> <tr> <td>Single Family</td> <td style="text-align: right;"><i>Factor</i></td> </tr> <tr> <td>Residential</td> <td style="text-align: right;">1.300</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">1.334</td> </tr> </table>	Single Family	<i>Factor</i>	Residential	1.300	Commercial	1.334
Single Family	<i>Factor</i>														
Residential	1.065														
Commercial	1.070														
Single Family	<i>Factor</i>														
Residential	1.300														
Commercial	1.334														
	<p>21-30% Reduction</p> <table border="0"> <tr> <td>Single Family</td> <td style="text-align: right;"><i>Factor</i></td> </tr> <tr> <td>Residential</td> <td style="text-align: right;">1.123</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">1.133</td> </tr> </table>	Single Family	<i>Factor</i>	Residential	1.123	Commercial	1.133		<p>Over 50% Reduction</p> <table border="0"> <tr> <td>Single Family</td> <td style="text-align: right;"><i>Factor</i></td> </tr> <tr> <td>Residential</td> <td style="text-align: right;">1.410</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">1.468</td> </tr> </table>	Single Family	<i>Factor</i>	Residential	1.410	Commercial	1.468
Single Family	<i>Factor</i>														
Residential	1.123														
Commercial	1.133														
Single Family	<i>Factor</i>														
Residential	1.410														
Commercial	1.468														

¹ Water shortage stages are described in the District's *Water Shortage Contingency Plan* (available at NCCWD.com)

Once the Board of Directors declares a water shortage emergency, the Board of Directors has the discretion to implement Water Shortage Revenue Stabilization Adjustments using the Water Shortage Revenue Stabilization Factors corresponding to the level of shortage reduction implemented. These adjustments would be

temporary and would return to the regular schedule when the District's Board of Directors determines that the water shortage emergency is over. The adjustments can go in either direction from stage to stage depending on whether the level of reduction is increasing or decreasing during the shortage. The District will send written notification to all customers at least 30 days

Pursuant to California Government Code Section 53759, there is a 120-day statute of limitations for challenging the water rates set forth in this notice from the date the Board of Directors adopts the resolution approving the proposed water rates.



Important Notice: Exhaustion of Remedies

Pursuant to Government Code 53759.1, any person or entity that intends to bring a judicial action or legal proceeding alleging that these proposed adjustments to the Water Rates do not comply with the California Constitution or Proposition 218, must timely submit a written objection to the District that specifies the specific grounds for the alleged noncompliance (as compared to a written protest, which can simply oppose the adjustments to the Water Rates without specifying the grounds for noncompliance with the law). **Failure to submit a written objection by the deadline described below bars any right to challenge the proposed adjustments to the Water Rates through a judicial action or proceeding.**

How to Submit a Written Objection

A written objection must be received by the District no later than 9 a.m., July 13, 2026, at 2400 Francisco Blvd., Pacifica, CA 94044. A written objection must include all of the following:

- Objector's name, account number and/or service address.
 - Objector's signature or other verification of eligibility to submit written objection.
 - A statement that Objector's communication constitutes a written objection for the proposed water rates
 - A description of the nature of the written objection, with sufficient specificity to allow the District to respond in writing. The objection must specify why the proposed adjustments to the Water Rates do not comply with the law. The written objection should include the desired resolution or outcome. A statement that the proposed rates violate the law without an explanation as to the basis of the claim is not sufficient to constitute a valid written objection, but instead will be deemed to be a written protest.
- A written objection must be submitted in paper form. Any non-paper form will not be accepted (such as email, facsimile, or spoken protests via telephone or in person).
 - Only one written objection will be counted for each parcel served.

How to Submit a Written Protest

A written protest must be received by the District no later than the 5:00 p.m. the day of the public hearing on July 15, 2026. It may be mailed to NCCWD, P.O. Box 1039, Pacifica, CA 94044, or hand-delivered to the General Manager during the public comments section of the public hearing. A written protest must include all of the following:

- Protestor's name, account number and/or service address.
- Protestor's signature or other verification of eligibility to submit written protest.
- A statement that Protestor opposes the proposed water rates
- A written protest must also comply with the following:

- A written protest must be submitted in paper form. Any non-paper form will not be accepted (such as email, facsimile, or spoken protests via telephone or in person).
- Only one written protest will be counted for each parcel served.

Procedure for Public Hearing and Considering Written Objections and Written Protests:

At the time stated above for the public hearing, the Board of Directors will consider all written objections and written protests, as well as a staff presentation of the proposed adjustments in the Water Rates and the District's written response to written objections, along with public comments and any supplemental documents presented during the public hearing, as related to the proposed adjustments in the Water Rates. The Board may continue the public hearing as needed.

Prior to the close of the hearing, the Board of Directors will determine if any clarifications or changes will be made to the proposed adjustments in the Water Rates based on the written objections and written protests and the District's written responses to the written objections. The Board will then close the public hearing in order to count written protests. If there is a "majority protest" for the proposed adjustments in the Water Rates, the District may not approve those proposed Water Rates. There is a majority protest only if the number of timely written protests exceeds one-half of the parcels served by the District.

Preserving the Right to Challenge Proposed Increased Water Rates

You are hereby notified that, in order to file a judicial action or legal proceeding to challenge the proposed adjustments in the Water Rates described in this Notice, you must file a timely written objection, and you must commence the action or proceeding within 120 days of the approval of the adjustments in the Water Rates by the Board of Directors, and any legal action is limited to the issues raised in a timely written objection. Failure to submit a timely written objection bars any right to challenge the proposed adjustments in the Water Rates through a judicial action or proceeding. (Government Code Section 53759.1(b).)

There is a 120-day statute of limitations for judicially challenging the proposed adjustments in the Water Rates set forth in this Notice that runs from the date of the Board of Directors action to approve the rates. (Government Code Section 53759.)

Additional Information: This notice and supporting materials are available in alternative formats and languages upon request. Persons needing special assistance, disability accommodations, or translation services for the public hearing may contact the District office at (650) 355-3462 or info@nccwd.com at least 72 hours before the hearing.



NCCWD MISSION STATEMENT

It is the mission of the District to serve our customers by delivering a sufficient quantity of high-quality water in the most cost-effective, reliable, and environmentally sensitive manner.

NCCWD BOARD OF DIRECTORS

- William HauserPresident
- Anne DeJarnattVice-President
- Joshua CosgroveDirector
- Ron AshDirector
- John ValleroDirector

En Español: Este aviso contiene información importante sobre las tarifas de agua propuestas y los cargos por escasez temporal de agua. Para hablar con alguien sobre este aviso, llame (650) 355-3462.

NOTICE OF PUBLIC HEARING

On **Wednesday, July 15, 2026 at 7:00 p.m.**, the North Coast County Water District will hold a public hearing to consider the proposed increases to Water Usage Charges, Supply and Distribution Charges, and Fire Protection Service Connection Charges, as well adopting temporary Water Shortage Revenue Stabilization Adjustments, as described in this notice. Information (including instructions) and meeting documents are available online at **NCCWD.com** or in person at **2400 Francisco Blvd., Pacifica**. The District is conducting hybrid public meetings with video and telephone options. Online: **www.zoom.us/join** – Meeting ID: 893 1221 7634 – Passcode: 189593 and Phone (Toll Free): **(669) 444-9171** – Meeting ID: 893 1221 7634.

Information regarding the proposed adjusted charges is available for review during business hours at the District’s Office, 2400 Francisco Blvd., Pacifica, and online at **NCCWD.com/rates**. For questions, call (650) 355-3462.

DRAFT

This notice contains important information about Proposed Water Rate Adjustments and Temporary Water Shortage Charges

ATTENTION

Notice to Customer/Record Property Owner of Public Hearing on Proposed Rates

North Coast County Water District
P.O. Box 1039
Pacifica, CA 94044



DIRECTORS

WILLIAM HAUSER, *President*
 ANNE DEJARNATT, *Vice-President*
 RON ASH, *Director*
 JOSHUA COSGROVE, *Director*
 JOHN VALLERO, *Director*

2400 Francisco Blvd.
 P.O. Box 1039
 Pacifica, CA 94044
 www.nccwd.com

**STAFF**

ADRIANNE CARR, Ph.D.
 GENERAL MANAGER

SCOTT DALTON
 ASSISTANT GENERAL MANAGER
 – OPERATIONS

Phone (650) 355-3462
 Fax (650) 355-0735

STAFF REPORT

TO: Board of Directors
 FROM: Adrienne Carr, General Manager
 DATE: May 20, 2026
 RE: Adopt Resolution No. Calling for an Election to be Held on November 3, 2026 for the Election of Three Members of the Governing Board

INFORMATION

At the November 3, 2026 Presidential General Election, voters in North Coast County Water District (NCCWD) Voting Zones A, B, and E will elect three board members to the NCCWD Board of Directors, all of whom will serve four-year terms. This will be the District's third zone-based election since transitioning from at-large elections in 2022. The Candidate Filing period for the November 3, 2026 Statewide General Election will open on July 13, 2026 and close on August 7, 2026.

At the request of the County of San Mateo Elections Office, the District must adopt a resolution calling for and giving notice of the holding of a general election on November 3, 2026. This resolution is attached as Attachment A.

Resolution

The attached resolution includes blanks for the two items that will need to be decided by the Board: (1) the length of the candidate statement and (2) how the costs of distributing those statements will be paid. Through adoption of the attached resolution, the Board will decide that such a statement shall be limited to either 200 or 400 words. In addition, the Board will need to decide if the prorated costs of printing, mailing and translating the statements shall be paid by either the District or the candidate.

Candidate Statement

Pursuant to Elections Code 13307, each candidate for the Governing Board to be voted in the election to be held on November 3, 2026 may prepare a candidate statement on the appropriate form provided by the Chief Elections Officer. This Candidate Policy Form for Special Districts is attached as Attachment B.

For reference, in 2024 the Board decided that the candidate statement would be limited to 200 words and the costs to be paid by the candidate.

BACKGROUND

The District uses an election system based on zones and has established zone boundaries and sequencing of the elections. Instead of voting for each available open seat on the Board of Directors, residents vote only for the candidates running within their zone.

Elections Agreement

San Mateo County will require the District to enter into an Elections Service Agreement regarding the election to be held on November 3, 2026. The District was previously required to enter into a similar agreement for the election in November 2024. The agreement outlined the detailed services to be provided by both the North Coast County Water District and the Chief Elections Officer. It served as the contractual agreement for the District to reimburse the County for actual costs related to elections services. The attached resolution includes an authorization for the General Manager to enter into this agreement with the Chief Elections Officer on behalf of the District.

Zone Boundaries Map

The District adopted a zone-based election map on March 18, 2020. After the release of the federal decennial census data in September 2021, the District determined that it needed to adjust the boundaries of the zones to satisfy the legal requirements of equal populations among the zones. The updated map depicting the boundaries of the five District voting zones was adopted at the March 16, 2022 Board Meeting and Public Hearing. The zone-based election map is attached here as Attachment C. The District's website, nccwd.com, hosts an interactive map tool that will help voters easily find their zone by typing in their address.

North Coast County Water District Election Zones

Voters in Zones A, B and E will elect Board members in November 2026. Incumbency in these zones is as follows:

- President William Hauser represents Zone A
- Vice President Anne DeJarnatt represents Zone B
- Director Ron Ash represents Zone E

FISCAL IMPACT

The estimated costs associated with election services will be included in the proposed FY 26-27 Operating Budget for consideration by the Board at the June 17, 2026 regular meeting.

RECOMMENDED ACTION:

Staff recommends that the Board of Directors adopt Resolution No. Calling for an Election to be Held on November 3, 2026 for the Election of Three Members of the Governing Board.

ATTACHMENTS:

Attachment A: Adopt Resolution No. Calling for an Election to be Held on November 3, 2026
For the Election of Two Members of the Governing Board

Attachment B: County of San Mateo Candidate Policy Form for Special Districts

Attachment C: NCCWD Zone-Based Election Map – Updated March 16, 2022

ATTACHMENT A

RESOLUTION NO.

A RESOLUTION OF THE NORTH COAST COUNTY WATER DISTRICT CALLING FOR AN ELECTION TO BE HELD ON NOVEMBER 3, 2026 FOR THE ELECTION OF THREE MEMBERS OF THE GOVERNING BOARD REPRESENTING ZONES A, B, AND E

The Governing Board of the North Coast County Water District hereby resolves as follows:

WHEREAS, an election has been ordered to be held on November 3, 2026 in the North Coast County Water District for the purpose of electing members of its Governing Board (“Board”) (the “Election”); and

WHEREAS, pursuant to Section 1001 of the Elections Code of the State of California, there is an established General Statewide election to be held on the same date as the Election; and

WHEREAS, pursuant to Part 3, Consolidation of Elections, and commencing with Section 10400 of the Elections Code of the State of California, an election for members of the Board may be either completely or partially consolidated with another election held on the same day, if in the same territory, or in territory that is part the same; and

WHEREAS, pursuant to Section 1002 of the Elections Code of the State of California, the Board desires to adopt this resolution to request that the Board of Supervisors of the County of San Mateo permit the County’s Chief Elections Officer & Assessor–County Clerk–Recorder (the “Chief Elections Officer”) to render specified services to the North Coast County Water District relating to the conduct of the November 3, 2026 election.

NOW, THEREFORE, BE IT RESOLVED

Section 1. An election is hereby called to be held in and for the North Coast County Water District on November 3, 2026 to elect three (3) members of the Board representing zones A, B, and E, for a full term of four (4) years each.

Section 2. Pursuant to Elections Code 10002, the Board hereby requests the Board of Supervisors of the County of San Mateo to make available the services of the San Mateo County

Chief Elections Officer & Assessor–County Clerk–Recorder (the “Chief Elections Officer”) as the County Elections Official for the purpose of rendering services in the conduct of the Election.

Section 3. The Election will be conducted by district.

Each governing board member shall reside in the sub district area where she or he seeks to represent and shall be elected by the registered voters of that particular sub district area.

Section 4. Pursuant to Elections Code 10509, not less than 125 days prior to the date of the election, the jurisdiction secretary shall deliver a notice to the Chief Elections Officer. The notice shall bear the secretary's signature and the district seal and shall also contain both of the following:

- (a) The elective offices of the jurisdiction to be filled at the next general district election, specifying which offices, if any, are for the balance of an unexpired term.
- (b) Whether the jurisdiction or the candidate is to pay for the publication of a candidate statement.

Section 5. Pursuant to Elections Code 10522, not less than 125 days prior to the date of the election, the North Coast County Water District shall deliver to the Chief Elections Officer a map showing the boundaries of the jurisdiction and the boundaries of the divisions of the jurisdiction, if any, within the County and a statement indicating in which divisions a member of the Governing Board is to be elected and whether any elective officer is to be elected at large at the next general district election.

Section 6. The General Manager of the North Coast County Water District, or his/her designee, is hereby authorized and directed to enter an Elections Service Agreement with the Chief Elections Officer regarding the Election to outline the detailed services to be provided by both the North Coast County Water District and the Chief Elections Officer.

Section 7. The Chief Elections Officer will send an itemized invoice to the North Coast County Water District for all services provided pursuant to the Elections Service Agreement after the Election is conducted and all related costs are determined, and the General Manager of the North Coast County Water District or his/her designee, is hereby authorized and directed to submit payment on the full amount of the invoice to the County of San Mateo within forty-five (45) days of the date of the invoice.

Section 8. Pursuant to Elections Code 13307, each candidate for the Governing Board to be voted in the Election may prepare a candidate statement on the appropriate form provided by the Chief Elections Officer. Such statement shall be limited to _____ (number of words) words. The prorated costs of printing, mailing, and translating the statements shall be paid by _____ (choose one: jurisdiction or candidate).

PASSED AND ADOPTED this 20th day of May 2026 by the following votes of the North Coast County Water District’s Board of Directors:

AYES:

NOES:

ABSTAIN:

ABSENT:

President, Board of Directors

Attest:

Secretary of the Board

ATTACHMENT B



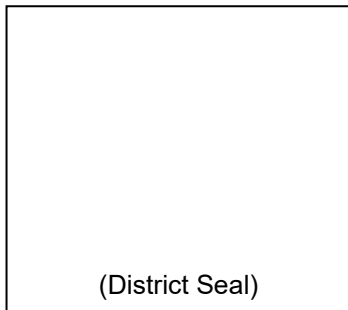
OFFICE OF
**ASSESSOR-COUNTY CLERK-
RECORDER & ELECTIONS**
COUNTY OF SAN MATEO

MARK CHURCH
CHIEF ELECTIONS OFFICER &
ASSESSOR-COUNTY CLERK-RECORDER

Candidate Policy Form for Special Districts November 3, 2026 Statewide General Election

Please complete and return this form by July 1, 2026 (EC §§10509, 10522)

Our District Board adopts the following policies effective for the November 3, 2026 Statewide General Election:					
1	The <i>number of members</i> to be elected to the Governing Board for a 4-year term : _____ Names of incumbents currently holding these seats (Indicate sub-district if election is by district)				
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">Name Sub-district</td> <td style="width: 50%; border-bottom: 1px solid black;">Name Sub-district</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Name Sub-district</td> <td style="border-bottom: 1px solid black;">Name Sub-district</td> </tr> </table>	Name Sub-district	Name Sub-district	Name Sub-district	Name Sub-district
Name Sub-district	Name Sub-district				
Name Sub-district	Name Sub-district				
2	The <i>number of members</i> to be elected to the Governing Board for a 2-year term (if applicable to fill balance of an unexpired term): _____ Name(s) of incumbent(s) currently holding or who previously held and has vacated this seat(s)				
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">Name Sub-district</td> <td style="width: 50%; border-bottom: 1px solid black;">Name Sub-district</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Name Sub-district</td> <td style="border-bottom: 1px solid black;">Name Sub-district</td> </tr> </table>	Name Sub-district	Name Sub-district	Name Sub-district	Name Sub-district
Name Sub-district	Name Sub-district				
Name Sub-district	Name Sub-district				
3	Election type <input type="checkbox"/> At-large: Each governing board member shall reside in the jurisdiction and shall be elected by the registered voters of the entire jurisdiction <input type="checkbox"/> By district: Each governing board member shall reside in the sub-district area where she or he seeks to represent and shall be elected (choose one): <input type="checkbox"/> By the registered voters of that particular sub-district area <input type="checkbox"/> By the registered voters of the entire jurisdiction				
4	The word limit for a candidate statement will be (EC §13307) <input type="checkbox"/> 200-word statement <input type="checkbox"/> 400-word statement				
5	The cost of the candidate's statement sent to each voter will be paid by (EC §13307) <input type="checkbox"/> District (Jurisdiction) <input type="checkbox"/> Candidate				



Signature of the General Manager or Administrator and Date

Print Name and Title

Official District Name (*to be used as ballot heading*)

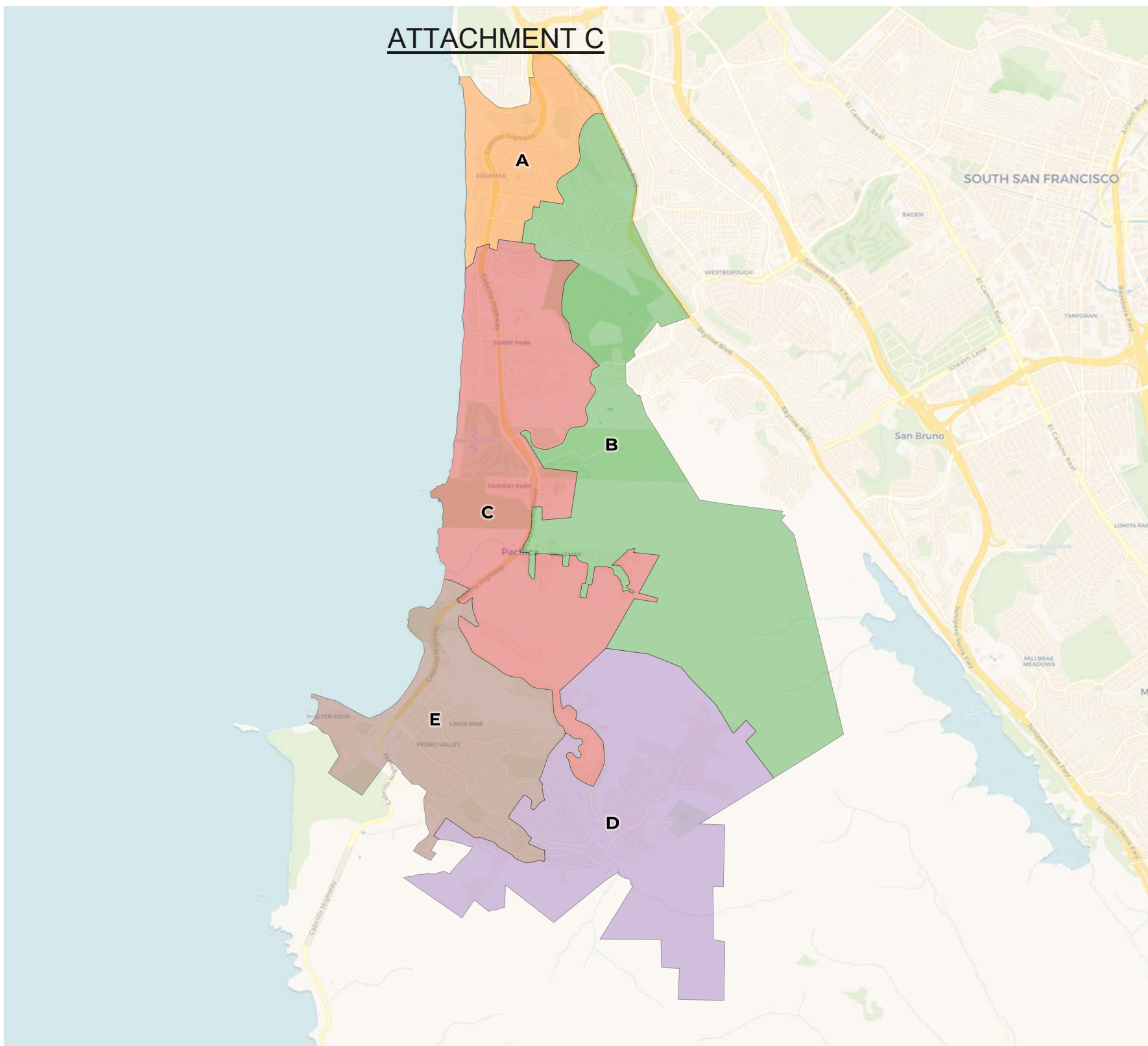


**REDISTRICTING
PARTNERS**

**North Coast County Water
District**

Plan 2 - Hills and Coasts

ATTACHMENT C



**NORTH COAST COUNTY WATER DISTRICT
CLAIMS LIST
MAY 20, 2026**

10A3

	PAYEE	A/C NO.	DESCRIPTION	TOTAL
1	ACWA JPIA	5630-130	Property and Excess Crime Insurance 04/01/26 - 03/31/27	38,673.41
2	Airgas NCN	5730-120	Monthly Propane Cylinder Rental	111.60
3	AT&T	Various	Internet for Phone Service for Plant and District Headquarters	1,093.40
4	BAWSCA	5626A-130	FY 25-26 Fourth Quarter Assessment	26,509.50
		5687-130	Urban Water Use Objective Reporting Assistance Services, Droplet Technologies Licensing Fee and EarthCapades Events	5,193.00
5	Bay Area Integration	5650-130	Security Software Fees for April	1,445.00
		Various	IT Services for April	5,190.00
6	Carollo Engineers, Inc.	5680-130	Recycled Water Engineering Report Services	3,355.00
7	Dataprose	Various	Utility Bill Mailing, Postage Deposit, and Postage for April 2026	4,165.31
		5685-130	Reservoir Newsletter for Spring 2026	2,985.10
8	EKI	1116-610A	San Pedro Creek Water Diversion and Treatment Project	4,847.50
		1118-135	Advanced Metering Infrastructure Project Implementation for April	12,530.25
		5680-130	District Engineering, Urban Water Management Plan, and General Engineering Services for April	23,011.50
		5683-130	Risk and Resilience Assessment and Emergency Response Plan Services for March and April	1,235.00
9	Ferguson Waterworks	1118-135	Advanced Metering Infrastructure Project Construction through February (Reimbursable)	95,990.72
10	Flyer's Energy	5632-110	Fuel Delivery	7,986.43
11	H2O Solutions, LLC	5670-110	Cleaning Services for Hickey, Sharp Park, Tapis, and Little Royce Tanks	11,000.00
12	Hach	5312-110	Lab Supplies	1,060.23
13	Hanson Bridgett LLP	5681-130	Legal Fees for April 2026	9,811.50
14	Howell Electric	5631-130	Installation of Wireless Communicator for Headquarters	900.00
15	Jean Pierre Gardening	5624-130	Gardening Services for District Headquarters	400.00
16	LCC Engineering & Surveying Inc	1118-112B	Surveying Services for Headquarters	10,205.00
17	Muscio Electric	5631-130	Security Alarm Programming	2,085.00
18	One Workplace	1118-112B	Furniture for Headquarters	2,837.79
19	Pacific Manor Hardware	Various	Operating Supplies for Auto Shop and Distribution	733.04
20	Quadient	5655-130	Lease for Postage Machine	256.08
21	Recology of the Coast	5623-130	Garbage Service for Clarendon Rd and Francisco Blvd 04/01/26 - 05/31/26	726.26
22	SFPUC	5130-110	Water Purchased & Service Charges from 04/09/26 to 05/08/26	581,267.93
		5312-110	Lab Tests	1,000.00
23	Shoe Depot	5661-110	High Visibility Insulated Jackets, Waterproof Pants, and Safety Boots (1 Pair)	783.95
24	Stofan, Gloria	5730-130	Claim for 510 Rockaway Beach Blvd	875.00
25	SWRCB	5732-130	Distribution Certification Grade D1 for J. Maes	70.00
26	Thomas J Piccolotti LLC	5683-130	Strategic Counsel Services through 4/15/26	2,125.00
27	Turner Advisement LLC	5683-130	Real Estate Consulting Fees	675.00
28	Tyler Technologies	5637-130	Software Support for Meter Reading Interface	72.50
29	Underground Republic Water Works	1118-135	Parts for AMI Project Meter Changeouts (Reimbursable)	1,384.64
		5420-120	Inventory Supplies	8,898.72
30	U.S. Bank	Various	See Details Attached	17,612.05
31	Verdant Commercial Capital	5631-130	Copier Machine Lease for April and May 2026	1,208.06
32	Verizon Wireless	5623-120	Monthly Service for Cell Phones and Tablets from 3/17/26 to 4/23/26	1,721.90
33	Voler Strategic Advisors	5683-130	External Communications Support Services for May 2026	6,000.00
34	VWR	5312-110	Lab Supplies	625.42
35	WEX Bank	5632-110	Fuel For District Vehicles	2,038.84
				\$ 900,696.63

**NORTH COAST COUNTY WATER DISTRICT
CLAIMS LIST
MAY 20, 2026**

U.S. BANK NATIONAL ASSOCIATION Business Card Company Statement Expenses Breakdown Billing Date: 04/23/2026			
A/C No.	Vendor	Description	Amount
1118-112B	Adam-Hill Company	Diesel Hoses for Fuel Island	287.53
1118-112B	Home Depot	Wire for Office Building	25.17
1118-112B	SFO Representatives Inc	Circuit Breaker for Warehouse	1,886.72
1118-135	Amazon.com	Wire Connectors and Terminal for AMI Project	30.75
5350-110	Hassett Hardware	Batteries, Chainsaw Bar, Chainsaw Chains, Paint, and Small Tools	542.94
5350-110	Grainger	Paint	32.92
5350-110	Home Depot	Drill Bits	21.95
5350-110	Lowe's	Gardening Supplies	201.93
5350-110	O'Reilly Auto Parts	Small Tools	12.13
5350-110	Outdoor Supply Hardware	Small Tools	19.45
5412-110	Adam-Hill Company	Hose For Fuel Island	343.14
5412-110	Amazon.com	Telephone Case	21.88
5412-110	Grainger	Push Buttons for Warehouse	169.96
5412-110	Hassett Hardware	Parts for Fuel Island Repair	32.50
5412-110	Home Depot	Parts for Warehouse Conveyor Belt	14.22
5412-110	Pacific Manor Hardware	Parts for Warehouse Conveyor Belt	3.30
5412-120	Lowe's	Shears, Spray Paint, Gloss	176.82
5621-130	Amazon.com	Office Supplies	254.77
5621-130	Costco	Janitorial Supplies	91.14
5621-130	Office Depot	Printer Toner Cartridges	1,085.73
5623-130	Comcast	Internet & Phone Service for Offices	1,372.70
5629-110	Adam-Hill Company	Parts for Excavator and Diesel Nozzles	11.16
5629-110	City Auto San Francisco	Battery for Truck No. 12	181.04
5629-110	Fast Signs	Decals for Truck No. 29	592.25
5629-110	Grainger	Grease and Small Tools	70.61
5629-110	James Ford Inc	Vehicle Maintenance for Truck Nos. 12, 23, and 27	402.70
5629-110	Napa Auto Parts	Fuel Filter and Parts for Truck No. 2	388.89
5629-110	O'Reilly Auto Parts	Parts for Truck No. 10	119.18
5650-130	Apple.com	Cellular Phone Data Storage	0.99
5650-130	Intermedia	Monthly Spam Email Screening & Reporting Services	1,131.27
5650-130	TaxBandits	Federal Payroll Tax E-File Fees	21.42
5670-110	Amazon.com	Oxygen Sensor	118.42
5687-130	4Imprint	Items for Earth Day EcoFest	1,155.86
5635-130	American Water Works Association	Management & Supervision Certificate Program for J. Fernandes and Water Operators Training for J. Velazco	950.00
5635-130	California Special Districts Association	Human Resources Bootcamp for Special Districts Training Course	325.00
5635-130	Water Wise Pro	D1 Distribution Exam Study Guide	135.00

**NORTH COAST COUNTY WATER DISTRICT
CLAIMS LIST
MAY 20, 2026**

5730-120	Software Toolbox	Software for SCADA System Data Export	1,659.00
5730-130	Fastrak	Prepaid Tolls	25.00
5733-130	Costco	Refreshments for Staff Meeting	56.65
5735-130	Amazon.com	Employee Awards and Recognition Cards	545.70
5735-130	Leatherman	Employee Recognition Award	120.27
5735-130	Topgolf	Employee Recognition Event	1,869.84
5750-120	Hassett Hardware	Fasteners for Recycled Water Operations	5.15
5942-130	ACWA	ACWA 2026 Spring Conference Registration Fee for Director	1,099.00
		Total:	17,612.05



NORTH COAST COUNTY WATER
Statement Date : 04-22-2026

Corporate Account Summary		Payment Information	
Previous Balance	\$28,372.83	Amount Due	\$31,450.69
Purchases and Other Charges	\$17,612.05	Payment due in accordance with your agreement with U.S. Bank.	
Cash Advances	\$0.00	QUESTIONS OR TO REPORT A LOST OR STOLEN CARD, CALL CUSTOMER SERVICE 1-800-344-5696	
Cash Advance Fees	\$0.00	To overnight or courier a payment, please send to:	
Late Payment Charges	\$2.14	Corporate Payment Systems	
Credits	\$0.00 CR	3180 Rider Trail S, Department 790428	
Payments	\$14,536.33 PY	Earth City, MO 63045-1518	
New Balance	\$31,450.69		
Disputed Amount	\$0.00		

Account Messages

Your account is past due \$13,834.50. Past due amount is included in the amount due. Please remit immediately.

Corporate Account Activity

Total Corporate Activity
\$14,534.19 CR

Post Date	Tran Date	Reference Number	Transaction Description	Amount
03-26	03-23	74798266085000000000394	PAYMENT - THANK YOU 00000 C	14,536.33 PY
04-22	04-22		LATE PAYMENT CHARGE	2.14

New Activity

Purchases	\$2,138.54	Total Activity	\$2,138.54
Cash Advances	\$0.00		
Cash Advances Fees	\$0.00		
Credits	\$0.00 CR		

Post Date	Tran Date	Reference Number	Transaction Description	Amount
03-25	03-23	24765016083691415493953	HASSETT ACE HARDWARE PACIFICA CA	5.15

(transactions continued on next page)

✂ Payment may be made electronically or by check made payable to Corporate Payment Systems.

CORPORATE PAYMENT SYSTEMS
P.O. BOX 6343
FARGO, ND 58125-6343

Account Number:
Unique ID:
Amount Due: \$31,450.69

Amount Enclosed \$

If paying by check, include coupon with payment to address below.

00000002902 000638164488994 P 2


NORTH COAST COUNTY WATER
PO BOX 1039
PACIFICA CA 94044-6039

CORPORATE PAYMENT SYSTEMS
P.O. BOX 790428
ST. LOUIS, MO 63179-0428

Statement Date : 04-22-2026

New Activity cont				
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04-03	04-02	24431066093406188074188	SFO REPS SAN CARLOS CA	1,886.72
04-06	04-04	24692166094104048682644	APPLE.COM/BILL 866-712-7753 CA	0.99
04-06	04-02	24943016093010201790279	THE HOME DEPOT #0639 COLMA CA	14.22
04-13	04-10	24435656101172786041045	CITY AUTO SAN FRANCISCO SOUTH SAN FRA CA	181.04
04-16	04-15	24765016105716649546260	HASSETT ACE HARDWARE PACIFICA CA	21.95
04-16	04-14	24943016105010187020572	THE HOME DEPOT #6655 COLMA CA	25.17
04-20	04-18	24055226108720216201102	PACIFIC MANOR HARDWARE GREENBRAE CA	3.30

	Purchases	\$720.27	Total Activity	\$720.27
	Cash Advances	\$0.00		
	Cash Advances Fees	\$0.00		
	Credits	\$0.00 CR		

Post Date	Tran Date	Reference Number	Transaction Description	Amount
03-26	03-25	24247606084300712782689	AMERICAN WATER WORKS ASSO 012-345-6789 CO	600.00
04-07	04-06	24011346097100027116223	SP LEATHERMAN CA B2C LEATHERMAN.CO OR	120.27

	Purchases	\$5,082.49	Total Activity	\$5,082.49
	Cash Advances	\$0.00		
	Cash Advances Fees	\$0.00		
	Credits	\$0.00 CR		

Post Date	Tran Date	Reference Number	Transaction Description	Amount
03-30	03-29	24011346088100141451127	COSTCO BY INSTACART INSTACART.COM CA	56.65
03-31	03-31	24692166090102726227587	WWW COSTCO COM 800-955-2292 WA	91.14
04-01	03-30	24431066090404476033647	TOPGOLF BURLINGAME1075-3 866-867-4653 CA	987.87
04-03	04-01	24071056092939156400735	CA-NV SECTION AWWA 909-4817200 CA	350.00
04-16	04-15	24692166105401012924847	4IMPRINT, INC 4IMPRINT.COM WI	1,155.86
04-17	04-16	24692166106401988109851	SQ *WATERWISEPRO TRAINING GOSQ.COM CA	135.00
04-20	04-16	24071056107627104347974	CALIFORNIA SPECIAL DIS 916-4427887 CA	325.00
04-20	04-18	24115726109900012907666	ACWA EVENT REGISTRATION 916-4414545 CA	1,099.00
04-20	04-18	24137466108100377197460	TST* TOPGOLF - BURLINGAME BURLINGAME CA	57.01
04-20	04-16	24431066107414595006235	TOPGOLF BURLINGAME1075-3 866-867-4653 CA	824.96

(transactions continued on next page)



Statement Date : 04-22-2026

New Activity cont

	Purchases	\$2,807.35	Total Activity	\$2,807.35
	Cash Advances	\$0.00		
	Cash Advances Fees	\$0.00		
	Credits	\$0.00 CR		

Post Date	Tran Date	Reference Number	Transaction Description	Amount
03-27	03-26	24445006085300468899424	SOFTWARE TOOLBOX IN MATTHEWS NC	1,659.00
03-30	03-27	24137466087501201795079	OFFICE DEPOT #1079 800-463-3768 TX	603.86
03-30	03-27	24137466087501201795152	OFFICE DEPOT 1135 800-463-3768 CA	481.87
04-01	04-01	24692166091100603962911	AMAZON MKTPL*BG1V67VK1 AMZN.COM/BILL WA	62.62

	Purchases	\$378.75	Total Activity	\$378.75
	Cash Advances	\$0.00		
	Cash Advances Fees	\$0.00		
	Credits	\$0.00 CR		

Post Date	Tran Date	Reference Number	Transaction Description	Amount
03-26	03-25	24692166084107603220249	LOWES #01019* SAN BRUNO CA	201.93
04-09	04-08	24692166098107745741577	LOWES #01019* SAN BRUNO CA	176.82

NORTH COAST CWD	Purchases	\$6,484.65	Total Activity	\$6,484.65
	Cash Advances	\$0.00		
	Cash Advances Fees	\$0.00		
	Credits	\$0.00 CR		

Post Date	Tran Date	Reference Number	Transaction Description	Amount
03-24	03-23	24692166082105786046086	AMAZON.COM*BD2MU09W0 AMZN.COM/BILL WA	17.90
03-24	03-23	24765016082690298453200	HASSETT ACE HARDWARE PACIFICA CA	30.73
03-25	03-24	24431056084289126524338	O'REILLY 3562 PACIFICA CA	119.18
03-25	03-24	24765016083691415495800	HASSETT ACE HARDWARE PACIFICA CA	25.25
03-26	03-25	24493986085204403744295	TAXBANDITS.COM 704-684-4751 SC	21.42
03-27	03-27	24692166086108737272351	AMAZON MKTPL*B59C36SM1 AMZN.COM/BILL WA	118.42
03-30	03-26	24643726086030011580914	NAPA AUTO PARTS- SAN BRUN SAN BRUNO CA	150.27
03-31	03-30	24692166089102017696121	AMAZON.COM*BC98G6M62 AMZN.COM/BILL WA	52.83
04-01	03-31	24231686091700042069007	OUTDOOR SUPPLY MILLBRAE MILLBRAE CA	19.45
04-02	04-01	24765016091700620549556	HASSETT ACE HARDWARE PACIFICA CA	21.97
04-03	04-02	24493986093206662974059	INTERMEDIA.NET INC 800-379-7729 WA	1,131.27
04-03	04-03	24692166093102714898412	COMCAST BUSINESS 844-963-0200 PA	873.44
04-06	04-03	24394696093017048650023	ADAM-HILL COMPANY 650-589-9655 CA	11.16
04-06	04-03	24692166094103559808184	FAST SIGNS SAN MATEO 650-425-9903 CA	592.25
04-09	04-08	24765016098708600510525	HASSETT ACE HARDWARE PACIFICA CA	32.93
04-10	04-09	24055226099709615246827	JAMES FORD INC HALF MOON BAY CA	402.70
04-13	04-10	24394696102017027190198	ADAM-HILL COMPANY 650-589-9655 CA	343.14
04-13	04-11	24692166101406901588730	COMCAST / XFINITY 800-266-2278 CA	499.26
04-13	04-10	24755426101261012381216	GRAINGER BURLINGAME CA	70.61
04-14	04-13	24765016103714351474450	HASSETT ACE HARDWARE PACIFICA CA	32.50
04-15	04-13	24643726104030011233777	NAPA AUTO PARTS- SAN BRUN SAN BRUNO CA	146.46
04-15	04-14	24692166104409608440004	AMAZON MKTPL*B79W02BC1 AMZN.COM/BILL WA	160.28
04-15	04-13	24765016104715486512378	HASSETT ACE HARDWARE PACIFICA CA	85.23
04-15	04-14	24765016104715486513731	HASSETT ACE HARDWARE PACIFICA CA	58.84
04-16	04-16	24692166106401309947989	AMAZON MKTPL*B71R74UX1 AMZN.COM/BILL WA	550.75
04-17	04-16	24431056107298705540857	O'REILLY 3562 PACIFICA CA	12.13
04-17	04-17	24692166107402151451152	AMAZON MKTPL*B73BY7HI0 AMZN.COM/BILL WA	39.54
04-17	04-17	24692166107402153305570	AMAZON.COM*BY7UW9031 AMZN.COM/BILL WA	6.58

(transactions continued on next page)

Statement Date : 04-22-2026

New Activity cont				
04-17	04-16	24755426107731075493490	GRAINGER 800-4724643 IL	32.92
04-17	04-16	24755426107731075507471	GRAINGER 800-4724643 IL	169.96
04-17	04-16	24765016106718014804653	POWERED BY HASSETT HALF MOON BAY CA	162.45
04-20	04-16	24394696107017024596731	ADAM-HILL COMPANY 650-589-9655 CA	287.53
04-20	04-17	24692166107402353010699	AMAZON MKTPL*BS4PU2PA2 AMZN.COM/BILL WA	25.70
04-20	04-17	24692166107402561298847	AMAZON MKTPL*B73GO58H0 AMZN.COM/BILL WA	30.47
04-20	04-17	24765016107719013605249	HASSETT ACE HARDWARE PACIFICA CA	10.09
04-22	04-21	24431066111416890037777	FASTRAK CSC 415-486-8655 CA	25.00
04-22	04-20	24643726111030011229248	NAPA AUTO PARTS- SAN BRUN SAN BRUNO CA	92.16
04-22	04-21	24692166111406664995237	AMAZON MKTPL*BY4NA1AX0 AMZN.COM/BILL WA	21.88
			Department: 00000	Total: \$17,612.05
			Division: 00000	Total: \$17,612.05



Statement Date : 04-22-2026

Page 1 of 2

Account Summary		General Information	
Previous Balance	\$0.00	Total Activity	\$2,138.54
Purchases and Other Charges	\$2,138.54		
Cash Advances	\$0.00		
Cash Advance Fees	\$0.00	QUESTIONS OR TO REPORT A LOST OR STOLEN CARD,	
Late Payment Charges	\$0.00	CALL CUSTOMER SERVICE 1-800-344-5696	
Credits	\$0.00 CR		
Payments	\$0.00 PY		
Total Activity	\$2,138.54		
Disputed Amount	\$0.00		

Account Messages			
We certify that all purchases listed on this statement, unless annotated to the contrary, are true, correct and for official business only. Payment is authorized.			
Cardholder	Date	Approver	Date

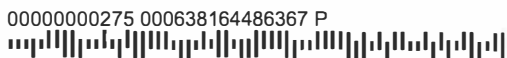
New Activity				
Post Date	Tran Date	Reference Number	Transaction Description	Amount
03-25	03-23	24765016083691415493953	HASSETT ACE HARDWARE PACIFICA CA	5750-120 5.15 -
04-03	04-02	24431066093406188074188	SFO REPS SAN CARLOS CA	1118-112B 1,886.72 -
04-06	04-04	24692166094104048682644	APPLE.COM/BILL 866-712-7753 CA	5650-130 0.99
04-06	04-02	24943016093010201790279	THE HOME DEPOT #0639 COLMA CA	5412-110 14.22 -
04-13	04-10	24435656101172786041045	CITY AUTO SAN FRANCISCO SOUTH SAN FRA CA	5629-110 181.04 -
04-16	04-15	24765016105716649546260	HASSETT ACE HARDWARE PACIFICA CA	5350-110 21.95 -
04-16	04-14	24943016105010187020572	THE HOME DEPOT #6655 COLMA CA	1118-112B 25.17 -
04-20	04-18	24055226108720216201102	PACIFIC MANOR HARDWARE GREENBRAE CA	5412-110 3.30

CORPORATE PAYMENT SYSTEMS
P.O. BOX 6343
FARGO, N D 58125-6343

NORTH COAST COUNTY WATER DIST

Account Number:
Unique ID:
Amount Due: \$0.00

****MEMO STATEMENT ONLY**
DO NOT REMIT PAYMENT**



NCCWD
PO BOX 1039
2400 FRANCISCO BLVD
PACIFICA CA 94044-6039



Statement Date : 04-22-2026

Page 1 of 2

Account Summary	General Information
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Previous Balance	\$0.00	Total Activity	\$720.27
Purchases and Other Charges	\$720.27		
Cash Advances	\$0.00		
Cash Advance Fees	\$0.00		
Late Payment Charges	\$0.00		
Credits	\$0.00 CR		
Payments	\$0.00 PY		

QUESTIONS OR TO REPORT A LOST OR STOLEN CARD, CALL CUSTOMER SERVICE 1-800-344-5696

Total Activity **\$720.27**

Disputed Amount \$0.00

Account Messages

We certify that all purchases listed on this statement, unless annotated to the contrary, are true, correct and for official business only. Payment is authorized.

Cardholder	Date	Approver	Date
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New Activity

Post Date	Tran Date	Reference Number	Transaction Description	Amount
03-26	03-25	24247606084300712782689	AMERICAN WATER WORKS ASSO 012-345-6789 CO	5635-130 600.00 ✓
04-07	04-06	24011346097100027116223	SP LEATHERMAN CA B2C LEATHERMAN.CO OR	5735-130 120.27

CORPORATE PAYMENT SYSTEMS
P.O. BOX 6343
FARGO, ND 58125-6343

NORTH COAST COUNTY WATER DIST

Account Number:
Unique ID:
Amount Due: \$0.00

****MEMO STATEMENT ONLY**
DO NOT REMIT PAYMENT**

0000001200 000638164487292 P

NCCWD
PO BOX 1039
2400 FRANCISCO BLVD
PACIFICA CA 94044-6039



Account Summary		General Information	
Previous Balance	\$0.00	Total Activity	\$5,082.49
Purchases and Other Charges	\$5,082.49		
Cash Advances	\$0.00		
Cash Advance Fees	\$0.00		
Late Payment Charges	\$0.00	QUESTIONS OR TO REPORT A LOST OR STOLEN CARD, CALL CUSTOMER SERVICE 1-800-344-5696	
Credits	\$0.00 CR		
Payments	\$0.00 PY		
Total Activity	\$5,082.49		
Disputed Amount	\$0.00		

New Activity

Post Date	Tran Date	Reference Number	Transaction Description	Amount
03-30	03-29	24011346088100141451127	COSTCO BY INSTACART INSTACART.COM CA	5733-130 56.65
03-31	03-31	24692166090102726227587	WWW COSTCO COM 800-955-2292 WA	5621-130 91.14
04-01	03-30	24431066090404476033647	TOPGOLF BURLINGAME1075-3 866-867-4653 CA	5735-130 987.87
04-03	04-01	24071056092939156400735	CA-NV SECTION AWWA 909-4817200 CA	5635-130 350.00
04-16	04-15	24692166105401012924847	4IMPRINT, INC 4IMPRINT.COM WI	5697-130 1,155.86
04-17	04-16	24692166106401988109851	SQ *WATERWISEPRO TRAINING GOSQ.COM CA	5635-130 135.00
04-20	04-16	24071056107627104347974	CALIFORNIA SPECIAL DIS 916-4427887 CA	↓ 325.00
04-20	04-18	24115726109900012907666	ACWA EVENT REGISTRATION 916-4414545 CA	5942-130 1,099.00
04-20	04-18	24137466108100377197460	TST* TOPGOLF - BURLINGAME BURLINGAME CA	5735-130 57.01
04-20	04-16	24431066107414595006235	TOPGOLF BURLINGAME1075-3 866-867-4653 CA	↓ 824.96

CORPORATE PAYMENT SYSTEMS
P.O. BOX 6343
FARGO, ND 58125-6343

NORTH COAST COUNTY WATER DIST

Account Number:
Unique ID:
Amount Due: \$0.00

****MEMO STATEMENT ONLY**
DO NOT REMIT PAYMENT**

00000004982 000638164491074 P



NCCWD
2400 FRANCISCO BLVD.
PACIFICA CA 94044-2300



Statement Date : 04-22-2026

Account Summary		General Information	
Previous Balance	\$0.00	Total Activity	\$2,807.35
Purchases and Other Charges	\$2,807.35		
Cash Advances	\$0.00		
Cash Advance Fees	\$0.00	QUESTIONS OR TO REPORT A LOST OR STOLEN CARD,	
Late Payment Charges	\$0.00	CALL CUSTOMER SERVICE 1-800-344-5696	
Credits	\$0.00 CR		
Payments	\$0.00 PY		
Total Activity	\$2,807.35		
Disputed Amount	\$0.00		

New Activity

Post Date	Tran Date	Reference Number	Transaction Description	Amount
03-27	03-26	24445006085300468899424	SOFTWARE TOOLBOX IN MATTHEWS NC	5730-120 1,659.00
03-30	03-27	24137466087501201795079	OFFICE DEPOT #1079 800-463-3768 TX	5621-130 603.86
03-30	03-27	24137466087501201795152	OFFICE DEPOT 1135 800-463-3768 CA	481.87
04-01	04-01	24692166091100603962911	AMAZON MKTPL*BG1V67VK1 AMZN.COM/BILL WA	62.62

CORPORATE PAYMENT SYSTEMS
P.O. BOX 6343
FARGO, ND 58125-6343

NORTH COAST COUNTY WATER DIST

Account Number:
Unique ID:
Amount Due: \$0.00

****MEMO STATEMENT ONLY**
DO NOT REMIT PAYMENT**

0000006582 000638164492674 P

NCCWD
P.O. BOX 1039
2400 FRANCISCO BLVD.
PACIFICA CA 94044-6039



Statement Date : 04-22-2026

Page 1 of 2

Account Summary		General Information	
Previous Balance	\$0.00	Total Activity	\$378.75
Purchases and Other Charges	\$378.75		
Cash Advances	\$0.00		
Cash Advance Fees	\$0.00		
Late Payment Charges	\$0.00		
Credits	\$0.00 CR		
Payments	\$0.00 PY		
Total Activity	\$378.75		
Disputed Amount	\$0.00		

QUESTIONS OR TO REPORT A LOST OR STOLEN CARD,
CALL CUSTOMER SERVICE 1-800-344-5696

New Activity

Post Date	Tran Date	Reference Number	Transaction Description	Amount
03-26	03-25	24692166084107603220249	LOWES #01019* SAN BRUNO CA	201.93
04-09	04-08	24692166098107745741577	LOWES #01019* SAN BRUNO CA	176.82

5350-120
5412-120

CORPORATE PAYMENT SYSTEMS
P.O. BOX 6343
FARGO, ND 58125-6343

NORTH COAST COUNTY WATER DIST

Account Number:
Unique ID:
Amount Due: \$0.00

****MEMO STATEMENT ONLY**
DO NOT REMIT PAYMENT**

0000019197 000638164505289 P

NCCWD
P.O. BOX 1039
2400 FRANCISCO BLVD.
PACIFICA CA 94044-6039



NORTH COAST CWD
Statement Date : 04-22-2026

Account Summary		General Information	
Previous Balance	\$0.00	Total Activity	\$6,484.65
Purchases and Other Charges	\$6,484.65		
Cash Advances	\$0.00		
Cash Advance Fees	\$0.00		
Late Payment Charges	\$0.00	QUESTIONS OR TO REPORT A LOST OR STOLEN CARD, CALL CUSTOMER SERVICE 1-800-344-5696	
Credits	\$0.00 CR		
Payments	\$0.00 PY		
Total Activity	\$6,484.65		
Disputed Amount	\$0.00		

New Activity

Post Date	Tran Date	Reference Number	Transaction Description	Amount
03-24	03-23	24692166082105786046086	AMAZON.COM*BD2MU09W0 AMZN.COM/BILL WA	5621-130 17.90
03-24	03-23	24765016082690298453200	HASSETT ACE HARDWARE PACIFICA CA	5350-110 30.73
03-25	03-24	24431056084289126524338	O'REILLY 3562 PACIFICA CA	5629-110 119.18
03-25	03-24	24765016083691415495800	HASSETT ACE HARDWARE PACIFICA CA	5350-110 25.25
03-26	03-25	24493986085204403744295	TAXBANDITS.COM 704-684-4751 SC	5650-130 21.42
03-27	03-27	24692166086108737272351	AMAZON MKTPL*B59C36SM1 AMZN.COM/BILL WA	5670-110 118.42
03-30	03-26	24643726086030011580914	NAPA AUTO PARTS- SAN BRUN SAN BRUNO CA	5629-110 150.27
03-31	03-30	24692166089102017696121	AMAZON.COM*BC98G6M62 AMZN.COM/BILL WA	5621-130 52.83
04-01	03-31	24231686091700042069007	OUTDOOR SUPPLY MILLBRAE MILLBRAE CA	5350-110 19.45
04-02	04-01	24765016091700620549556	HASSETT ACE HARDWARE PACIFICA CA	5350-110 21.97
04-03	04-02	24493986093206662974059	INTERMEDIA.NET INC 800-379-7729 WA	5650-130 1,131.27
04-03	04-03	24692166093102714898412	COMCAST BUSINESS 844-963-0200 PA	5623-130 873.44
04-06	04-03	24394696093017048650023	ADAM-HILL COMPANY 650-589-9655 CA	5629-110 11.16
04-06	04-03	24692166094103559808184	FAST SIGNS SAN MATEO 650-425-9903 CA	5629-110 592.25
04-09	04-08	24765016098708600510525	HASSETT ACE HARDWARE PACIFICA CA	5350-110 32.93
04-10	04-09	24055226099709615246827	JAMES FORD INC HALF MOON BAY CA	5629-110 402.70
04-13	04-10	24394696102017027190198	ADAM-HILL COMPANY 650-589-9655 CA	5412-110 343.14
04-13	04-11	24692166101406901588730	COMCAST / XFINITY 800-266-2278 CA	5623-130 499.26

(New Activity continued on next page)

CORPORATE PAYMENT SYSTEMS
P.O. BOX 6343
FARGO, ND 58125-6343

NORTH COAST COUNTY WATER DIST

Account Number:
Unique ID:
Amount Due: \$0.00

****MEMO STATEMENT ONLY**
DO NOT REMIT PAYMENT**



NORTH COAST CWD
2400 FRANCISCO BLVD
PACIFICA CA 94044-2300

Statement Date 04-22-2026

New Activity - Continued

Post Date	Tran Date	Reference Number	Transaction Description	Amount
04-13	04-10	24755426101261012381216	GRAINGER BURLINGAME CA	5629-110 70.61
04-14	04-13	24765016103714351474450	HASSETT ACE HARDWARE PACIFICA CA	5412-110 32.50
04-15	04-13	24643726104030011233777	NAPA AUTO PARTS- SAN BRUN SAN BRUNO CA	5629-110 146.46
04-15	04-14	24692166104409608440004	AMAZON MKTPL*B79W02BC1 AMZN.COM/BILL WA	5621-130 160.28
04-15	04-13	24765016104715486512378	HASSETT ACE HARDWARE PACIFICA CA	5350-110 85.23
04-15	04-14	24765016104715486513731	HASSETT ACE HARDWARE PACIFICA CA	L 58.84
04-16	04-16	24692166106401309947989	AMAZON MKTPL*B71R74UX1 AMZN.COM/BILL WA	118-135 & 5735-130 550.75
04-17	04-16	24431056107298705540857	O'REILLY 3562 PACIFICA CA	5350-110 12.13
04-17	04-17	24692166107402151451152	AMAZON MKTPL*B73BY7HI0 AMZN.COM/BILL WA	5621-130 39.54
04-17	04-17	24692166107402153305570	AMAZON.COM*BY7UW9O31 AMZN.COM/BILL WA	L 6.58
04-17	04-16	24755426107731075493490	GRAINGER 800-4724643 IL	5350-110 32.92
04-17	04-16	24755426107731075507471	GRAINGER 800-4724643 IL	5412-120 169.96
04-17	04-16	24765016106718014804653	POWERED BY HASSETT HALF MOON BAY CA	5350-110 162.45
04-20	04-16	24394696107017024596731	ADAM-HILL COMPANY 650-589-9655 CA	118-112B 287.53
04-20	04-17	24692166107402353010699	AMAZON MKTPL*BS4PU2PA2 AMZN.COM/BILL WA	5735-130 25.70
04-20	04-17	24692166107402561298847	AMAZON MKTPL*B73GO58H0 AMZN.COM/BILL WA	5621-130 30.47
04-20	04-17	24765016107719013605249	HASSETT ACE HARDWARE PACIFICA CA	5350-110 10.09
04-22	04-21	24431066111416890037777	FASTRAK CSC 415-486-8655 CA	5730-130 25.00
04-22	04-20	24643726111030011229248	NAPA AUTO PARTS- SAN BRUN SAN BRUNO CA	5629-110 92.16
04-22	04-21	24692166111406664995237	AMAZON MKTPL*BY4NA1AX0 AMZN.COM/BILL WA	5412-110 21.88

DIRECTORS

WILLIAM HAUSER, *President*
ANNE DEJARNATT, *Vice-President*
RON ASH, *Director*
JOSHUA COSGROVE, *Director*
JOHN VALLERO, *Director*

2400 Francisco Blvd.
P.O. Box 1039
Pacifica, CA 94044
www.nccwd.com

**STAFF**

ADRIANNE CARR, Ph.D.
GENERAL MANAGER

SCOTT DALTON
ASSISTANT GENERAL MANAGER
- OPERATIONS

Phone (650) 355-3462
Fax (650) 355-0735

STAFF REPORT

TO: Board of Directors
FROM: Adrienne Carr, General Manager
DATE: May 20, 2026
RE: San Mateo County Local Agency Formation Commission – Election of a Regular Special District Member for a Term Ending May 2030

INFORMATION

As a member of the San Mateo Local Agency Formation Commission (LAFCo), the North Coast County Water District has the opportunity to cast a vote for a Regular Special District Member for a term ending in May 2030.

San Mateo LAFCo is comprised of two county supervisor members appointed by the Board of Supervisors, two city council members appointed by the City Selection Committee (also known as the Council of Mayors), two special district members selected by the Special Districts Selection Committee (comprised of the presiding officers of the independent special districts), and one public member appointed by the six members of the Commission. An alternate for each type of membership is also selected in the same manner as regular members. Terms are four years ending on the first Monday in May and members serve until reappointed or their successor is appointed. Government Code Section 56332 directs that the LAFCo Executive Officer shall call a meeting or provide for mail ballot to appoint independent special district members to LAFCo to fill vacancies or expiring terms.

San Mateo LAFCo has received two nominations for this one open position. Candidates include Kati Martin of San Mateo County Mosquito and Vector Control District and Kathryn Slater-Carter of Montara Water and Sanitary District. The District's Board President is the designated voting representative in this election. No board action is necessary.

The ballot, included here as Attachment A, was issued on April 29, 2026, and is due back by Monday, June 1, 2026. Candidate statements are provided for each candidate.

FISCAL IMPACT

None.

RECOMMENDATION

This item is for discussion only.

ATTACHMENTS

- A. San Mateo Local Agency Formation Commission (LAFCo) Ballot for Selection of Alternate Special District Member

ATTACHMENT A

BALLOT – Issued April 29, 2026

**For Selection of Regular Special District Member
To San Mateo Local Agency Formation Commission (LAFCo) For Term Ending May 2030**

Independent Special District Selection Committee

Candidates: **Kati Martin, San Mateo County Mosquito and Vector Control District**
(Nominated by Ron Collins, President, San Mateo County Mosquito and Vector Control District)

Katheryn Slater-Carter, Montara Water and Sanitary District
(Nominated by Scott Boyd, President, Montara Water and Sanitary District)

FILL IN THE FOLLOWING TABLE. VOTE FOR ONE ONLY

Candidate Name:	Vote Cast by: (Name of Voter and Name of District)

I am either the President of the Board listed below **OR** my Board appointed me as alternate to vote on the Independent Special District Selection Committee.

Signature: _____ Date: _____

Printed Name: _____

Title: _____

Name of Special District: _____

Please return by: June 1, 2026

Return to:

Rob Bartoli, Executive Officer
San Mateo LAFCo
455 County Center, Redwood City, CA
94063
Phone: 650-363-4224 FAX: 650-363-4849
rbartoli@smcgov.org

Greetings

My name is Kati Martin, and I am currently one of your two Special Districts representatives to the San Mateo County LAFCo board. I am running to retain the position. I've had both the honor and pleasure of serving on the Board for the last 6 years, 2 years as an alternate and 4 as a commissioner. I am also a board member of the San Mateo County Mosquito and Vector Control District where I have served as Secretary, Vice-President and President over 13 years. Before that appointment, I served on 5 San Mateo County Civil Grand Juries. In a previous life, I was an Insurance defense lawyer.

I am a strong supporter of special districts recognizing their importance in our county. The governance structure provided by independent special districts allow our citizens to control essential services and resources, such as water, fire, vector abatement and open space management. That independence allows their management to sculpt what works for their district. Not just a one-size-fits-all approach that often comes with county or state governance.

As you know, LAFCo regularly reviews the operations of independent and dependent special districts to help guarantee that management is providing the promise they made to serve our citizens. Having been involved in numerous Municipal Service Reviews and interacting with board members as part of that process, I've learned to listen to their perspective. To hear their stories. To believe in the collaborative process that works for the benefit of everyone. After all, you are the people who know and run the district best.

I am available to meet with your board if you wish, and/or hope you will share this letter with your board members. My contact information is at the bottom.

I would appreciate your consideration and ultimately your vote.

Thank you

Kati Martin

Km92036@yahoo.com

650-278-5782

Candidate Statement for Kathryn Slater-Carter

Kathryn Slater-Carter
Vice President & Secretary, Montara Water & Sanitary District Board
Commissioner, San Mateo County Harbor Board
Chair, Sewer Authority Midcoastside
Special District Alternate, San Mateo County LAFCO
Director, CA Special District Association

Please vote for me. I am honored to be nominated as a candidate for San Mateo County LAFCO by Montara Water and Sanitary District for a Special District Regular Member seat on our LAFCO. Currently, I serve as the special districts alternate for our LAFCO Commission and have the privilege of serving on two independent special district boards--the Montara Water & Sanitary District Board and the San Mateo County Harbor Board.

I have been an advocate for special districts for 30 years, including having San Mateo County special districts be included on our LAFCO board. With 21 independent special districts, we must have an independent voice on our LAFCO commission. I will bring that independent voice.

I also serve on the state board of the California Special Districts Association where my advocacy work includes keeping our local resources and funding in our local communities. As a CSDA board member, I have also worked with the California Association of Local Agency Formation Commissions (CALAFCO) to help special district board members learn about and understand the importance of LAFCO to special districts.

I am asking for your support to be an independent voice on our LAFCO commission as a special district representative.

Please feel free to reach out to me at (650) 346-5255 or at kathryn@mwsd.net.

DIRECTORS

WILLIAM HAUSER, *President*
ANNE DEJARNATT, *Vice-President*
RON ASH, *Director*
JOSHUA COSGROVE, *Director*
JOHN VALLERO, *Director*
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www.nccwd.com



STAFF

ADRIANNE CARR, Ph.D.
GENERAL MANAGER
SCOTT DALTON
ASSISTANT GENERAL MANAGER
- OPERATIONS
Phone (650) 355-3462
Fax (650) 355-0735

TO: Board of Directors
FROM: Jonathan Sutter, District Engineer
DATE: May 20, 2026
RE: District Engineer's Report

Update on Advanced Metering Infrastructure (AMI) Project

Ferguson has successfully completed all 12,558 scheduled meter installations. District staff are now completing the remaining installs (approximately 150) that were previously removed from the Ferguson contract. Additionally, the District has received quotes from Ferguson for AMI-compatible meters to replace the existing meters at the interties with Daly City and Westborough Water District at the Christen Hill Tank and with Daly City at Arcadia. Final closeout tasks are currently underway, including the formalization of warranty claims and data transfer procedures.

Urban Water Management Plan

The District is currently reviewing the administrative drafts of the 2025 Urban Water Management Plan (UWMP) and Water Shortage Contingency Plan (WSCP). The District intends to publish the public drafts in May 2026, with the public hearing and formal adoption scheduled for the June 2026 Board meeting. Both documents must be adopted by the Board of Directors before the July 1, 2026, submission deadline to the California Department of Water Resources (DWR).

DIRECTORS

WILLIAM HAUSER, *President*
ANNE DEJARNATT, *Vice-President*
RON ASH, *Director*
JOSHUA COSGROVE, *Director*
JOHN VALLERO, *Director*

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P.O. Box 1039
Pacifica, CA 94044
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**STAFF**

ADRIANNE CARR, Ph.D.
GENERAL MANAGER

SCOTT DALTON
ASSISTANT GENERAL MANAGER
- OPERATIONS

Phone (650) 355-3462
Fax (650) 355-0735

STAFF REPORT

TO: Board of Directors
FROM: Adrienne Carr, General Manager
DATE: May 20, 2026
RE: General Manager's Update

Multijurisdictional Local Hazard Mitigation Plan (LHMP) 2026 Updates

A Local Hazard Mitigation Plan (LHMP) is a strategic document that outlines how a community can reduce risk from natural disasters and improve resilience against disasters. The District is now working with officials at San Mateo County to update its LHMP, which was last updated in 2021. The LHMP assesses risks against natural hazards such as climate change, drought, earthquake, sea level rise, flood, landslides, severe weather, tsunamis, wildfire, and dam failure. It also seeks to integrate existing plans, such as various master plans and assessments, in order to mitigate risks.

The District received notice from CalOES that our Local Hazard Mitigation Plan (LHMP) was expiring in December 2026. Upon receiving this notice, the District reached out to the County of San Mateo's Department of Emergency Management and learned that the County was, as in years past, taking the lead in coordinating a comprehensive LHMP for all San Mateo County cities. District staff have participated in various meetings with the County and are actively updating the plan.

The Federal Emergency Management Agency (FEMA) requires that stakeholders and the public be given an opportunity to participate in the development and update of the plan. Community members' feedback can enhance the content and results of the hazard mitigation plan. The County set up forms to gain input from the public on the hazards and to gather suggestions for possible mitigation actions.

The District provided notice of the LHMP update in the latest issue of the Reservoir, which is currently circulating with all customer bills and is available on the District's website. In addition, a webpage with the LHMP information is posted on the District's website here: nccwd.com/lhmp.

San Mateo County will post the Draft LHMP on its website on Friday, May 15, 2026, and will accept comments from May 15 to June 15, 2026. A link to the Draft LHMP will also be available

on the District's website. Print copies of the plan will be available for public review at participating County Libraries.

The District will encourage public participation of the LHMP over the coming months, and the General Manager will be providing updates in the agenda packet as the process progresses.

Contracts and Agreements

To comply with Resolution No. 1181, Amending Policies and Procedures for the Award of Contracts and the Delegation of Authority to the General Manager, the following report details the contracts that were executed by the General Manager that fall within the General Manager's spending authority.

HF&H Consultants

On May 8th the General Manager entered into an amendment to the Professional Services Agreement with HF&H Consultants for the 2026 Water Rate Study in the amount of \$23,502.50 for a new total not to exceed \$84,472.50. The amendment covers services that were not planned in the initial scope of work.

Carollo Engineers

On May 15th the General Manager entered into an amendment to the Professional Services Agreement with Carollo Engineers for the NCCWD Recycled Water Engineering Report and Regulatory Operations Plan in the amount of \$49,998 for a new total not-to-exceed \$99,098.00. The amendment covers the District's cost share of the performance of the required Spot-Check Bioassay that needs to be completed to prove performance of the City's new ultraviolet (UV) treatment system. Testing will be reported to the state, and results of the testing need to be approved by the state prior to bringing the District's recycled water system back online. The City of Pacifica is also providing a cost share for this work.

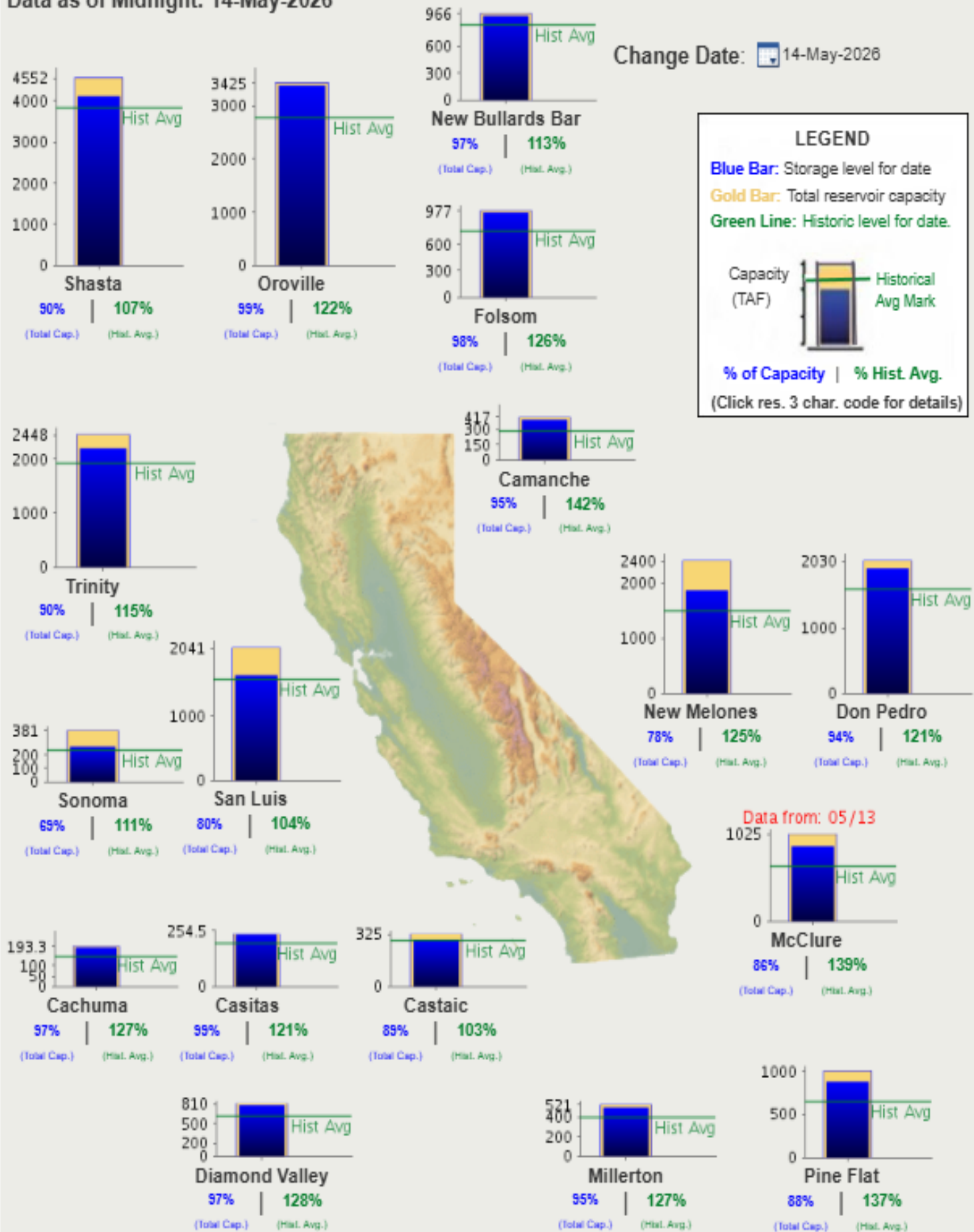
Attachments

- A. Current Reservoir Conditions, California Major Water Supply Reservoirs, Current Conditions as of May 14, 2026.

CURRENT CONDITIONS: MAJOR WATER SUPPLY RESERVOIRS:14-MAY-2026

Data as of Midnight: 14-May-2026

Change Date:



[Click to download printable version of current data.](#)

Report Generated: 15-May-2026 2:15 PM

The CSI link has been disabled to zoom in, for the lack of historical data.



Capital Improvement Projects

MONTHLY STATUS REPORT APRIL 2026

POTABLE PIPING IMPROVEMENTS

1117-130 21” Transmission Main Pipeline Inspection

The San Francisco Sheriff’s Department aging County Jail pipeline is in poor condition and currently shares the tunnel with the District’s 21” transmission main pipeline. District staff and the District Engineer met with the Sheriff’s Department to discuss partnering on a project, as there could be cost savings if both entities performed repair or replacement activities at the same time. The Sheriff’s Department is currently working with the SFPUC to review options.

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$100,000	\$0	0%	\$100,000

1117-145 Emergency Pipeline Repairs

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$100,000	\$0	0%	\$100,000

1117-149 Loop at Everglades Dr. Pipeline Replacement

Phase 2 of the pipeline project is complete.

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$850,000	\$716,031	84.24%	\$133,969

1117-149 Pressure Zone 1 Transmission Line Evaluation

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$100,000	\$0	0%	\$100,000

1117-149 FY 26-27 Potable Pipeline Improvements – Design

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$500,000	\$0	0%	\$500,000

MISCELLANEOUS PROJECTS

1118-122B Vehicle Replacement

The District has purchased a new Ford F-150 to replace damaged Truck #14. The new dump truck has been outfitted and is in service.

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$215,000	\$231,215	107.54%	(\$16,215)



Capital Improvement Projects

1118-130 Automated Metering Infrastructure Upgrade

The District Engineer will provide an update on this project. Spending is reimbursable on a quarterly basis from the Department of Water Resources Urban and Multibenefit Drought Relief Program grant funding.

Budget	Total Year to Date Spent	Grant Funds Received*	Net Spend	Percent Spent	Balance Remaining
\$700,000	\$6,395,743	(\$5,478,326)	\$917,417	131.0%	(\$217,416)

*Reimbursement received for expenses July 1-February 28

1118-160 Water System Hydraulic Model Update & Integration with GIS

Hydrant flow tests were completed and the District Engineer is working to update the hydraulic model based on the test results.

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$20,000	\$96,203	481.02%	(\$76,203)

POTABLE STORAGE TANK/RESERVOIR PROJECTS

1117-134 Christen Hill Tank Exterior Painting Project

Design is 90 percent complete, and charges were combined with the Park Pacifica Tank upgrades project.

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$500,000	\$0	0%	\$500,000

1117-118A Park Pacifica Tank and Pump Station Upgrades

Design is 90 percent complete, but project is on hold while the District considers next steps on this project.

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$1,790,000	\$140,177	7.83%	\$1,649,823

ANNUAL PROJECTS

1117-112 Reservoir Site Paving Project (Annual)

No work performed in April.

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$12,000	\$0	0%	\$12,000

1117-113 Reservoir Fence Maintenance (Annual)

No work performed in April.



North Coast County Water District

Capital Improvement Projects

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$12,000	\$0	0%	\$12,000

117-145 Annual Valve Exercise Program

Work is ongoing. Costs for this program thus far are primarily related to staff time and are not reflected in the project budget.

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$5,000	\$0	0%	\$5,000

1117-145 Annual Flushing & Dead-End Blow-Off Project

Work is ongoing. Costs for this program thus far are primarily related to staff time and are not reflected in the project budget.

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$10,000	\$0	0%	\$10,000

1117-165 Easement Protection (Annual Program)

Easement clearing will be completed in June 2026.

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$15,000	\$0	0%	\$15,000

1117-169 Meter Replacement Program

The funding in this account is being spent on maintenance and upgrades of the existing Sensus meter program and other meter-related expenses outside of the AMI Project.

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$5,000	\$2,231	44.62%	\$2,769

1117-170 Fire Hydrant Replacement Project

District staff replaced a fire hydrant on Lockhaven.

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$120,000	\$40,082	33.40%	\$79,918

1117-183B Pressure Regulator Station Upgrades

No pressure regulator station upgrades in April 2026.

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$220,000	\$681	0.31%	\$219,319



Capital Improvement Projects

BUILDING PROJECTS

1118-112B Francisco Headquarters Upgrade

An update on the Project will be provided at the meeting. The project is nearing completion. The District is working with the contractor to finalize the project closeout items.

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$3,580,000	\$3,425,420	95.68%	\$154,580

1118-172B Computer Upgrades/SCADA/Office

The District continues to upgrade its computers and networks.

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$20,000	\$14,415	72.07%	\$5,585

RECYCLED WATER PROJECT

1116-201B Recycled Water

The Residential Recycled Water Fill Station will open after upgrades to the City's ultraviolet light treatment system are completed.

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$10,000	\$0	0%	\$10,000

RESERVOIR CONSTRUCTION PROJECTS

1117-135 Sheila Tank – Consultant/Inspectors

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$5,000	\$5,598	111.96%	(\$598)

1117-135 Sheila Tank – Construction

The project is nearing completion. The District is working with the contractor to finalize the project closeout items.

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$500,000	\$477,475	95.50%	\$22,525

1117-137 Fassler Tank – Design

The project is ongoing, with project CEQA analysis underway.

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$500,000	\$58,645	11.73%	\$441,355



Capital Improvement Projects

WATER AVAILABILITY STUDY

1116-610A San Pedro Creek Feasibility Study

EKI Environment & Water is assisting the District with planning work for the relocation of the District's diversion on San Pedro Creek.

Budget	Year to Date Spent	Percent Spent	Balance Remaining
\$170,000	\$13,259	7.80%	\$156,741