

**PROPOSITION 218
NOTICE**

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
- 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**, enter **Webinar ID: 893 1221 7634 Passcode: 189593**
- 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

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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 interconnected 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.

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NOTICE OF PUBLIC HEARING ON PROPOSED WATER RATES

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.

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



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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

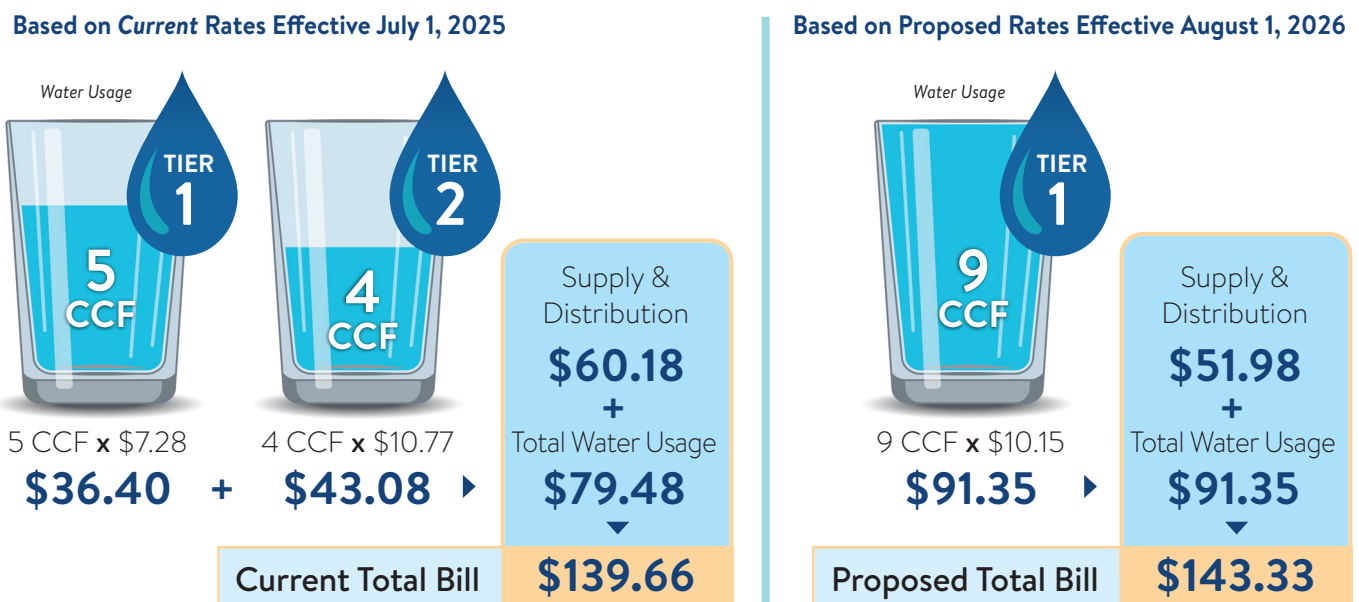
Estimating Your Water Bill

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.



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TABLE 5 Proposed Water Shortage Revenue Stabilization Adjustments by Water Shortage Stage¹ and Customer Class

	<p>0-10% Reduction</p> <p>Single Family <i>Factor</i> Residential1.032 Commercial1.034</p>		<p>31-40% Reduction</p> <p>Single Family <i>Factor</i> Residential1.198 Commercial1.217</p>
	<p>11-20% Reduction</p> <p>Single Family <i>Factor</i> Residential1.065 Commercial1.070</p>		<p>41-50% Reduction</p> <p>Single Family <i>Factor</i> Residential1.300 Commercial1.334</p>
	<p>21-30% Reduction</p> <p>Single Family <i>Factor</i> Residential1.123 Commercial1.133</p>		<p>Over 50% Reduction</p> <p>Single Family <i>Factor</i> Residential1.410 Commercial1.468</p>

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 prior to the effective date of the adjustment.

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.**

An Objector and Protestor must be the record property owner or the customer who is responsible for paying the water bill.

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.



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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 conducts 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 – Passcode: 189593.

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.

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

