

**RESOLUTION NO. 1133**  
**AMENDING RATE AND FEE SCHEDULE AND DETERMINING**  
**THE AMENDMENTS ARE EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL**  
**QUALITY ACT**

**NORTH COAST COUNTY WATER DISTRICT**

WHEREAS, the District's Rate and Fee Schedule establishes the fees and charges for water and a variety of services provided by the District; and

WHEREAS, California Water Code Section 31007 authorizes the District to establish rates and charges to yield an amount sufficient to pay operating expenses, to provide for repairs and depreciation of works owned and operated by the District, to pay interest on bonded debt, and to provide a fund to pay principal on bonded debt; and

WHEREAS, the District has evaluated the District's 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, in light of the cost of providing service, including providing wholesale water provided by the San Francisco Public Utilities Commission, maintaining adequate reserves, the increase in operating expenses, and the capital improvement projects in the District's 5-Year Capital Improvement Program and 20-Year Master Plan; and

WHEREAS, the Board believes that the projects identified in the District's 5-Year Capital Improvement Program and 20-Year Master Plan are important for the safe and efficient operation of the District's water system and should not be foregone or deferred, and that the existing reserves and targeted reserve amounts are prudent and reasonable and need to be maintained; and

WHEREAS, the District has determined that the District's Water Usage Charges (potable and recycled), Supply and Distribution Charges, Portable Meter Charges, and Fire Protection Service Connection Charges, must be adjusted and new Water Shortage Stabilization Adjustments implemented, in order to fund District operations and maintenance activities, to provide for adequate reserves, and to carry out capital improvements necessary to preserve and improve the reliability of the water system; and

WHEREAS, the District's consultant, HF&H Consultants, LLC, prepared a cost of service analysis and Water Rate Study that analyzed the District's revenue requirements, provided a recommendation for adjusting the District's Water Usage Charges (potable and recycled), Supply and Distribution Charges, Portable Meter Charges, and Fire Protection Service Connection Charges and Water Shortage Stabilization Adjustments, and established a rationale for the increased charges; and

WHEREAS, the cost-of-service analysis and Water Rate Study determined that the District's tier structure needs to be realigned; and

WHEREAS, the District is also proposing, pursuant to California Government Code Section 53756 to pass through the SFPUC wholesale rate increases that are above the projected rate increases identified in the cost-of-service analysis and rate study; and

WHEREAS the cost-of-service analysis and Water Rate Study has been available to the public since November 17, 2021; and

WHEREAS, on August 16, 2021, the Board of Directors, held a Regular Board Meeting which was noticed, agendized and open to the public to evaluate the proposed modifications to the District's Rate and Fee Schedule and to hear comments from the public; and

WHEREAS, on September 22, 2021, the Board of Directors held a Special Board Meeting which was noticed, agendized and open to the public, where the draft Water Rate Study with the proposed modifications to the District's Rate and Fee Schedule was presented to the Board and public; and

WHEREAS, on October 20, 2021 the Board of Directors, held a Regular Board Meeting which was noticed, agendized and open to the public, to further evaluate rate adjustment options, to evaluate the proposed modifications to the Rate & Fee Schedule and to hear comments from the public; and

WHEREAS, on November 17, 2021 the Board of Directors, held a Regular Board Meeting which was noticed, agendized and open to the public, to review the proposed modifications to the Rate & Fee Schedule and set a public hearing for January 19, 2022 at 7:00 p.m. and authorized staff to provide the requisite notice of the proposed modifications to the public; and

WHEREAS, the District prepared a notice that described the amounts, the basis for calculating, and the reasons for the increased Water Usage Charges (potable and recycled), Supply and Distribution Charges, Portable Meter Charges, and Fire Protection Service Connection Charges, the purpose of the new Water Shortage Stabilization Adjustments, identified the tier realignment structure and the SFPUC water rate increase pass through mechanism, and identified the date, time, and location for the public hearing on the increased rates and charges, and the procedures for submitting a protest; and

WHEREAS, the District mailed the written notice to the property owners and customers responsible for paying the bill in the District at least 45 days before the date of the public hearing; and

WHEREAS, the District published a notice of the January 19, 2022 public hearing in a newspaper of general circulation within the District for at least two consecutive weeks prior to the public hearing; and

WHEREAS, the District posted the notice of the January 19, 2022 public hearing in three conspicuous places within the District and posted the notice on the District's website; and

WHEREAS, the District accepted comments and protests before the January 19, 2022 public hearing, and up through the conclusion of the public hearing; and

WHEREAS, the Board considered all comments and protests received; and

WHEREAS, the Board finds that the amendments to the Rate and Fee Schedule do not exceed the amount of the estimated costs required to provide the services for which the rates and charges are levied and that the rate structure is aligned under the proportional costs of providing the services within each tier; and

WHEREAS, the Board further finds that the amendments to the Rate and Fee Schedule are reasonable and required for the proper operation of the District, and are exempt from the requirements of the California Environmental Quality Act (CEQA), pursuant to Section 21080(b)(8) of the Public Resources Code because it is for the purposes of (1) meeting operating expenses; (2) purchasing or leasing supplies; (3) meeting financial reserve requirements; and (4) obtaining funds for capital projects necessary to maintain services within existing service areas and that the analysis in this Resolution and the documents incorporated into this Resolution

justify that the modifications to the rates and charges are for the purposes set forth on Section 21080 (b) (8); and

WHEREAS, the Water Rate Study prepared by HF&H Consultants, LLC, the 5-Year Capital Improvement Program and 20-Year Master Plan, and the staff report for the amendments to the Rate & Fee Schedule are hereby incorporated into this Resolution.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the North Coast County Water District hereby amends the District’s Rate and Fee Schedule as follows:

**I. Supply and Distribution Charge**

The fixed bi-monthly supply and distribution charge for all accounts within the District shall be as follows:

Meter Size	Current Rates	Proposed Charges Per Account				
		2/1/2022	7/1/2022	7/1/2023	7/1/2024	7/1/2025
5/8"	\$53.48	\$53.48	\$55.08	\$56.73	\$58.43	\$60.18
3/4"	\$58.87	\$58.87	\$60.64	\$62.46	\$64.33	\$66.26
1"	\$74.97	\$74.97	\$77.22	\$79.54	\$81.93	\$84.39
1 1/2"	\$96.36	\$96.36	\$99.25	\$102.23	\$105.30	\$108.46
2"	\$155.65	\$155.65	\$160.32	\$165.13	\$170.08	\$175.18
3"	\$588.64	\$588.64	\$606.30	\$624.49	\$643.22	\$662.52
4"	\$749.39	\$749.39	\$771.87	\$795.03	\$818.88	\$843.45
6"	\$1,124.12	\$1,124.12	\$1,157.84	\$1,192.58	\$1,228.36	\$1,265.21
8"	\$1,552.33	\$1,552.33	\$1,598.90	\$1,646.87	\$1,696.28	\$1,747.17
10"	\$2,087.73	\$2,087.73	\$2,150.36	\$2,214.87	\$2,281.32	\$2,349.76
12"	\$2,623.13	\$2,623.13	\$2,701.82	\$2,782.87	\$2,866.36	\$2,952.35

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

**II. Water Usage Charge**

**A. Single Family Residential Accounts:**

The bi-monthly charge for each account shall be based on the amount of water used during the billing period within each of four separately priced tiers, as show in table below.

Current Rates and Tiers			Proposed Rates and Tiers						
Customer Class	Tier Size (CCF)	\$/CCF	Customer Class	Tier Size (CCF)	2/1/2022	7/1/2022	7/1/2023	7/1/2024	7/1/2025
<b>Residential</b>			<b>Residential</b>						
Tier 1	0-5	\$6.60	Tier 1	0-5	\$6.09	\$6.27	\$6.46	\$6.65	\$6.85
Tier 2	6-10	\$7.86	Tier 2	6-9	\$9.19	\$9.47	\$9.75	\$10.04	\$10.34
Tier 3	11-19	\$13.53	Tier 3	10-13	\$12.45	\$12.82	\$13.20	\$13.60	\$14.01
Tier 4	Over 19	\$22.72	Tier 4	Over 13	\$15.32	\$15.78	\$16.25	\$16.74	\$17.24

B. Commercial Rates: Includes Portable Meters, Master Meters Multi Unit Residential, Commercial, Public and Fire Standby

The bi-monthly water consumption charges for each account shall be based on the amount of water used during the billing period. The uniform rates are shown in table below.

Current Rates		Proposed Rates					
Customer Class	\$/CCF	Customer Class	2/1/2022	7/1/2022	7/1/2023	7/1/2024	7/1/2025
Commercial	\$8.49	Commercial	\$8.56	\$8.81	\$9.08	\$9.35	\$9.63

C. Recycled Water Rates

The bi-monthly water consumption charges for each account shall be based on the amount of water used during the billing period. The uniform rates are shown in table below.

Current Rates		Proposed Rates					
Customer Class	\$/CCF	Customer Class	2/1/2022	7/1/2022	7/1/2023	7/1/2024	7/1/2025
Recycled Water	\$7.50	Recycled Water	\$7.70	\$7.93	\$8.17	\$8.42	\$8.67

III. Fire Protection Service Connections

The charge for all private fire protection service connections, including all structures that have a fire service line will be as follows:

Meter Size	Current Rates	Proposed Bi-monthly Rates				
		1/1/2022	7/1/2022	7/1/2023	7/1/2024	7/1/2025
2" or Less	\$12.00	\$12.00	\$12.36	\$12.73	\$13.11	\$13.51
4"	\$37.52	\$37.52	\$38.65	\$39.80	\$41.00	\$42.23
6"	\$75.03	\$75.03	\$77.28	\$79.60	\$81.99	\$84.45
8"	\$150.06	\$150.06	\$154.56	\$159.20	\$163.97	\$168.89

IV. SFPUC Wholesale Water Rate Increase Pass-Through

The proposed rates are based on the SFPUC projected increases in its wholesale water rates on July 1 of each year. SFPUC rates are projected to increase from the current rate of \$4.10 per CCF to \$4.32 per CCF in July 2022, \$4.65 per CCF in July 2023, \$4.92 per CCF in July 2024, and \$5.37 per CCF in July 2025. 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 passthrough 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 2022-23 changes to \$4.42, the \$0.10 difference will be added to the Water Usage Charge charged to residential and commercial customers. Similarly, the District is proposing to 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 \$0.10, commercial water rates would increase from \$8.81 to \$8.91 per CCF in FY 2022-23. Recycled water rates would increase by \$0.10, from \$7.93 to \$8.03, 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 of the passthrough increase or savings.

#### V. Water Shortage Revenue Stabilization Adjustments Rates

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. To recover its costs of service and remain financially stable during periods of drought and reduced water sales, the District may implement a temporary Water Shortage Revenue Stabilization Adjustment that corresponds to the water shortage. The proposed Water Shortage Revenue Stabilization Factors, by which Water Usage Charges are adjusted in conjunction with the varying reduction stages, are presented below. When implemented, these Water Shortage Revenue Stabilization Factors would be multiplied by the water usage charge and would not be applied to the Supply and Distribution Charges. As an example, the Tier 1 single family water usage rate is proposed to be \$6.09 starting February 1, 2022. If a Stage 1 shortage were declared in that year, and the Board of Directors chose to implement corresponding Water Shortage Revenue Stabilization Adjustments, the Tier 1 water usage rate, \$6.09, would be multiplied by the Water Shortage Revenue Stabilization Factor of 1.021, which would equate to \$6.22 per CCF in Tier 1. Similarly, the Tier 2 water usage rate, \$9.19, would also be multiplied by the Water Shortage Revenue Stabilization Factor of 1.021, which would equate to \$9.38 per CCF in Tier 2.

<b>Customer Class</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Stage 4</b>	<b>Stage 5</b>	<b>Stage 6</b>
	0-10% Reduction	11-20% Reduction	21-30% Reduction	31-40% Reduction	41-50% Reduction	>50% Reduction
Single Family						
Residential	1.021	1.071	1.134	1.214	1.322	1.448
Commercial	1.024	1.081	1.154	1.252	1.392	1.533

VI. Effective Date. The foregoing amendments to the Rate and Fee Schedule will become effective with the first billing cycle for water consumed starting February 1, 2022, and on each effective date of the increase established in this Resolution. The District will send written notification to all customers at least 30 days prior to the effective date of each proposed adjustment.

VII. Notice of Exemption. The General Manager is authorized to file a Notice of Exemption with the San Mateo County Clerk's Office and to take such actions as may be necessary to give effect to this Resolution.

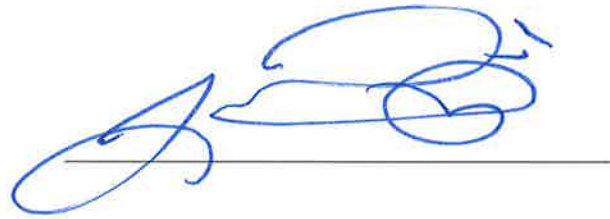
PASSED AND ADOPTED this 19th day of January, 2022, by the following vote:

AYES: Directors Ash, Burgett, Cosgrove, De Jarnatt and Piccolotti

NOES: None

ABSTAIN: None

ABSENT: None

A handwritten signature in blue ink, consisting of several loops and flourishes, positioned above a horizontal line.

President, Board of Directors  
North Coast County Water District

ATTEST:

A handwritten signature in blue ink, appearing to read 'Adrian...', positioned above a horizontal line.

Secretary of the Board

