

**ORDINANCE NO. 129**

**AN ORDINANCE AMENDING ATTACHMENT A REGARDING RATES AND FEES  
TO THE WATER SERVICE ORDINANCE NO. 103  
FOR THE MID-PENINSULA WATER DISTRICT**

**MID-PENINSULA WATER DISTRICT**

**WHEREAS**, the Board of Directors of the Mid-Peninsula Water District (District) is authorized to establish and modify, as necessary, the rates and fees imposed for the provision of water service to its customers; and

**WHEREAS**, these rates and fees are set forth in Attachment A to the Water Service Ordinance No. 103, which was most recently updated and adopted pursuant to Ordinance No. 127 on May 23<sup>rd</sup>, 2024; 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 Volume Rates, Meter Service Charges, and Water Shortage Rate Factors, in light of the cost of providing service, including providing wholesale water provided by the San Francisco Public Utilities Commission (SFPUC), maintaining adequate reserves, the increase in operating expenses, and the capital improvement projects in the District's updated Fiscal Year (FY) 2024/2025 Capital Improvement Program (CIP) and 5-Year CIP budget; and

**WHEREAS**, the of Directors (Board) believes that the projects identified in the District's updated FY 2024/2025 CIP and 5-Year CIP budget 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 Volume Rates, Meter Service Charges, and Water Shortage Rate Factors must be adjusted 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 rate consultant, HF&H Consultants, LLC, prepared a cost-of-service analysis, as required by Proposition 218, and Water Rate Study that analyzed the District's revenue requirements, provided a recommendation for adjusting the District's Water Volume Rates, Meter Service Charges, and Water Shortage Rate Factors, 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 Water Rate Study; and

**WHEREAS**, the final cost-of-service analysis and Water Rate Study has been available to the public since September 26, 2024, with drafts available prior to that date; and

**WHEREAS**, the Board met and carefully considered the needs of the District, the community, and the proposed rates at 10 public meetings from December 2023 through September 2024, including Finance Committee, Regular, and Special Board meetings, and determined that the water rate changes are necessary, proportional, and in the best interest of the District, its customers, and the community; and

**WHEREAS**, the District prepared a notice that described the amounts, the basis for calculating, and the reasons for adjusting the District's Water Volume Rates, Meter Service Charges, and Water Shortage Rate Factors, identified the tier realignment structure and the SFPUC water rate increase pass through mechanism, identified the date, time, and location for the public hearing on the increased rates and charges, and described 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 posted the notice of the November 21, 2024 public hearing on its website in English and Spanish, along with a detailed Frequently Asked Questions (FAQ) section and a calculator to allow customers to calculate the change in the water bills following the January 1, 2024 increase; and

**WHEREAS**, the District accepted comments and protests before the November 21, 2024 public hearing, and up through the conclusion of the public hearing; and

**WHEREAS**, on September 26, 2024, the Board adopted Ordinance No. 128, to allow meaningful opportunity for ratepayers to present objections to proposed water rates before the new rates are approved, and the District received and provided responses to these objections pursuant to Ordinance No. 128; and

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

**WHEREAS**, the Board finds that the amendments to the Schedule of Rates and Fees 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 Schedule of Rates and Fees 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 Ordinance and the documents incorporated into this Ordinance justify that the modifications to the rates and charges are for the purposes set forth on Section 21080 (b) (8); and

**WHEREAS**, the District will send notification to all customers at least 30 days prior to implementation.

**NOW, THEREFORE, BE IT ORDAINED** by the Board of Directors of the Mid-Peninsula Water District as follows:

**Section 1:** Attachment A to the Water Service Ordinance No. 103 of the Mid-Peninsula Water District is amended and restated in its entirety as set forth on Attachment A attached hereto.

**Section 2 – Effective Date:** This Ordinance shall take effect and be in full force as of the date of its enactment, with the new rates reflected in bills to be sent to District customers commencing January 1, 2025. All prior ordinances or parts of ordinances that may be inconsistent with this Ordinance No. 129 hereby are repealed.


**REGULARLY PASSED AND ADOPTED** at a meeting of the Board of Directors of the Mid-Peninsula Water District duly held on November 21, 2024, by the following vote:

AYES: 5

NOES: 0

ABSTENTIONS: 0

ABSENCES: 0

Signed by:  
  
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President of the Board of Directors  
Mid-Peninsula Water District

ATTEST:

Signed by:  
  
5558314A921146D  
\_\_\_\_\_  
District Secretary