

**ORDINANCE NO. 131**

**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. 129 on November 21<sup>st</sup>, 2025; 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 Board 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 and Water Rate Study covering the period Fiscal Year (FY) 2024/2025 through FY 2028/2029 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, as required under Proposition 218; 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. On March 21, 2025, the SFPUC provided a notice that the wholesale water rate will increase by 2.3%, or from \$5.67 per hundred cubic feet (CCF) to \$5.80/CCF, effective July 1, 2025. This rate increase will be included in the proposed rate increase; and

**WHEREAS**, the District followed the Proposition 218 process, including all public noticing and holding a public hearing on November 21, 2024, following which the Board adopted the 5-year Water Rate Study and rate increase via Ordinance 129; 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 July 1, 2025. All prior ordinances or parts of ordinances that may be inconsistent with this Ordinance No. 131 hereby are repealed.

**REGULARLY PASSED AND ADOPTED** at a meeting of the Board of Directors of the Mid-Peninsula Water District duly held on April 24, 2025, by the following vote:

AYES: Zucca, Covington, Cotten, Vella, Wheeler

NOES: 0

ABSTENTIONS: 0

ABSENCES: 0

DocuSigned by:

*Kirk Wheeler*

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President of the Board of Directors  
Mid-Peninsula Water District

ATTEST:

Signed by:

*Alison Bell*

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District Secretary