

COUNTY OF SAN MATEO

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Inter-Departmental Correspondence

Date: January 3, 2001

Board Meeting Date: January 23, 2001

TO: Honorable Board of Supervisors
FROM: Neil R. Cullen, Director of Public Works
SUBJECT: Reduction in Monthly Meter Service Charge for 3/4" Meters - East Palo Alto County Waterworks District

RECOMMENDATION

As the governing Board of the East Palo Alto County Waterworks District (EPACWD), adopt a resolution reducing the service charge for 3/4" water meters from \$22 00 to \$4.50 per month.

Previous Board Action

- 1 Adopted a resolution in June 1996 revising "Regulations and Rate Schedules for Furnishing of Water Service within the EPACWD."
2. Authorized an agreement with the California American Water Company (Cal Am) whereby Cal Am operates and maintains the water system of the EPACWD.

Key Facts

- 1. The EPACWD standard meter size for residential customers is a 5/8" meter, while Cal Am's standard is a 3/4" meter.
2. The 5/8" standard meter size was established when there was a cost differential between the 5/8" and the 3/4" meters. A cost differential no longer exists.
3. Cal Am has requested that the District reduce its monthly charge for a 3/4" meter in order to transition the EPACWD to the 3/4" meter standard, as reducing the charge will allow Cal Am to avoid changing their billing program and to begin upgrading the system by eliminating 5/8" meters in East Palo Alto.

Discussion

The EPACWD contracted with Cal Am in October for operation and maintenance of the Water District facilities while the Cities of East Palo Alto and Menlo Park pursue acquisition of the District's facilities through an application to the Local Agency Formation Commission (LAFCO) Cal Am will also be the operator of the water system within East Palo Alto after the District is dissolved and the facilities transferred to the two cities

Honorable Board of Supervisors

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Cal Am discovered in processing their first billings for the District that the District has a differential in the monthly rate between 3/4" and 5/8" meters. Cal Am billed the 30 customers with 3/4" meters at the 5/8" meter rate - a difference of \$17.50 per month per meter - and has requested that we revise our rates in order to allow the 3/4" meter to become the standard residential meter size as that is what is used in their other service areas. Revising the rates will allow them to begin to upgrade the facilities in the District by only installing 3/4" meters for new connections and when replacing existing meters. It will also avoid a programming change in their billing system that will have to be changed again once the District is dissolved and Cal Am operates the water facilities for the City of East Palo Alto.

Fiscal Impact

A form of Resolution has been approved by County Counsel which reduces the rate for a 3/4" meter, retroactively effective September 1, 2000, as September was the first billing cycle that was prepared by Cal Am. There are currently 30 connections within the District that have 3/4" meters. Revising the monthly charge for the 3/4" meter from \$22.00 to \$4.50 per month will result in an annual reduction in District revenues of \$6,300. Future rate adjustments as may be approved by the successor agencies to the District will have to take this revenue reduction into consideration.

There is no impact to the General Fund.



Neil R. Cullen
Director of Public Works

NRC:WDC:sdd

F:\USERS\ADMIN\P&S\EPACWD\BOARDSUP\2001\EPA Water Rate Change for Three Fourths Inch Meters

cc: Brian C Lee, P.E , Division Manager, Programs and Engineering Services
Walt Callahan, Flood Control and Utilities Manager
Dan Wang, Management Analyst
Chris Alario, California American Water Company
Milt Mares, County Counsel

Resolution No. _____

Board of Supervisor, County of San Mateo, State of California

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Resolution Revising Regulations and Rates Schedules for Furnishing of Water Service within the East Palo County Waterworks District

RESOLVED, By the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, this Board of Supervisors as the governing body of the *East Palo Alto County Waterworks District*, a County waterworks district of the County of San Mateo, State of California, is authorized to make and enforce all rules and regulations necessary for the administration, government and operations of said District and to establish rates for water service; and

WHEREAS, this Board of Supervisors, by Resolution 60349, established Rules and Regulations and a schedule of rates for said District; and

WHEREAS, it is necessary and desirable to revise the monthly service charge for a 3/4" meter to enable California American Water Company to implement a 3/4" meter standard for residential customers.

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED,

that effective September 1, 2000, the monthly service charge for a 3/4" meter shall be

\$4 50

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