

**San Mateo County Service Area 7 (CSA7)  
Customer Advisory Committee (Committee) Meeting  
July 14, 2012**

A supplemental meeting of the Committee was held at the Cafe Questa Restaurant in La Honda on July 14, 2012. The meeting was a study session for the purpose of recommending an appropriate rate increase proposal to the San Mateo County Department of Public Works (County), and commenced at 11:20 am.

**The following were in attendance:**

Crystal Klingele  
Cyrus Yocum  
Dante Razzini (left at 11:56)  
Doug Woods  
Heather McAvoy, Vice Chairperson  
Hobson McPherson (non-voting Representative)  
Patricia O'Neal, Chairperson  
Terry Adams, Document Custodian

The committee members read and discussed the spreadsheet proposals and background materials from the County.

In general, the County's data suggest the rates would need to be quadrupled for the system to break even, but it is acknowledged that the increase should be phased-in.

It was noted that the County's administrative costs have increased, and some closer analysis of this would be appreciated. Some of this pays for the study on the rate increase.

We discussed the pros and cons of increasing the fixed service fee, or the rate per unit. Consensus was both should be increased. It was also decided that the additional revenue should be applied to both the operating and capital improvement budgets at the existing ratio.

We discussed a tiered approach, like Pescadero's. However, the Trailer Park is our system's only commercial customer. Their tenants tend to be poorer, and less able to pay higher rates.

The following related items were mentioned in the general discussion:

1. 1997 was the last rate increase. A special assessment was discussed at that time.
2. Moss Beach has made a special assessment for water improvements of \$400 per month.
3. Looking at the last few expenditure periods, Bracewell looks to be more expensive than before, when the County used its' own employees.
4. Could CSA7 buy the plant? (\$400K)?
5. Can we review the bids the County gets from the contractors?
6. We should be prepared to answer challenges from customers about the background and legality of the increase, and what the alternatives are.

The Committee voted to recommend a 33% increase in rates each year for three years.

The meeting ended at 1:45.

Respectfully submitted,

Terry Adams, Document Custodian and Acting Secretary