

June 5, 2020

James C. Porter
Director

County Government Center 555 County Center, 5th Floor Redwood City, CA 94063 650-363-4100 T 650-361-8220 F www.smcgov.org

Dear Property Owner:

RE: Proposition 218 Notice of Proposed Increase in the Sewer Service Rate – Burlingame Hills Sewer Maintenance District

This notice is to advise property owners of the Board of Supervisors' (Board) proceedings to set the rate for sewer service for the 2020-21 fiscal year in the Burlingame Hills Sewer Maintenance District (District) for which the Board serves as the governing body. The rate will result in property related charges, and this notice is given in accordance with Proposition 218 and Article XIIID of the California Constitution. On July 21, 2020, the Board will hold a Public Hearing to consider an ordinance setting the sewer service rate for the 2020-21 fiscal year and implementing sewer service charges for the District in which your property is located.

The District is financially self-sufficient and has its own independent budget derived from funds collected through sewer service charges. These funds are spent solely on District expenses. The charges for sewer service appear on your property tax bill because that is the least costly way for the District to collect the charges. However, the sewer service charge is not a tax.

District staff responds to emergencies, maintains pipes, and assures compliance with environmental regulations. The County of San Mateo does not operate a sewage treatment plant, nor do any of the ten (10) districts that we operate. Sewage from your District flows through District-owned pipes to the City of Burlingame (City), the owner of the "downstream" pipes and sewage treatment plant. The District has an agreement with the City that provides for the District to pay for services to transport and treat sewage from the District.

The current rate for your District was set in July 2018 and has not increased or changed since that time. This rate enabled the District to make payments on a State Revolving Fund (SRF) loan in the amount of \$2.3M that financed the construction of the capital improvement project to replace approximately 4,800 feet of sewer pipe on Adeline Drive and Canyon Road, and allows the current and future property owners in the District to pay for this sewer project over time. The rate also provided the funds to allow for the District to undertake another capital improvement project to replace an additional 6,570 feet of sewer pipe in the Adeline Drive/Hillside Drive/Newton Drive area which is anticipated to be constructed in the summer/fall of 2020.

We have evaluated the current sewer service rate in relation to the anticipated District expenses for the 2020-21 fiscal year. Based on our analysis of future cost demands on the District, we are proposing a sewer service rate increase for the 2020-21 fiscal year to pay for the District operation and maintenance work, increases in sewage treatment costs, the District's percentage of the City's sewer projects, and regulatory requirements. The proposed rate is a 4% increase for the 2020-21 fiscal year, which is \$67 per equivalent residential unit or \$5.58/month per equivalent residential unit increase. The proposed increase has been evaluated and recommended by the representatives of the Burlingame Hills Improvements Association (BHIA), and it does not include an allocation of funds for implementation of the remaining capital improvement projects estimated to cost over \$10 million.

Your sewer service rate pays for:

- Operation and maintenance of the District's sewer collection system
- Repairs to and replacement of the District's aging pipes
- Inspections of the District's pipes
- Emergency response and repairs
- A percentage of the improvements to the City's sewer collection system
- A percentage of the operation and maintenance costs of the City's sewer treatment plant
- A percentage of the improvements to the City's sewer treatment plant
- Compliance with local, state, and federal health, safety, and environmental protection regulations
- · Repayment of the SRF loan

The following indicates the proposed sewer service rate for each type of property use in the District for the 2020-21 fiscal year based on the rate recommended by your BHIA representatives and the Department of Public Works (Department) to the Board:



Customer Type	Current Annual Rate	Proposed Sewer Service Rate (\$/Fiscal Year Per Residential Unit)
	2019-20 FY	2020-21 FY
Single Family Residential (SFR) Rate	\$1,675	\$1,742
\$ increase per Residential Unit	-	\$67/yr or \$5.58/mo
% increase	-	4.0%

Multi-Family Housing Complexes

The annual sewer service charge (SSC) for a Duplex Unit is calculated at 2 times the SFR rate (i.e. 2 * \$1,742 = \$3,484), Triplexes are calculated at 3 times the SFR rate, etc.

Commercial/Industrial Rate

The annual sewer service charge (SSC) for Commercial and Industrial Users are calculated using their water consumption history and the following formula:

 $SSC = (Base Rate)(ERU)\{0.4+[0.3*(BOD/275)]+[0.3*(SS/300)]\}$

Where:

 \underline{SSC} = Sewer Service Charge \underline{BOD} = Biological Oxygen Demand (varies based on the

<u>Base Rate</u> = The approved District Single Family property use)

Residential Rate SS = Suspended Solids (varies based on the property

ERU = Annual Water Usage / 220 Gallons Per Day us

Due to the current COVID-19 Shelter-in-Place orders issued by the Governor and the San Mateo County Health Officer and health concerns of staff and the rate payers, public meetings with property owners will not be held this year as has been done in prior years. However, the Department has prepared and posted informational presentations regarding the proposed rate increase on its website at:

https://publicworks.smcgov.org/SSR

Public Hearing

The Board has scheduled a Public Hearing on Tuesday, July 21, 2020 at 9:00 a.m. in the Board of Supervisors Chambers, located in the Hall of Justice and Records, 400 County Center, Redwood City, California, to consider adopting an ordinance increasing the sewer service rate for the District and adopting the sewer service charges based on the adopted sewer service rates for all the properties located in the ten (10) County sewer maintenance/sanitation districts. Pursuant to the Shelter in Place Orders issued by the San Mateo County Health Officer and the Governor, the Governor's Executive Order N-29-20, and the Center for Disease Control and Prevention's social distancing guidelines, which discourage large public gatherings, the Board Chambers is currently not open to the public for meetings of the Board. However, if the Board Chambers remain closed on the date of the Public Hearing, which is anticipated to be the case, the Board Agenda for the July 21, 2020 meeting will provide details for how the public can participate in the Public Hearing either by submitting written comments or providing oral comments. Due to the uncertainty of the COVID-19 pandemic and its impact on the Board Meetings, the public should check the website of the Board of Supervisors at https://bos.smcgov.org for updates.

The sewer service charges are contained in the Sewer Service Charge Report, a draft copy of which will be available for review by Friday, July 17, 2020 in the Department located at 555 County Center, 5th Floor in Redwood City by appointment. At the conclusion of the hearing, the Board is expected to adopt an ordinance setting the new sewer service rate for the District, impose the sewer service charges based on the adopted rate, and authorize their collection on the tax bill of each affected property in the same manner as the property tax.

Although the Board will consider all input, State law provides that only written protests from property owners may be counted to determine whether a majority protest to the proposed increase exists. If a majority protest exists, the Board may not impose the increased rate for the District. Any property owner in the District may file a written protest against the proposed rate increase. The Clerk of the Board of Supervisors must receive a written protest not later than the end of the Public Hearing specified above to be counted. If, at the conclusion of the Public Hearing, a majority protest of property owners does not exist, the Board will consider adoption of the proposed ordinance.

The written protest must include the property owner's name, property service address, assessor's parcel number (first line of the address label on the envelope), and the property owner's signature. Written protests may be mailed to the Clerk of the Board at 400 County Center, Redwood City, California 94063. No more than one protest per parcel may be submitted.

Additional information about the proposed rate increase and the Board Report recommending the rate increase may be obtained by visiting the Department's website at https://publicworks.smcgov.org/SSR

If you have any questions, please contact the Department of Public Works by e-mail at: sewers@smcgov.org.