

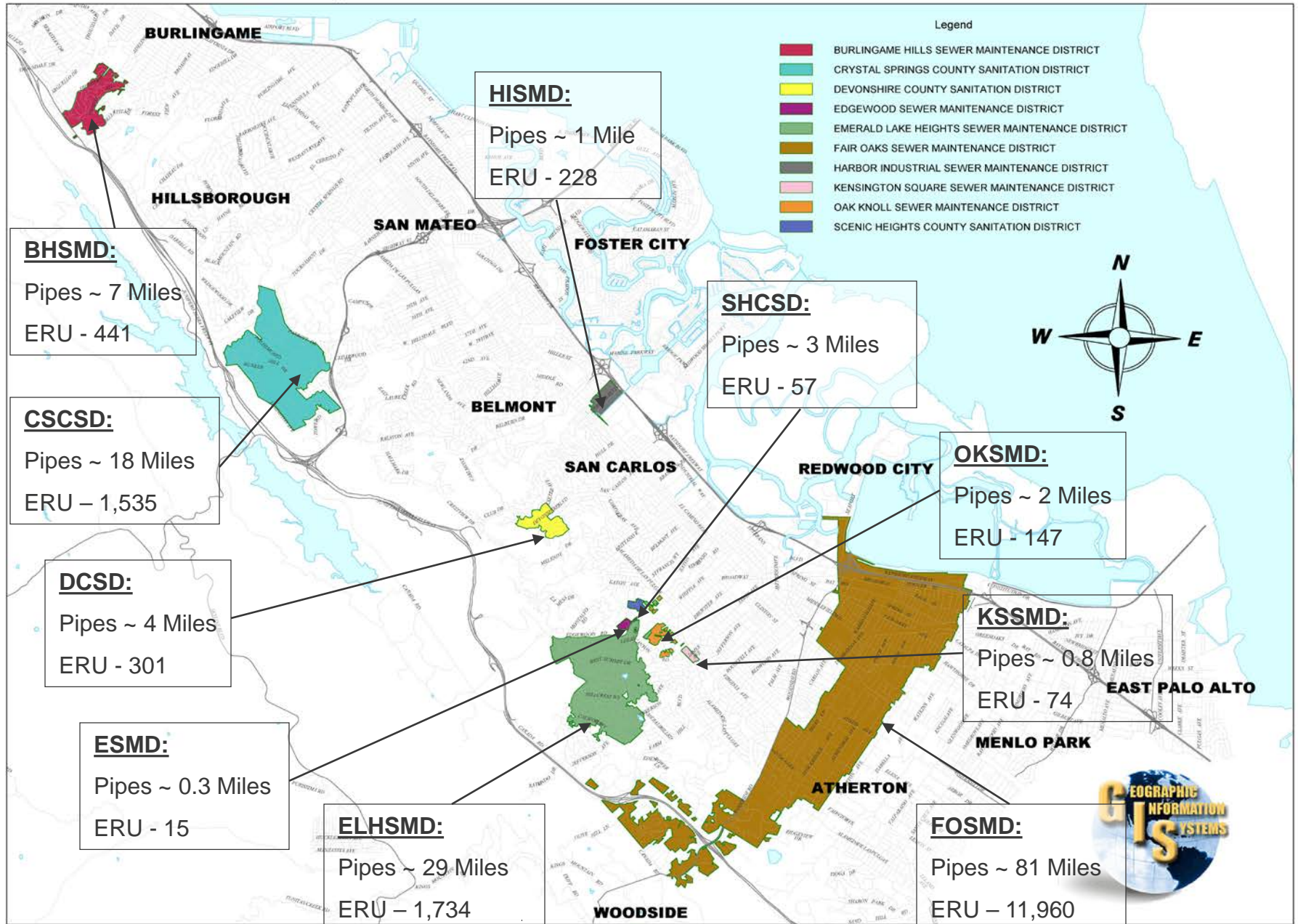
Ten County Sewer/Sanitation Districts Sewer Rates and Charges



May 18, 2021

James C. Porter
Director of Public Works

County Administered Sewer and Sanitation Districts



Sewer/Sanitation District Rates & Charges

Background Information

- The County operates 10 sewer/sanitation districts.
- Each district is an independent entity with its own separate budget.
- The Sewer Rates are used to calculate Sewer Service Charges (the Fee for Providing Sewer Service) for each parcel in the districts.
- The Sewer Service Charges are levied on the Tax Bill.

Sewer/Sanitation District Rates & Charges

Sewer Service Charge Calculation Example

District	Proposed FY 2021-22 Sewer Rate		Equivalent Residential Unit (ERU)		Proposed FY 2021-22 Sewer Service Charge
Crystal Springs County Sanitation District	\$1,664	x	1	=	\$1,664
	\$1,664	x	2	=	\$3,328

Sewer/Sanitation District Rates & Charges

Sewer service rates & charges pay for:

- Operation and maintenance of sewer collection system
- Repairs to and replacement of the aging pipes
- Inspections of pipes
- Emergency response (24/7) and providing essential services even during the COVID-19 pandemic
- Operation, maintenance, and treatment costs at the wastewater treatment plant
- Improvements to the wastewater treatment plants
- Compliance with local, state, and federal health, safety, and environmental protection regulations



Sewer/Sanitation District Rates & Charges

Adopted and Proposed Rates

- Last year (2020), Sewer Rates were set for 3 years for 8 districts and 1 year for the Burlingame Hills Sewer Maintenance District (BHSMD) and the Crystal Springs County Sanitation District (CSCSD)
- Proposing to set rates for 3 years for BHSMD and CSCSD to adequately fund the following:
 - anticipated cost increases for operation and maintenance
 - financial arrangements for capital improvements to downstream facilities
 - repayment of loans



Rate Setting for BHSMD

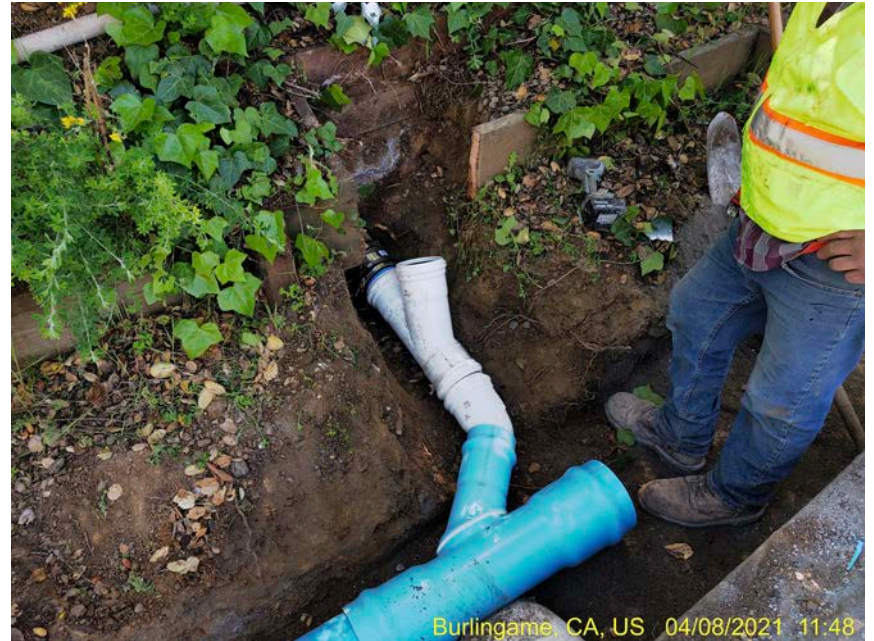
- BHSMD obtained a \$465,000 General Fund loan in 2020 to fund a portion of the Hillside/Adeline Area Sewer Rehabilitation Project currently in construction due to insufficient reserves
- The loan annual payment is \$34,400 with a 15-year term
- The proposed average increase of \$80 per year over the next 3 fiscal years will support this loan repayment
- The Project will be completed in 2021

Adeline/Hillside Drive Sewer Rehabilitation Project (BHSMD)



← Pipe Laying

→ Pipe Laying and Lateral Connection



Rate Setting for CSCSD

- Sewage from the CSCSD flows through the City of San Mateo's (San Mateo) facilities and is treated at San Mateo's Wastewater Treatment Plant
- San Mateo is implementing their Clean Water Program (CWP) estimated to cost approximately \$1 billion as a result of the Cease and Desist Order and their National Pollutant Discharge Elimination System (NPDES) permit restrictions
- The proposed annual increases are stepped increases to pay for CSCSD's share of the CWP costs, which is estimated to be over \$1.6 million each year for 30 years through San Mateo obtained bond financing and low interest loans; Percentages, Financing, and Agreement(s) will need to be determined and executed



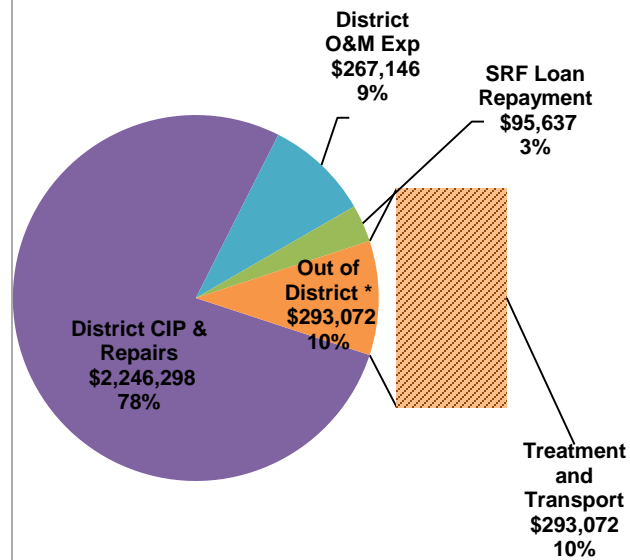
Proposed Rates for FYs 2021-22 Through 2023-24

District	Current Rates per ERU (2020-21)	Proposed Rates per ERU		
		2021-22	2022-23	2023-24
BHSMD	\$1,742	\$1,812 (+70/yr or \$5.83/mo)	\$1,892 (+80/yr or \$9.670/mo)	\$1,982 (+90/yr or \$7.50/mo)
CSCSD	\$1,585	\$1,664 (+79/yr or \$6.58/mo)	\$1,747 (+83/yr or \$6.92/mo)	\$1,834 (+87/yr or \$7.25/mo)

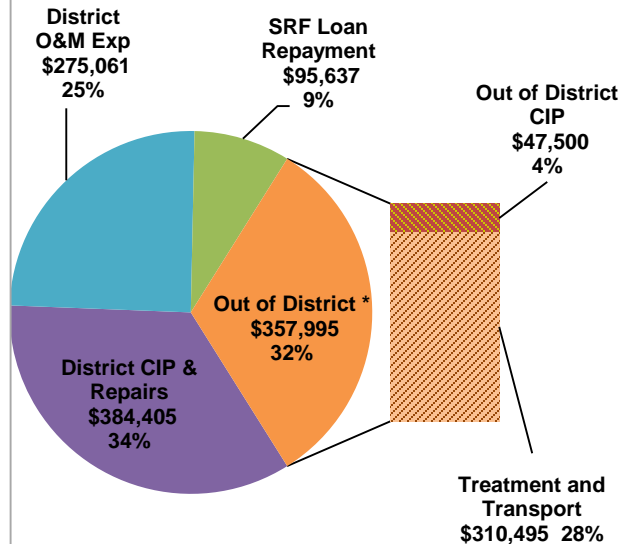
BHSMD Projected Revenue Requirements

Proposed Rates for FYs 2021-22 Through 2023-24

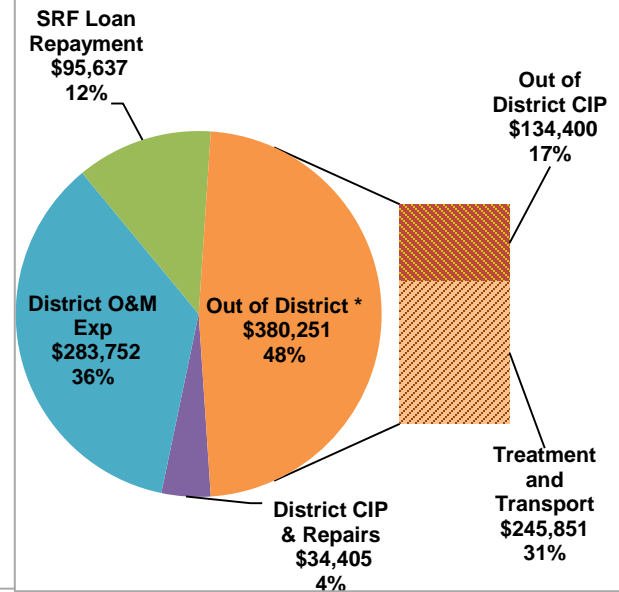
**FY 2021-22 Estimated
(Proposed Rate -
\$1,812/ERU)**



**FY 2022-23 Estimated
(Proposed Rate -
\$1,892/ERU)**



**FY 2023-24 Estimated
(Proposed Rate -
\$1,982/ERU)**

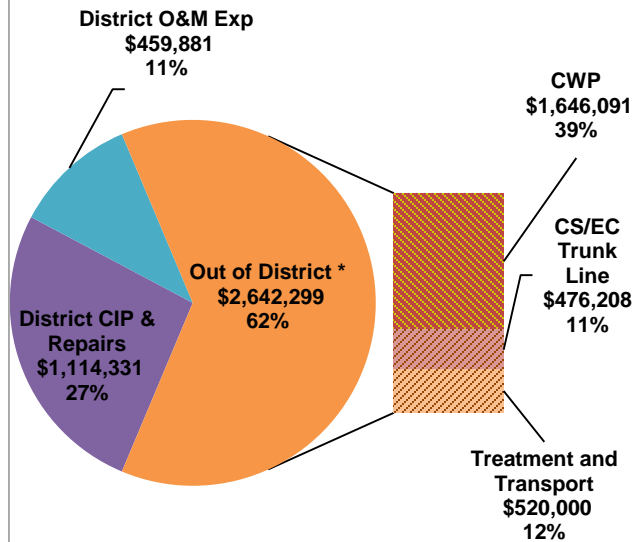


* Out of District cost includes Treatment, Transport, and Downstream Agency Capital Improvement costs.

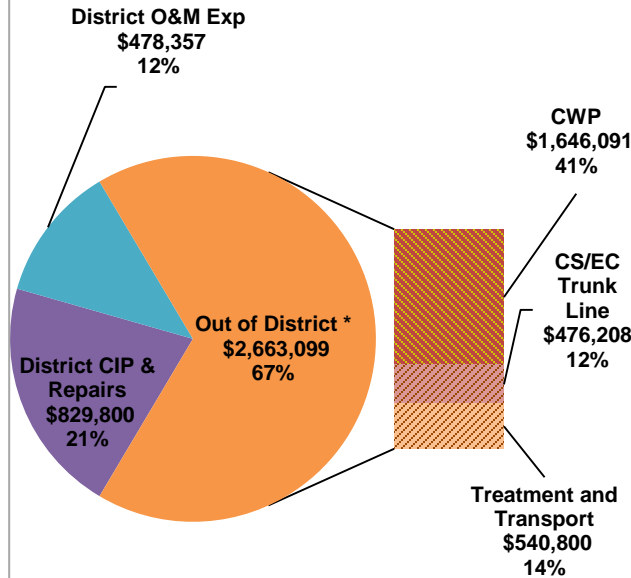
CSCSD Projected Revenue Requirements

Proposed Rates for FYs 2021-22 Through 2023-24

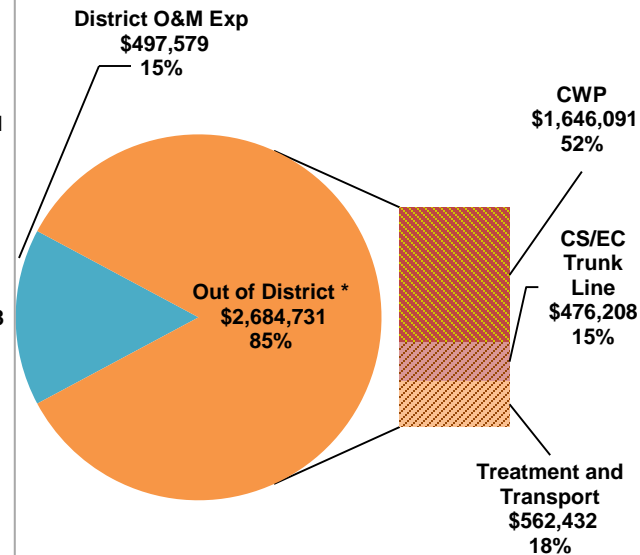
**FY 2021-22 Estimated
(Proposed Rate -
\$1,664/ERU)**



**FY 2022-23 Estimated
(Proposed Rate -
\$1,747/ERU)**



**FY 2023-24 Estimated
(Proposed Rate -
\$1,834/ERU)**



* Out of District cost includes Treatment, Transport, and Clean Water Program costs.

Sewer/Sanitation District Rates

Proposed Rates for BHSMD & CSCSD and Previously Set Rates for Other 8 Districts

<i>District</i>	<i>Current Rates per ERU (2020-21)</i>	<i>Proposed Rates per ERU</i>		
		<i>2021-22</i>	<i>2022-23</i>	<i>2023-24</i>
Burlingame Hills SMD	\$1,742	\$1,812	\$1,892	\$1,982
Crystal Springs CSD	\$1,585	\$1,664	\$1,747	\$1,834
Devonshire CSD	\$1,540	\$1,580	\$1,620	Rates to be evaluated during FY 2023-24
Edgewood SMD	\$1,605	\$1,630	\$1,655	
Emerald Lake SMD – Z1	\$1,565	\$1,640	\$1,715	
Emerald Lake SMD – Z2	\$1,565	\$1,640	\$1,715	
Fair Oaks SMD	\$955	\$985	\$1,015	
Harbor Industrial SMD	\$585	\$615	\$645	
Kensington Square SMD	\$1,450	\$1,550	\$1,650	
Oak Knoll SMD	\$1,445	\$1,495	\$1,545	
Scenic Heights CSD	\$1,995	\$2,095	\$2,195	

Sewer/Sanitation District Proposed Rates

BHSMD & CSCSD FY 2021-22 through FY 2023-24

- Sewer/Sanitation District Rates are set by Ordinance and follow this process:
 - May 18, 2021 Board Action:
 - Introduce Amended Ordinance setting Sewer Service Rates for BHSMD and CSCSD for FYs 2021-22 through 2023-24; and
 - Set time and date for public hearing on rates
 - July 20, 2021 Board Action:
 - Hold public hearing on rates
 - Second Reading and Adoption of Ordinance



Sewer/Sanitation District Charges

Proposed Sewer Charges for FY 2021-22

- Health and Safety Codes & SMC Ordinance Code stipulate the process for calculating Sewer Service Charges (fee for service) based on the sewer rates set. The process includes:
- Schedule a public hearing – (May 18, 2021 action)
 - Hold a public hearing on the Sewer Service Charges calculated based on the sewer rates – (July 20, 2021)
 - Consider objections and protests at the Public Hearing
 - Approve imposition of Sewer Service Charges based on Sewer Rates on properties within the districts on the property tax roll

Thank you!

Questions?

