

June 8, 2018

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 2018-19 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 XIID of the California Constitution. On July 24, 2018, the Board will hold a Public Hearing to consider an ordinance setting the sewer service rate for the 2018-19 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 2011 and has not increased or changed since then. This rate enabled the District to qualify for and obtain a State Revolving Fund (SRF) Loan in the amount of \$2.3M to finance the construction of a significant capital improvement project to replace approximately 4,800 feet of sewer pipe, and allows the current and future property owners in the District to pay for this sewer project over time.

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

We have evaluated the current sewer service rate in relation to the anticipated District expenses for the 2018-19 fiscal year. Based on our analysis of future cost demands on the District, we are proposing a sewer service rate increase for the 2018-19 fiscal year to pay for the District maintenance and improvement work, increases in sewage treatment costs, the District's percentage of the City's sewer projects, and regulatory requirements. The proposed rate is a 5% increase, equating to an \$80 per equivalent residential unit or \$6.67/month per equivalent residential unit increase.

The Department of Public Works (Department) sent you a letter dated April 30, 2018 regarding the proposed sewer service rate increases and to notify you of the community meeting that was held for



your District on May 14, 2018. The following indicates the proposed sewer service rate for each type of property use in the District for the 2018-19 fiscal year based on the rate recommended by the Department to the Board:

Customer Type	Current Annual Rate	Proposed Sewer Service Rate (\$/Fiscal Year Per Residential Unit)
	2017-18	2018-19
Single Family Residential Rate (SFR)	\$1,595	\$1,675
<p><u>Multi-Family Housing Complexes</u> The annual sewer service charge (SSC) for a Duplex Unit is calculated at 2 times the SFR rate (i.e. 2 * \$1,675 = \$3,350), Triplexes are calculated at 3 times the SFR rate, etc.</p> <p><u>Commercial/Industrial Rate</u> The annual sewer service charge (SSC) for Commercial and Industrial Users are calculated using their water consumption history and the following formula:</p> $SSC = (\text{Base Rate})(ERU)\{0.4+[0.3*(BOD/275)]+[0.3*(SS/300)]\}$ <p>Where: SSC = Sewer Service Charge Base Rate = The approved District Single Family Residential Rate ERU = Annual Water Usage / 220 Gallons Per Day BOD = Biological Oxygen Demand (varies based on the property use) SS = Suspended Solids (varies based on the property use)</p>		

The Board has scheduled a Public Hearing on **Tuesday, July 24, 2018 at 10:00 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. 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 20, 2018 in the Department of Public Works located at 555 County Center, 5th Floor in Redwood City. The Public Hearing will be open to the public and anyone interested may appear and be heard on this matter or submit a written statement. 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.

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. 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. 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 hand delivered or 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, a copy of the previously sent letter, a copy of the information provided at the community meeting, and a copy of the Board Report recommending the rate increase may be obtained by visiting the Department's website at www.smcgov.org/sewers or by calling the Public Works Department at (650) 363-4100, between 8:00 a.m. and 5:00 p.m., Monday through Friday.

If you have any questions, please contact Anna Mui or Julie Young at (650) 363-4100.