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April 22, 2024

Dear Property Owner:

RE: Proposition 218 Notice of Proposed Increase in the Sewer Service Rates – Crystal Springs County Sanitation District

This notice is to advise property owners of the County of San Mateo Board of Supervisors' (Board) proceedings to set the rates for sewer service for a four-year period (2024-25 through 2027-28 fiscal years) in the Crystal Springs County Sanitation District (District) for which the Board serves as the governing body. The rates will result in property related charges, and this notice is given in accordance with Proposition 218 and Article XIII D of the California Constitution. On June 11, 2024, the Board will hold a Public Hearing to consider an ordinance setting the sewer service rates for the 2024-25 through 2027-28 fiscal years and implementing sewer service charges for the District in which your property is located for the 2024-25 fiscal year.

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 (County) 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 downstream agencies (Town of Hillsborough [Town] and City of San Mateo [City]) and to the sewage treatment plant owned and operated by the City. The District has an agreement with the Town and the City that provides for the District to pay a portion of downstream improvement projects, both in the trunk lines and facilities used by the District including the City's sewage treatment plant.

We have evaluated the current sewer service rate in relation to the anticipated District expenses for the 2024-25 through 2027-28 fiscal years. Based on our analysis of future cost demands on the District, we are proposing adjustments to the sewer rates for the next four fiscal years (2024-25 through 2027-28). If approved, the proposed rates would provide the necessary funds to pay the District's share of the City's Clean Water Program (CWP) costs and to begin the implementation of capital improvement projects identified through the closed circuit television inspection and condition assessment of the District's sewer mains completed in 2023. This evaluation identified the need to replace approximately 13,400 feet or 14% of the District's sewer mains over several years at an estimated cost of \$10.84 million.

The following indicates the proposed sewer service rates for each type of property use in the District for the 2024-25 through 2027-28 fiscal years based on the rates recommended by the Department of Public Works (Department) to the Board:



Customer Type	Current Annual Rate	Proposed Sewer Service Rate (\$/Fiscal Year Per ERU)			
	2023-24	2024-25	2025-26	2026-27	2027-28
Equivalent Residential Unit (ERU) Rate	\$1,834	\$1,879	\$1,919	\$1,954	\$1,984
\$ increase per ERU	-	(+\$45/yr or \$3.75/mo)	(+\$40/yr or \$3.33/mo)	(+\$35/yr or \$2.92/mo)	(+\$30/yr or \$2.50/mo)
% increase	-	2.5%	2.1%	1.8%	1.5%

Multi-Family Housing Complexes

The annual sewer service charge (SSC) for a Duplex Unit is calculated at 2 times the ERU rate (i.e. 2 * \$1,879 = \$3,758), Triplexes are calculated at 3 times the ERU 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:

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

Where:

SSC = Sewer Service Charge

Base Rate = The approved District Single Family Residential or ERU 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)

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 operation and maintenance cost of the City’s sewage treatment plant
- A percentage of the improvements to the City’s sewage treatment plant, including the City’s CWP sewage treatment plant costs
- A percentage of the improvements to the downstream agencies’ (i.e. Town and City) sewer system used by the District, including specific City CWP projects
- Compliance with local, state and federal health, safety and environmental protection regulations
- Payment on the State Revolving Fund Loan and other loan payments for completed downstream projects

The Department sent you a letter dated February 28, 2024 regarding the proposed sewer service rates and to notify you of the virtual meeting held on March 20, 2024 for your District. The Department has posted the virtual meeting presentation, recording and additional information regarding the proposed rate increases on its website at:

<https://bit.ly/SMCRates2024>

Public Hearing

The Board has scheduled a Public Hearing on **Tuesday, June 11, 2024 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 rates 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 Public Hearing will be open to the public and anyone interested may appear and be heard on the new sewer service rates or submit a written statement. At the conclusion of the hearing, the Board is expected to adopt an ordinance setting the new sewer service rates 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 rate increases exists. If a majority protest exists, the Board may not impose the increased rates for the District. Any property owner in the District may file a written protest against the proposed rate increases. 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.

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