

April 30, 2018

Dear Property Owner:

Re: Proposed Sewer Service Rates and Community Meeting

We are sending this letter to property owners in the Burlingame Hills Sewer Maintenance District (District) to provide important information regarding a proposed sewer service rate adjustment for Fiscal Year 2018-19.

The District is administered by the County of San Mateo Department of Public Works and the County of San Mateo Board of Supervisors (Board) is the governing board of the District. In July 2011, the current sewer service rate of \$1,595 per year per equivalent residential unit was adopted by the Board for your District. The rate has not increased or changed for over 6 years.

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 sewer replacement projects over time. The District’s Wastewater Collection System Capacity Assurance Plan and Master Plan Update (Plan) identified these pipes as the highest priority pipes to be replaced. The Plan also identified several other projects that would replace a majority of the District’s aging pipe segments, which are estimated to cost more than \$12 Million.

District staff has continued to meet with representatives of the Burlingame Hills Improvement Association (BHIA) to discuss sewer issues and future sewer service rates. Together we evaluated the District financial requirements, which the current sewer service rate is able to support, and carefully considered future work in the District and anticipated increases in treatment costs and regulatory requirements. As a result of our analysis and collaboration with the BHIA, the District is proposing an increase to the sewer rates for the next fiscal year. The Board will consider this sewer service rate adjustment this summer.

Proposed Sewer Service Rate

We are proposing to set the new sewer service rate for the 2018-19 fiscal year, as shown in the table below:

	Sewer Service Rate (\$/Year Per Equivalent Residential Unit)	
	Current Rate 2017-18	Proposed Rate 2018-19
Burlingame Hills Sewer Maintenance District	\$1,595	\$1,675

The proposed rate includes an increase of \$80/equivalent residential unit or \$6.67/month/equivalent residential unit.



Public Meeting Date

We have scheduled a neighborhood meeting for the Burlingame Hills Sewer Maintenance District at:

**7:00 p.m. on Monday, May 14, 2018
at Burlingame Recreation Center
850 Burlingame Avenue
Burlingame**

During this meeting we will be discussing overall sewer system management, what the previously set rate has supported, provide more detailed information about the sewer service rate calculations, and discuss methods to finance and implement future sewer projects. This information will also be posted on our website by the meeting date. Most importantly, we want to hear your comments and input on this issue before we finalize our recommendations to the Board, and provide answers to any questions you may have.

Your District continues to face the challenge of financing the replacement of aging sewer pipes given the small size of the District and its customer base. The BHIA representatives are supportive of financing future projects with SRF Loans or similar loans. This approach spreads the costs between current and future property owners, both of which benefit from system improvements. However, SRF loans require that the rates are sufficient to support District operation and maintenance costs and repayment of the loan over the loan duration. Additionally, SRF Loans are currently in high demand as many sewer agencies are utilizing this funding source for their system improvements and may not be immediately available for Capital Project financing

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.

Your sewer service rates pay 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 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.

If you are unable to attend the meeting, but would like to provide comments please direct them to:

James C. Porter, Director
Department of Public Works
County of San Mateo
555 County Center, 5th Floor
Redwood City, CA 94063
or
e-mail: sewers@smcgov.org

Additional information about your district, frequently asked questions, and the timeline for rate setting can be found on our website at: www.smcgov.org/sewers