



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Department of Public Works



DATE: May 19, 2010
BOARD MEETING DATE: June 8, 2010
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors

FROM: James C. Porter, Director of Public Works

SUBJECT: **Executive Summary** – Sewer Service Rates and Charges for the Ten County Sewer/Sanitation Districts Governed by the Board of Supervisors

RECOMMENDATION:

Acting as the governing board of the ten County Sewer/Sanitation Districts:

- A. Adopt an ordinance to amend Section 4.32.020 of Chapter 4.32 of Title 4, of the San Mateo County Ordinance Code, setting sewer service rates for fiscal years 2010-11 and 2011-12 for the Burlingame Hills Sewer Maintenance District and fiscal year 2010-11 for the Crystal Springs County Sanitation District; and
- B. Adopt a resolution setting Tuesday, July 27, 2010 at 9:30 a.m. at your regularly scheduled Board meeting, as time and place for a public hearing to consider the sewer service rates and charges, and directing Public Works to send notices to the affected property owners.

BACKGROUND:

Sewer service charges are collected on the property tax bill. The charges are based on sewer service rates approved by your Board.

In 2006, your Board set sewer service rates for one year (FY 2006-07) for the ten districts. However, sewer service rates were not increased in the Crystal Springs County Sanitation District (CSCSD) due to a majority protest.

In 2007, your Board increased the sewer service rates for the FY 2007-08 and set rates for the subsequent four fiscal years for eight districts. The sewer service rate for the CSCSD was increased and set for only one year (FY 2007-08). However, your Board did not increase the sewer service rate for the Burlingame Hills Sewer Maintenance District (BHSMD) for the FY 2007-08 due to a majority protest.

In 2008, your Board increased the sewer service rate for the FY 2008-09 for the

BHSMD, set the sewer service rate for FY 2008-09 the same as the previous year for the CSCSD, and set the rates for the FY 2008-09 for the remaining eight districts as previously set by Ordinance No. 04382, which was adopted on August 7, 2007.

In 2009, your Board increased the sewer service rates for the FY 2009-10 for the BHSMD and the CSCSD, and set the rates for the FY 2009-10 for the remaining eight districts as previously set by Ordinance No. 04382, which was adopted on August 7, 2007.

DISCUSSION:

In order to impose the charges, it is necessary to set rates for BHSMD and CSCSD. Over the past year, the Department has been meeting with homeowner associations from those districts to discuss sewer service rates. As a result of these meetings, it is recommended that rates in BHSMD be increased to \$1,350 per year in FY 2010-11 and \$1,500 per year in FY 2011-12, and that the rates in CSCSD be increased to \$1,200 per year in FY 2010-11. We will continue to discuss finances and rates with representatives of both districts. Public meetings to discuss proposed rates were held in both districts in May.

The following actions must be taken by August 10, 2010 in order to place the sewer service charges on the tax roll for FY 2010-11:

1. Adopt an ordinance setting the sewer service rates (used to calculate the sewer service charges) for BHSMD and CSCSD.
2. Hold a public hearing on (1) the proposed sewer service rate increases for the BHSMD and CSCSD, and (2) the imposition of sewer service charges for all ten districts calculated based on the adopted rates.
3. Adopt a Resolution adopting the FY 2010-11 Sewer Service Charges Report.

Notice of the public hearing to consider the sewer service rate increases must be sent to the property owners in the BHSMD and CSCSD. We are recommending that your Board direct the Department to notify each property owner in the BHSMD and CSCSD of the recommended rates by mail and to explain that protests to the rate increases must be in writing.

County Counsel has reviewed and approved an ordinance and a resolution as to form.

Your Board's setting of the sewer service fees for FY 2010-11 contributes to the Shared Vision 2025 outcome of a Healthy Community by providing revenue to the ten (10) sewer districts and allow for uninterrupted service to district customers.

FISCAL IMPACT:

We are proposing to set sewer service rates for fiscal years 2010-11 and 2011-12 for the BHSMD and FY 2010-11 for the CSCSD. Rates were previously set for the other eight districts. There is no impact on the General Fund.