



Proposed Sewer Service Rates
Fiscal Years 2018/19 to 2022/2023
Public Hearing & Ordinance Adoption
March 5, 2018 – San Mateo City Council

Purpose



City Council **conduct a Public Hearing** and **adopt an Ordinance** to establish sewer rates for fiscal years 2018-19 through 2022-23

Sewer Service Rate Setting

City Council establishes rates and charges via ordinance adoption to fund sanitary sewer collection system & wastewater treatment needs including:

- operating and maintenance expenses
- debt service charges
- capital improvement costs

Sewer Service Fund Programs

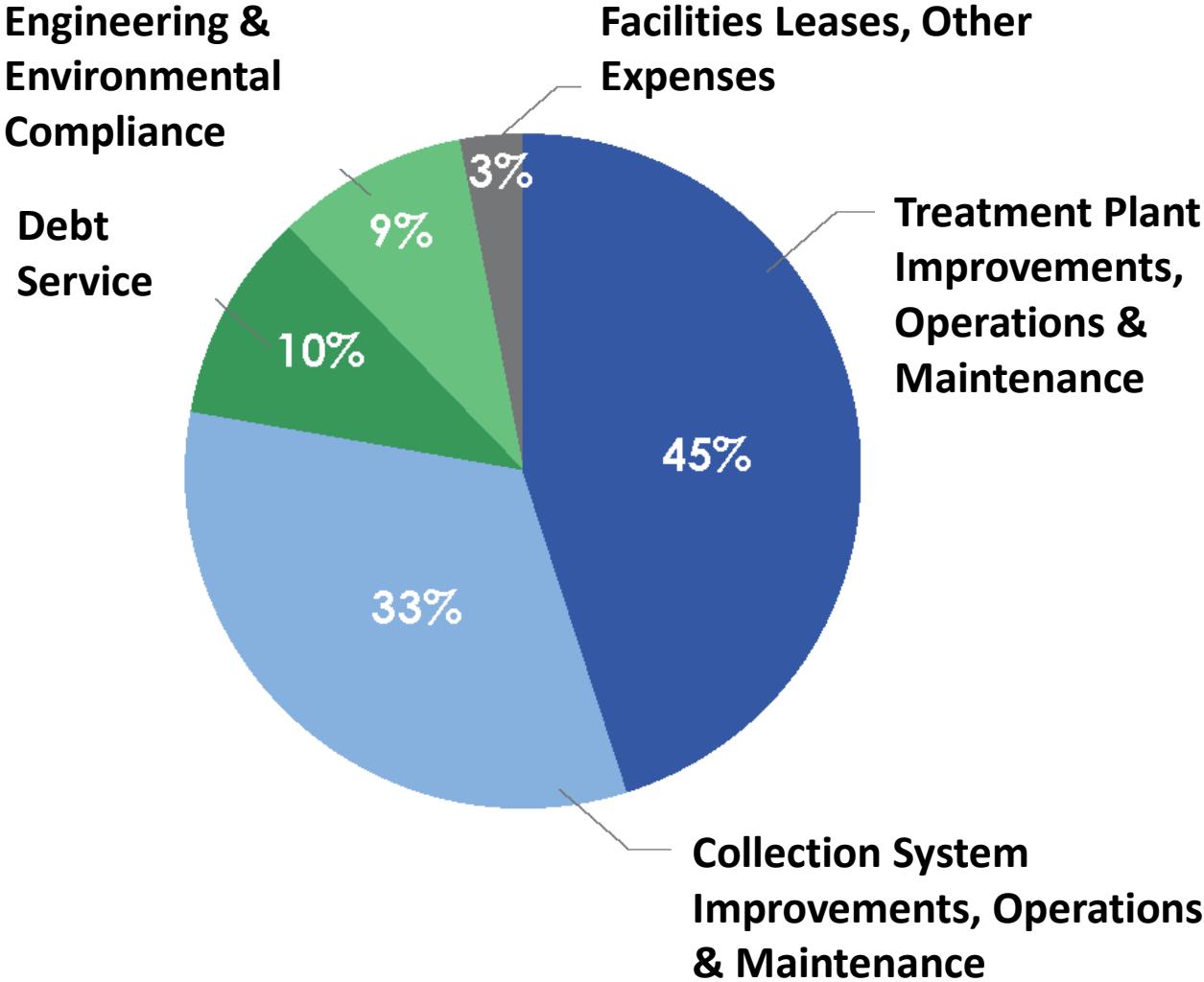
Operating Programs

- *Wastewater Treatment*
- *Environmental Compliance*
- *Dale Avenue Pump Station*
- *Sewer System Engineering Services*
- *Sewer Maintenance*

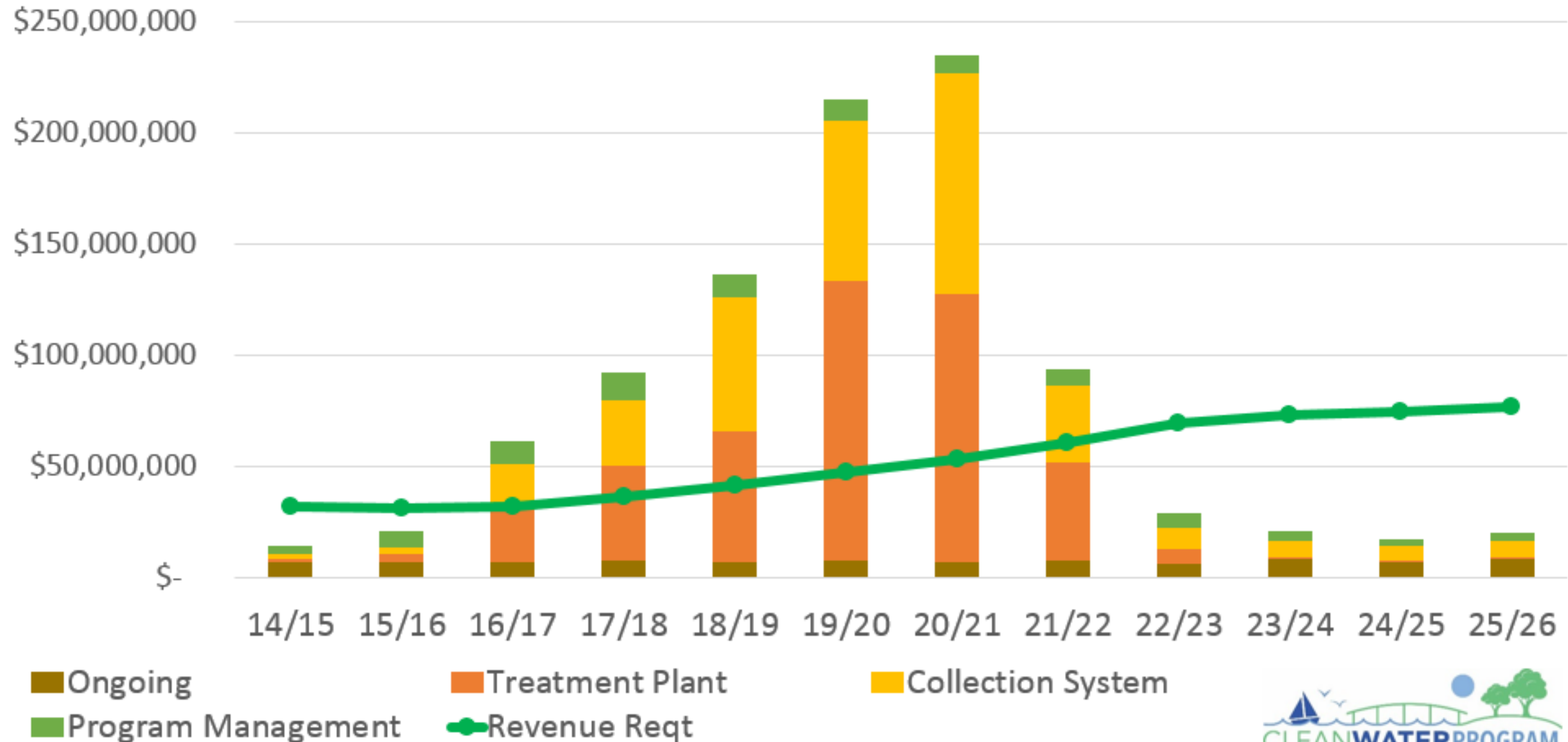
Capital Improvement Projects

- *Collection Systems Improvements*
- *WWTP Improvements*
- *Annual Rehab Programs*

How sewer fees are used



Estimated Program Expenditures



Necessity for Sewer Rate Increases



- Rebuild the City's aging wastewater treatment plant
- Construct critical improvements to the City's sewer collection system to meet regulatory requirements, prevent sanitary sewer overflows, and rehabilitate aging facilities
- Keep revenues aligned with the cost of providing service



Rate Setting Goals

- Goals

- *Improve revenue certainty*
- *Improve opportunity to secure funding*
- *Fund required expenditures*
- *Rate re-alignment for equitable distribution of cost*

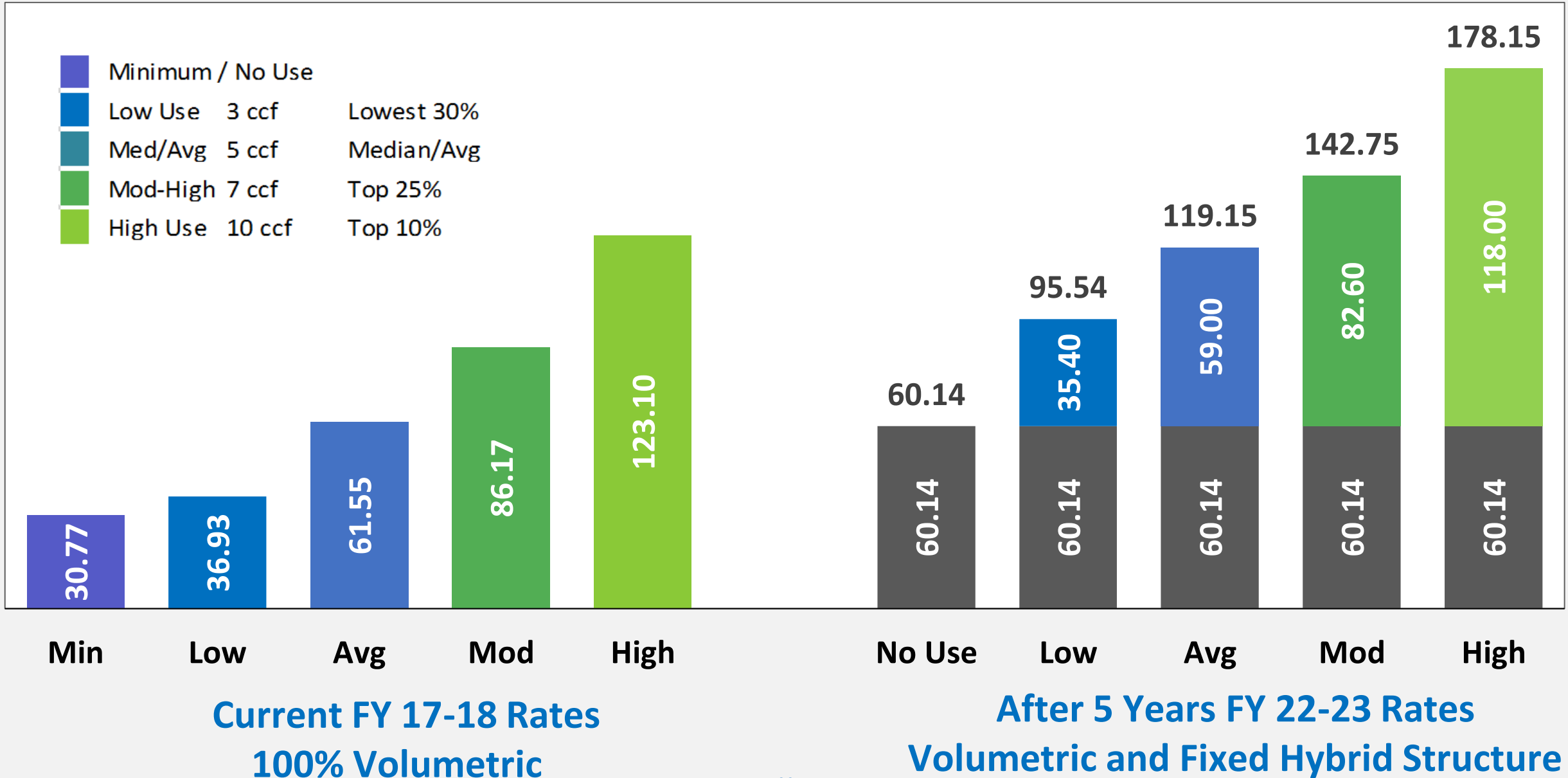
Proposed Changes

- Rate Structure
 - *Add a fixed fee component for residential customers*
- Multi-year rate increases
 - *Set maximum rates for a five year period*
- Update Municipal Code Chapter 3.54

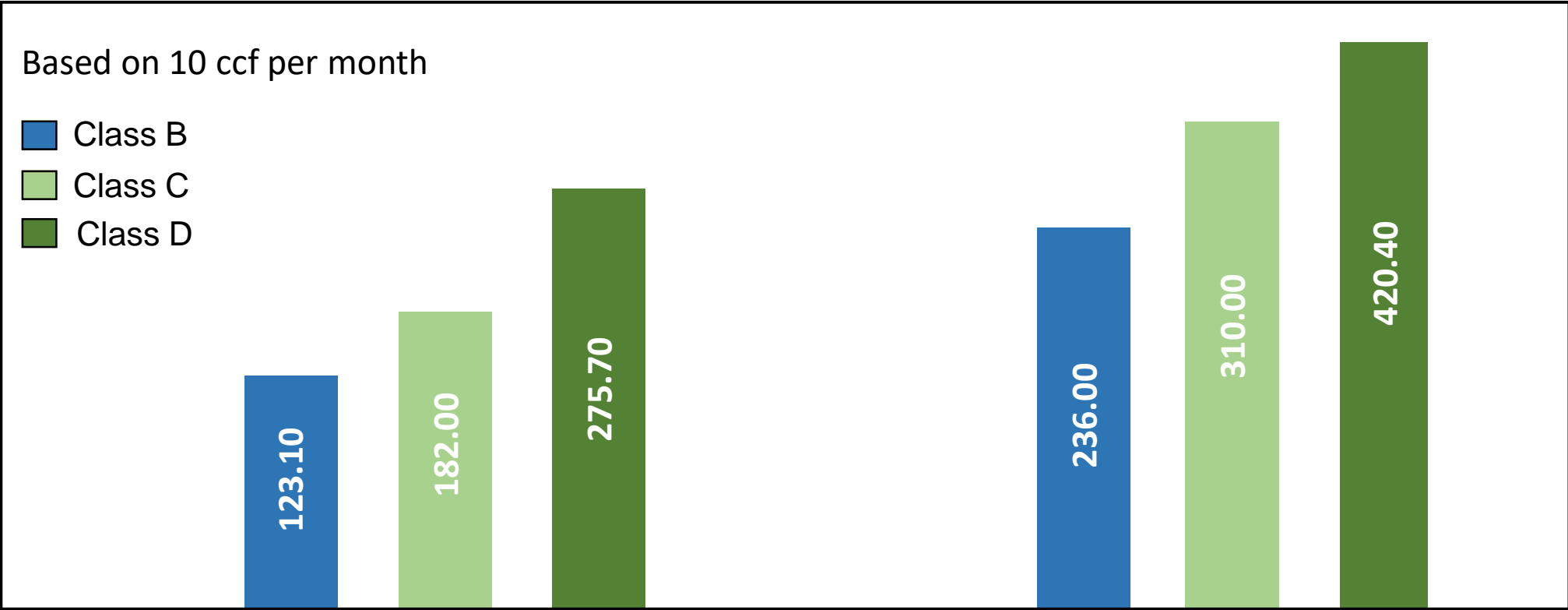
Proposed Sewer Rates

Proposed Sewer Rates	Effective Date					
	Current Rate	July 1 2018	July 1 2019	July 1 2020	July 1 2021	July 1 2022
Residential						
Fixed Monthly Charge <i>(Charge per dwelling unit)</i>						
	n/a	\$36.59	\$41.80	\$47.34	\$53.59	\$60.14
Sewer Usage Charge <i>(Rate per hundred cubic feet (\$/CCF) of annualized average monthly winter water use)</i>						
Class A Residential	\$12.31	\$7.15	\$8.18	\$9.27	\$10.51	\$11.80
Commercial						
Sewer Usage Charge <i>(Rate per hundred cubic feet (\$/CCF) of annualized average monthly winter water use)</i>						
Class B Standard Strength	\$12.31	\$14.19	\$16.26	\$18.47	\$20.97	\$23.60
Class C Moderate Strength	\$18.20	\$20.48	\$22.92	\$25.43	\$28.20	\$31.00
Class D High Strength	\$27.57	\$30.35	\$33.22	\$36.04	\$39.09	\$42.04
Class E	A limited number of accounts are billed on a case-by-case basis based on sewer rates in effect.					
Minimum Monthly Charge <i>(Commercial bills are subject to the minimum monthly charge)</i>						
	\$30.77	\$36.59	\$41.80	\$47.34	\$53.59	\$60.14

Monthly Residential Sewer Service Charges



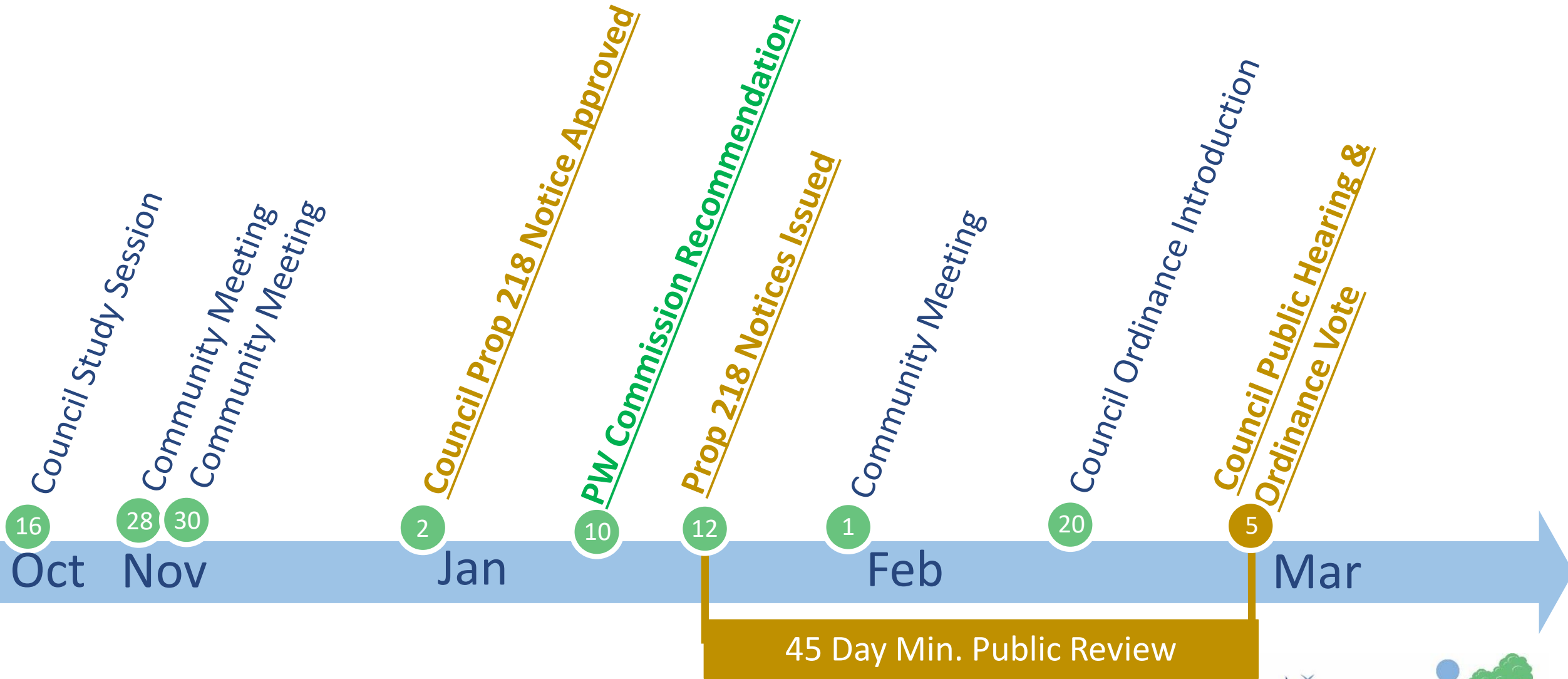
Illustrative Monthly Commercial Sewer Service Charges



Current FY 17-18 Rates
100% Volumetric

After 5 Years FY 22-23 Rates
100% Volumetric

Prop 218 Conformance & Community Engagement



Community Feedback

- Impacts to low users versus high users
- Commercial rates
- Phase in rates over a longer period of time
- Affordability for fixed & low income ratepayers

Council Requested Actions

- Public Hearing
- Determination of no majority protest
- **Ordinance adoption**

Notice of
Proposed Sewer
Rate Increase



Public Hearing

Questions/Public Hearing



www.CleanWaterProgramSanMateo.org