



City of Brisbane
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Puede ver una versión traducida de esta carta en brisbaneca.org.
請在上檢閱本函的翻譯版本,
brisbaneca.org.

February 17, 2023

The City of Brisbane (City) is proposing increases in the water and sewer operational rates, effective June 15, 2023. You are receiving this notice because you are either a City utility customer or you own property receiving City utility services. The City Council will hold a public majority protest hearing on **Thursday, April 6, 2023, at 7:30pm** to consider water and sewer rate adjustments for the next five years. If the proposed maximum rates are adopted, the City may collect rates at or below the proposed maximum as needed to meet the City's financial needs.

The water and sewer utilities rely entirely on rate revenues to fund its operations. Water and sewer operations are not funded by property tax or any other tax revenue. The last operational rate increases were in 2012. The proposed rates are based on a comprehensive cost of service study to ensure that water and sewer rates pay for increasing operating and maintenance expenses, debt service payments, capital projects, and emergency reserves. The study upon which the rates are based is available for review in the City Clerk's office/on the City's website at: brisbaneca.org/utility-billing.

WATER RATES

Water System

The City provides water service to approximately 2,000 residential and commercial accounts. The City purchases all of its water from the San Francisco Public Utilities Commission (SFPUC) which is distributed through five turnouts of the Crystal Springs Pipeline. The City operates two separate water districts—the City of Brisbane Water District and the Guadalupe Valley Municipal Improvement District (GVMD). The City Water Enterprise is interconnected with the GVMD Combined Enterprise, allowing for maximum circulation and flow within the system. The combined water distribution system includes 5 water storage tanks, 4 booster pump stations serving 7 pressure zones, more than 25 miles of underground pipeline, and over 700 valves.

Why is a water rate increase needed?

The proposed water rate increases are needed to pay for the cost of ongoing maintenance and water purchases and to replace aging water mains and other infrastructure. The last water rate study was conducted in 2001, and the last water operational rate increase went into effect in 2012. Since then, the cost to purchase water from the SFPUC has increased by 94%. Water purchases account for over 50% of water utility operating costs, of which the City has no control over.

Proposed Water Rate Structure Changes

The current water rate structure is comprised of two components: 1) Fixed Charge and 2) Consumption Charge based on metered water consumption. All customers, residential and non-residential, are charged a fixed charge based on their meter size regardless of usage. The current fixed charges vary based on customer class. The consumption charge is billed based on actual usage per unit of water (\$/ccf). One hundred cubic feet (ccf) is equal to approximately 748 gallons of water. The consumption charges are based on a tiered rate system where the price per unit of water is higher as more water is used. The current consumption charges vary by meter size and by customer class.

The City is proposing to simplify the water rate structure by implementing a single Fixed Charge rate schedule for all customer classes. For the Consumption Charges, all customers will be charged according to a two-tiered rate structure. Moreover, all customers will receive one unit (1 ccf) with their Fixed Meter Charge.

Proposed Bimonthly Water Rates

The proposed bimonthly water rates are shown on the table below. Due to the new water rate structure, the bill impact for the first year will vary based on your customer class, water meter size, and monthly usage.

Rate Effective Date:	PROPOSED WATER RATES				
	June 15, 2023	June 15, 2024	June 15, 2025	June 15, 2026	June 15, 2027
FIXED CHARGES					
<u>Meter Size</u>					
5/8"	\$33.35	\$36.17	\$39.23	\$42.55	\$46.28
3/4"	\$33.35	\$36.17	\$39.23	\$42.55	\$46.28
1"	\$41.90	\$45.45	\$49.29	\$53.46	\$58.12
1-1/2"	\$63.29	\$68.65	\$74.44	\$80.75	\$87.72
2"	\$88.95	\$96.49	\$104.62	\$113.49	\$123.24
3"	\$157.37	\$170.73	\$185.10	\$200.79	\$217.96
4"	\$234.35	\$254.25	\$275.64	\$299.01	\$324.52
6"	\$448.19	\$486.25	\$527.14	\$571.85	\$620.52
CONSUMPTION CHARGES (per ccf) (1)					
<u>All Usage over 1 ccf</u>					
Tier 1: 1- 20 ccf	\$6.30	\$6.76	\$7.26	\$7.79	\$8.36
Tier 2: Over 20 ccf	\$12.65	\$13.47	\$14.34	\$15.27	\$16.25

(1) 1 ccf = 1 hundred cubic feet = 748 gallons

Assembly Bill 3030 Pass-Through Provision

In the case where a water system purchases water from another agency, such as the City does from the SFPUC, AB 3030 allows for what is known as a “pass through” provision. The City has assumed that the cost to purchase water from the SFPUC will increase 10% annually. There is the possibility of a “pass through” adjustment if the cost to purchase water is higher than the 10% increase amount included in the proposed rate structure.

The pass-through will be implemented as a separate commodity charge billed per unit of water (\$/ccf). The formula to be used to calculate the pass-through adjustments, if needed, is as follows: Total cost for wholesale water purchases through the fiscal year end divided by the total volume of water purchased through the fiscal year end. Prior to initiating a pass-through, the City will notify all customers at least 30 days before implementation.

SEWER RATES

Sewer System

The City of Brisbane provides sewer service to approximately 1,900 residents, several commercial areas, and some light industrial development. The City contracts with the City of San Francisco to treat and dispose of the City’s wastewater, while the City maintains the sewer collection system which includes four lift stations, over 80,000 feet of laterals, mains, trunks, and 20,000 feet of force mains.

Why is a sewer rate increase needed?

The proposed sewer rate increases are needed to cover sewage treatment and disposal costs passed through from the City of San Francisco, to pay for the cost of ongoing maintenance for the collection system, and to replace deficient sewer mains. The last sewer rate study was conducted in 2001, and the last sewer operational rate increase went into effect in 2012. Since then, treatment charges from the City of San Francisco have doubled. Roughly 58% of total sewer operating expenses is comprised of treatment charges, of which the City has no control over.

Proposed Sewer Rate Structure Changes

The City’s current sewer rate structure includes two components – 1) Flat Charge, and 2) Variable Charge. The Flat or Fixed Charge is the minimum charge for all customers. In addition to the Fixed Charge, customers pay a Variable Rate per ccf based on a two-tiered rate structure that varies by customer class. For residential customers, sewer flow is approximated using winter consumption for the four-month period between October and February. Commercial accounts are billed according to three customer strength categories: Standard, Medium, and Heavy.

The City is proposing to eliminate the tiered variable rates for all customers and transition to single tier based on customer strength. Tiers are typically utilized for water rates to encourage conservation and are less relevant to sewer flow.

Proposed Bimonthly Sewer Rates

The proposed bimonthly sewer rates are shown on the table below. Due to the new sewer rate structure, the bill impact for the first year will vary based on your customer class and actual usage.

Rate Effective Date:	PROPOSED SEWER RATES				
	June 15, 2023	June 15, 2024	June 15, 2025	June 15, 2026	June 15, 2027
RESIDENTIAL (1)					
Flat Charge	\$64.20	\$79.86	\$99.32	\$123.54	\$153.66
Variable Charge (per ccf) (2)	\$8.29	\$10.15	\$12.43	\$15.23	\$18.67
COMMERCIAL					
Standard					
Flat Charge	\$64.20	\$79.86	\$99.32	\$123.54	\$153.66
Variable Charge (per ccf)	\$9.02	\$11.04	\$13.53	\$16.59	\$20.33
Medium					
Flat Charge	\$64.20	\$79.86	\$99.32	\$123.54	\$153.66
Variable Charge (per ccf)	\$11.12	\$13.61	\$16.68	\$20.45	\$25.07
Heavy					
Flat Charge	\$64.20	\$79.86	\$99.32	\$123.54	\$153.66
Variable Charge (per ccf)	\$13.21	\$16.18	\$19.83	\$24.32	\$29.81

(1) Residential bill is based on winter consumption (Mid-October to Mid-February)

(2) 1 ccf = 1 hundred cubic feet = 748 gallons

LOW INCOME RATE ASSISTANCE (LIRA) FOR UTILITY BILLS

The City offers a utility bill assistance program for low-income residents who are enrolled in PG&E's Care Discount Program. Qualifying customers will receive a 25% discount off their total monthly utility bill. Additional information is provided on the City's website at brisbaneca.org/utility-billing or by calling (415) 508-2154.

Translated versions of this notice in Chinese and Spanish are available at the City's website at brisbaneca.org/utility-billing. The City is required to mail notices to both our customers and property owners. We have tried to ensure only one notice is sent to each address. Unfortunately, the databases the City's uses are not always compatible so you may receive multiple copies of this notice. If you do, we apologize for any inconvenience this causes.

If you have any questions, please contact me at either (415) 508-2152 or cyuen@brisbaneca.org.

Sincerely,

Carolina Yuen

Carolina Yuen
Finance Director



City of Brisbane
50 Park Place
Brisbane, CA 94005-1310
(415) 508-2100

NAME
ADDRESS
CITY, STATE, ZIP

Notice of a Public Hearing on Proposed Water and Sewer Rate Adjustments

The City of Brisbane will hold a Public Hearing on the proposed water and sewer rates on **Thursday, April 6, 2023 at 7:30pm** in the Community Meeting Room at 50 Park Place, Brisbane, CA.

Public Notice and Majority Protest Process

In 1996, California voters adopted Proposition 218. The provisions of Proposition 218 provide that certain types of “Property Related Fees” are subject to a “majority protest” process. Under the majority protest process, any property owner or customer of record may submit a written protest for the proposed increases; provided, however, that only one protest will be counted per identified parcel.

You have the right to file written protests by mail addressed to the City Clerk, 50 Park Place, Brisbane, CA 94005 **or** in person or at the public majority protest hearing on April 6, 2023 at 7:30pm so long as they are received before the end of the hearing. A protest submitted via email, fax, or other electronic means will not be accepted. A written protest must: 1) state the specific service charge increase (water and/or sewer) for which the protest is being submitted in opposition; 2) provide the location of the identified parcel (by assessor’s parcel number or street address); and 3) include the name and signature of the property owner or customer submitting the protest. If a property owner or tenant is protesting one or more increases, the property owner or tenant should identify which service charge increase or increases they are protesting. Only one written protest may be counted for each affected parcel.

At the public hearing, the City Council will review the amount of the rates as well as the methodology for calculating the proposed rates. At the conclusion of the hearing, protests will be counted and validated. If protests are filed on behalf of a majority of the parcels subject to the rates before the end of the public hearing, the City cannot adopt the proposed rates. If a majority of the parcels do not protest (i.e., object to) the proposed increase, the City has the authority to adopt the proposed rates. Any rate changes, if enacted, will go into effect for billing period starting on June 15 of each year, beginning June 15, 2023 (billed in August of fiscal year 2023/2024).