



Notice of Public Hearing Regarding Proposed Increases to the City of San Bruno Water Rates

The City of San Bruno will be holding a public hearing to consider adopting a series of gradual water rate increases over the next five years. The City's current water rates have been in effect since July 1, 2020 and have not been increased in over three years despite rising costs of service. Water rate increases are needed to provide adequate funding for operations, wholesale water rate increases from the San Francisco Public Utilities Commission (SFPUC) and from the North Coast County Water District, and high-priority capital improvements needed to provide a reliable, high quality, and safe water supply. San Bruno's water utility is a financially self-supporting enterprise that relies primarily on revenues from service charges. As such rates need to be set at adequate levels to support the costs of providing service.

Notice is hereby given that the City Council of the City of San Bruno will hold a public hearing on the proposed water rate increases as follows:

- Date:** Tuesday, November 14, 2023
Time: 7:00 p.m., or as soon thereafter as the matter may be heard
Place: San Bruno Senior Center
1555 Crystal Springs Road, San Bruno, CA 94066

Members of the public may attend the meeting in person at the San Bruno Senior Center or attend by any other options as described in City Council Agenda. Please check the agenda for the November 14, 2023 meeting for additional information about how the public can participate in the public hearing.

Rate Increases Needed for Operations, Wholesale Water Rate Increases, and Aging Infrastructure

San Bruno's water rates have been effective since July 1, 2020 and have remained unchanged for over three years. The City's costs of providing service have increased over this time and are projected to continue gradually rising due to inflation and other factors. The SFPUC increased its wholesale water rates by 27% over the past two years and projects additional wholesale rate increases in future years. In addition, the City's water system includes many facilities that are reaching the end of their useful lives and are in need of replacement. Many of the City's water pipelines are 70 to 100 years old and subject to leaks and breaks. The City has made significant progress on its long-term infrastructure replacement program but still has substantial capital funding needs. Water system capital improvements planned for the next 5 years include replacement of three older water tanks as well as replacement of aging water pipelines and various other improvements to wells, pressure regulating stations, and pump stations.

Proposed Water Rates

The City proposes to phase in a series of annual water rate increases over the next five years, as shown below. The City’s water rates include two components:

- **Fixed Monthly Service Charges:** Water customers are charged a fixed Monthly Service Charge based on water meter size with larger meters paying higher charges based on each meter’s capacity and associated demand placed on the water system.
- **Quantity Charges:** Water customers are also charged based on metered water use. Single-family residential customers are billed according to a 3-tiered inclining rate structure with water first billed in Tier 1 and subsequently billed in higher tiers as water use increases each billing period. All other customers are billed a uniform rate for all water use. Quantity Charges are billed in units of one hundred cubic feet (1 hcf) of water use with 1 hcf equal to roughly 748 gallons.

Water charges are billed bi-monthly (once every two months). The proposed rate increases are designed to increase water rate revenues by approximately 6% per year; however, actual impacts to customers’ monthly water bills may vary based on meter size and water use.

Proposed Water Rates							
	Current Water Rates	Proposed Water Rates Effective On or After					
		January 1 2024	January 1 2025	January 1 2026	January 1 2027	January 1 2028	
MONTHLY SERVICE CHARGES							
<i>Fixed monthly charge based on meter size.</i>							
<u>Meter Size</u>							
3/4-inch	\$25.58	\$27.11	\$28.73	\$30.45	\$32.27	\$34.22	
1-inch	42.63	45.18	47.88	50.75	53.78	57.03	
1-1/2 inch	85.27	90.37	95.77	101.50	107.57	114.07	
2-inch	136.43	144.59	153.23	162.40	172.11	182.51	
3-inch	255.80	271.10	287.30	304.50	322.70	342.20	
4-inch	426.33	451.83	478.83	507.50	537.83	570.33	
6-inch	852.67	903.67	957.67	1,015.00	1,075.67	1,140.67	
8-inch	1,364.27	1,445.87	1,532.27	1,624.00	1,721.07	1,825.07	
10-inch	1,961.13	2,078.43	2,202.63	2,334.50	2,474.03	2,623.53	
QUANTITY CHARGES							
<i>Billed based on metered water consumption (\$ per hundred cubic feet or hcf).</i>							
a) Single-Family Residential							
<u>Bi-Monthly Use</u>							
Tier 1	0 - 10 hcf	\$9.01	\$9.57	\$10.16	\$10.79	\$11.46	\$12.18
Tier 2	11 - 20 hcf	10.78	11.42	12.09	12.80	13.56	14.36
Tier 3	> 20 hcf	14.33	15.12	15.95	16.83	17.75	18.72
b) All Other Accounts (All Use)							
		\$10.11	\$10.68	\$11.28	\$11.91	\$12.58	\$13.27

In addition to the above Quantity Charge, the City will charge a Differential Cost of Supply Charge per hcf to the Crystal Springs Terrace Owner LLC to pass through the additional cost of purchasing wholesale water from North Coast County Water District. The Differential Cost of Supply Charge will automatically adjust to pass through the increases or decreases in the wholesale charges for water established by North Coast County Water District.

Community Input & Written Protest Procedures

Members of the public are invited to attend the public hearing on November 14, 2023, and provide input. Property owners and property tenants who are directly responsible for payment of water rates (each, a “customer”) may submit written protests against the proposed rates. Consistent with California law, written protests must a) identify the affected property or properties, such as by address or Assessor’s Parcel Number; b) include the name and original signature of the property owner or customer of record submitting the protest; and c) indicate opposition to the proposed water rate increases. If a parcel has more than one customer, only one written protest will be counted per parcel. Protests submitted by e-mail, facsimile, or other electronic means are not counted as written protests. Written protests may be mailed or delivered to: Attn City Clerk, City of San Bruno, 567 El Camino Real, San Bruno, CA 94066. Written protests may also be delivered to the City Clerk at the City Council meeting prior to the conclusion of the public input portion of the public hearing. The City Council cannot adopt the proposed rates if a majority protest exists. A majority protest will exist if, at the end of the public hearing, there are written protests submitted that represent a majority of the parcels subject to the proposed rates.

Customer Assistance Program for Utility Rate Discounts

The City is aware that the proposed water rate increases will place additional financial burden on ratepayers and offers utility rate discount programs for water, sewer, and CityNet services based on income eligibility. This discount is currently set at 25% of each utility’s rates. A link to the City’s low income utility rate discount application is available online at www.sanbruno.ca.gov/274/Forms-New-Service-Applications. The application includes income criteria for program eligibility. Customers who are eligible for the discount program are encouraged to apply and must reapply each year. For questions or more information, please contact Utility Billing at (650) 616-7186.

For water quality, rebate programs and conservation news, please refer to our website:
<https://sanbruno.ca.gov/459/Water-Quality>.