



South San Francisco



Sewer Rate Study

November 2021



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

DRAFT 11/11/21



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November 11, 2021

City of South San Francisco
315 Maple Avenue
South San Francisco, CA 94080

Re: Sewer Rate Study

Bartle Wells Associates is pleased to submit the attached Sewer Rate Study to the City of South San Francisco. The study develops 10-year financial projections and recommends a series of small annual rate increases over the next 5 fiscal years. The recommended rates are designed to support the projected operational, debt service, and capital funding needs of the City's sewer enterprise. With the proposed rate increases, residential sewer charges are projected to remain low compared to other agencies in San Mateo County.

I enjoyed working with the City's project team on this assignment and appreciate the ongoing input and assistance received from project initiation through development of final recommendations. Please contact me if you ever have any questions about the findings and recommendations in this report or other related issues.

Sincerely,

BARTLE WELLS ASSOCIATES

Alex Handlers
Principal/Vice-President

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1 Background & Objectives

1.1 Background & Objectives

The City of South San Francisco is located in northern San Mateo County, California, roughly 10 miles south of downtown San Francisco. The City has a population of a little over 67,000 and a land area of approximately 9.1 square miles. The City provides sewer collection and wastewater treatment services to residential, commercial and industrial customers within the City, with the exception of an area west of Interstate 280 that is served by Westborough Water District.

The City owns and operates a sewer collection system that includes over 100 miles of sewer pipelines and 13 sewage pump stations. The City operates a Water Quality Control Plant (WQCP) that is jointly owned with the City of San Bruno and treats sanitary sewer flows from South San Francisco, San Bruno, Colma, and a portion of Daly City. Treated wastewater effluent is discharged into the San Francisco Bay.

Financially, the sewer utility is operated an independent enterprise fund that relies primarily on revenues from sewer rates to fund the costs of providing service. As such, rates must be set at levels adequate to fund the operation and maintenance of the sewer system, meet debt service funding requirements, and pay for capital improvement needs of the City's aging wastewater facilities.

The City last adopted a series of rate increases effective July 1 of 2017 through 2021. However, these rates were never fully implemented as the City slightly lowered the rate increase scheduled for July 1, 2018 and cancelled the rate increase scheduled for July 1, 2020. The City's residential sewer rates are low compared to other agencies in San Mateo County and are substantially below the regional average.

In 2021, Bartle Wells Associates (BWA) was retained as a subconsultant to the City's engineering consultants, Schaaf & Wheeler Consulting, to develop a sewer rate study. Key goals and objectives of the study include:

- Develop updated 10-year financial projections for the City's sewer enterprise;
- Evaluate financial scenarios and rate increases needed to support projected operating, debt service, and capital improvement funding needs;
- Recommend sewer rates designed to:
 - Support the the City's costs of providing sewer service;
 - Be fair and equitable to all customers;
 - Comply with the legal requirements of California Constitution, Article 13D, Section 6 which was established by Proposition 218;
 - Support the long-term operational and financial stability of the City's sewer enterprise.

This report summarizes key findings and presents sewer rate recommendations for the next 5 years. Final recommendations were developed with substantial input from the City.

2 Sewer Rates & Customers

2.1 Current & Proposed Sewer Rates

Table 1 shows a schedule of current and proposed sewer rates. Proposed rates account for small annual rate adjustments phased in over the next 5 fiscal years. The proposed rate increases are needed to provide adequate funding for projected operating and maintenance expenses, debt service, and high-priority capital improvements to the City’s wastewater facilities to maintain safe and reliable service. With the proposed increases, residential sewer rates are projected to remain low compared to other agencies in San Mateo County.

Table 1 – Current & Proposed Sewer Rates

Proposed Sewer Rates							
	Basis of Calculation	Current Sewer Rates	Maximum Proposed Sewer Rates Effective On or After				
			July 1 2022	July 1 2023	July 1 2024	July 1 2025	July 1 2026
Rate Increases			2%	3%	3%	3%	3%
RESIDENTIAL							
<i>Fixed annual charge per residential dwelling unit.</i>							
Single Unit Residential	Dwelling Unit	\$753	\$768	\$791	\$815	\$839	\$864
Multi-Unit Residential	Dwelling Unit	676	691	712	734	755	778
Trailer Unit Residential	Dwelling Unit	676	691	712	734	755	778
COMMERCIAL / INSTITUTIONAL							
<i>Volumetric charges per hundred cubic feet (ccf) of inflow or effluent, subject to a minimum annual charge.</i>							
Light Strength Commercial	Minimum Charge	\$753	\$768	\$791	\$815	\$839	\$864
	Hundred Cubic Feet Inflow or Hundred Cubic Feet Effluent	9.6761	9.87	10.17	10.48	10.79	11.11
		10.7512	10.97	11.30	11.64	11.99	12.34
Moderate Strength Commercial	Minimum Charge	\$753	\$768	\$791	\$815	\$839	\$864
	Hundred Cubic Feet Inflow or Hundred Cubic Feet Effluent	15.1425	15.45	15.91	16.39	16.88	17.39
		16.8249	17.17	17.68	18.21	18.76	19.32
Restaurants	Minimum Charge	\$753	\$768	\$791	\$815	\$839	\$864
	Hundred Cubic Feet Inflow or Hundred Cubic Feet Effluent	22.1239	22.57	23.25	23.95	24.67	25.41
		24.5821	25.08	25.83	26.61	27.41	28.23
Institutions	Minimum Charge	\$753	\$768	\$791	\$815	\$839	\$864
	Hundred Cubic Feet Inflow or Hundred Cubic Feet Effluent	7.8049	7.96	8.20	8.45	8.70	8.96
		8.6720	8.84	9.11	9.39	9.67	9.96
Septage Haulers	Charge per Gallon	0.4126	0.42	0.43	0.44	0.45	0.46
INDUSTRIAL							
<i>Volumetric charges per ccf of inflow or effluent plus charges per pound for wastewater strength loadings of COD and TSS, subject to a minimum annual charge.</i>							
Industrial	Minimum Charge	\$753	\$768	\$791	\$815	\$839	\$864
	Hundred Cubic Feet Inflow or Hundred Cubic Feet Effluent	5.7967	5.91	6.09	6.27	6.46	6.65
		6.4408	6.57	6.77	6.97	7.18	7.39
	Chemical Oxygen Demand Pounds	0.6010	0.6130	0.6314	0.6503	0.6698	0.6899
	Total Suspended Solids Pounds	1.9459	1.9848	2.0443	2.1056	2.1688	2.2339

One hundred cubic feet (ccf) equals approximately 748 gallons.

Residential customers pay fixed annual charges per dwelling unit with slightly lower rates for multi-family dwelling units and mobile homes/trailer units. Commercial/Institutional customers are billed based on metered water consumption or effluent from the prior calendar year, with higher rates for customer classes with higher strength wastewater. Industrial customers are billed based on metered water consumption or effluent from the prior year plus charges per pound of Chemical Oxygen Demand (COD) and Total Suspended Solids (TSS). Commercial and Industrial rates are subject to a minimum annual charge. South San Francisco collects charges for sewer service via the San Mateo County property tax rolls, with the exception of a small number of customers that are billed directly.

The proposed rates reflect small annual increases applied on an across-the-board basis to the City's current sewer rates, resulting the same percentage impact to the rates levied for each customer class. Based on review of the City's existing sewer rates, no changes are recommended to the sewer rate structure at this time as the current rate structure reasonably reflects the proportionate cost of providing service to each customer class.

2.2 Low-Income Sewer Service Rebate Program

The City offers a Low-Income Sewer Service Rebate Program designed to provide financial assistance to residential customers based on income eligibility. Customers who are enrolled in or meet the income criteria of California Water Service's *Customer Assistance Program* are eligible to receive a sewer rate rebate from the City. The rebate is currently \$76 per year.

2.3 Historical Rates

Table 2 on the following page shows a history of sewer rate increases since 1999/00. The City has historically adopted 5 years of sewer rate increases at a time, with the exception of only adopting 3 years of sewer rate increases prior to the most recent 5-year rate plan.

The charts on the subsequent pages show a 10-year history of single family residential sewer service charges along with projected rates for the next 5 years. Figure 1 shows annual sewer charges while Figure 2 shows monthly equivalent sewer charges.

Table 2 – Historical Sewer Rate Increases

Fiscal Year	Annual Rate/EDU	Rate Increase %		Multi-Year Rate Increases
		Adopted	Implemented	
1999/00	\$179	6.5%	6.5%	5-Year Rate Plan
2000/01	188	5.0%	5.0%	↓
2001/02	197	5.0%	5.0%	
2002/03	207	5.0%	5.0%	
2003/04	217	5.0%	5.0%	
2004/05	272	25.0%	25.0%	
2005/06	296	9.0%	9.0%	5-Year Rate Plan
2006/07	323	9.0%	9.0%	↓
2007/08	352	9.0%	9.0%	
2008/09	383	9.0%	9.0%	
2009/10	460	20.0%	20.0%	5-Year Rate Plan
2010/11	506	10.0%	10.0%	↓
2011/12	532	5.0%	5.0%	
2012/13	532	0.0%	0.0%	
2013/14	532	0.0%	0.0%	↓
2014/15	553	4.0%	4.0%	
2015/16	575	4.0%	4.0%	3-Year Rate Plan
2016/17	588	2.0%	2.0%	↓
2017/18	664	13.0%	13.0%	
2018/19	724	10.0%	9.0%	5-Year Rate Plan
2019/20	739	2.0%	2.0%	↓
2020/21	739	2.0%	0.0%	
2021/22	753	2.0%	2.0%	

Figure 1 – Historical & Projected Single Family Sewer Charges (Annual)

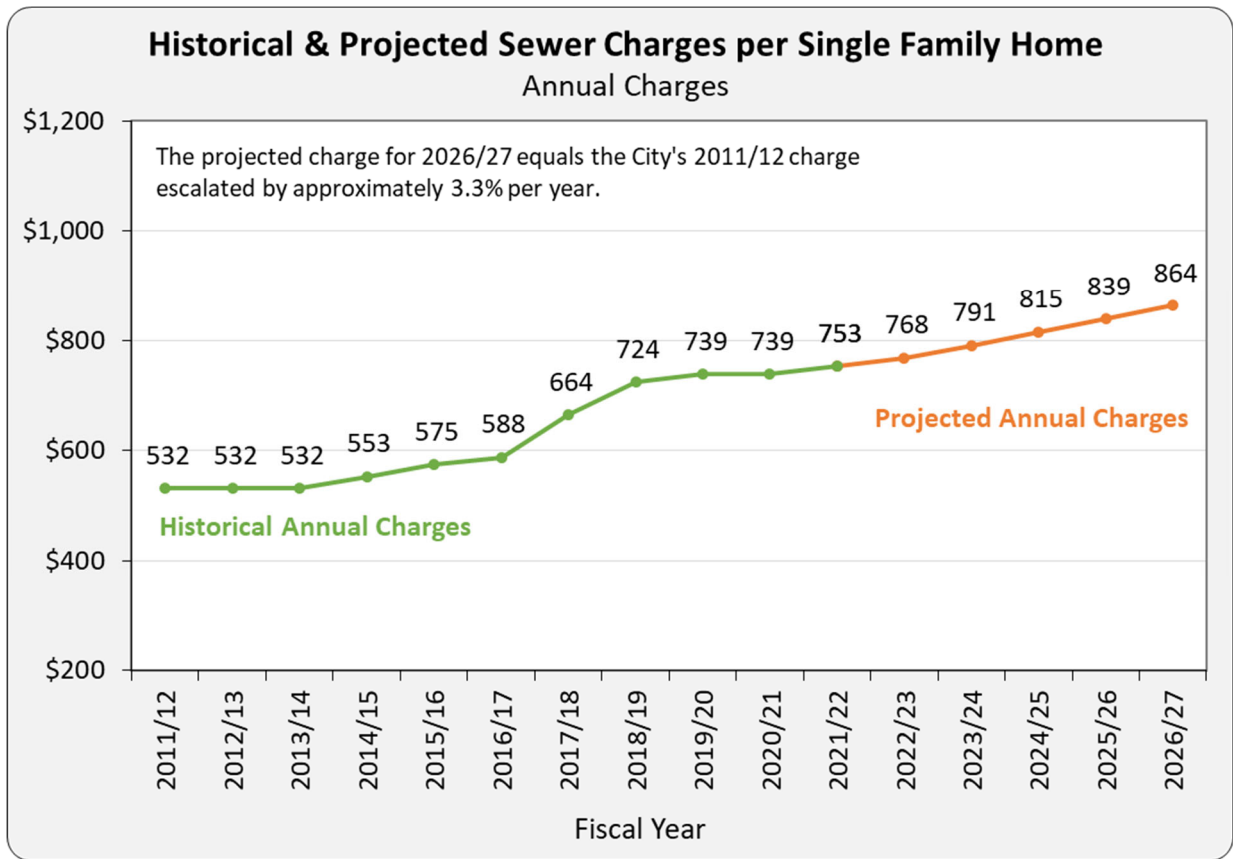
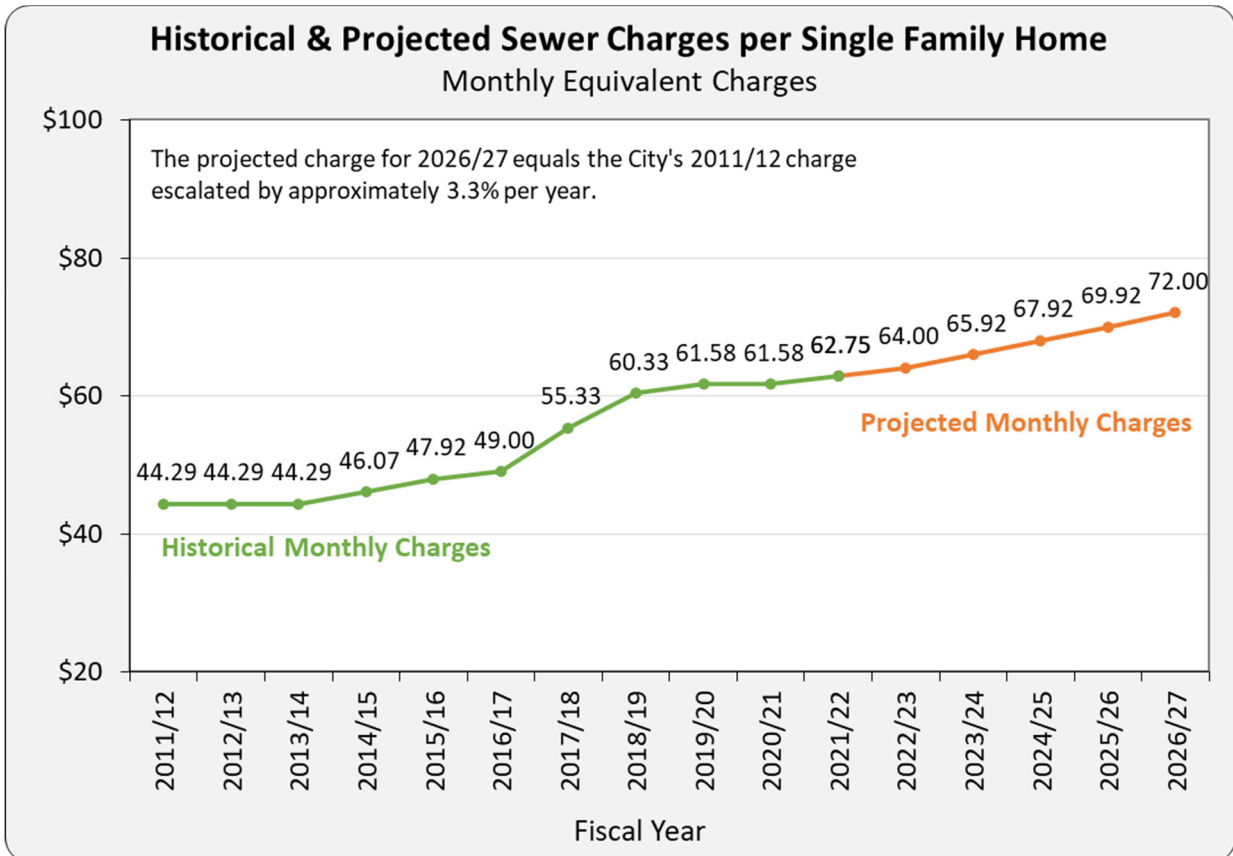


Figure 2 – Historical & Projected Single Family Sewer Charges (Monthly)



2.4 Regional Rate Survey

Figure 1 shows a survey of monthly regional sewer service charges for a typical single family home. Approximately half of the agencies surveyed, including South San Francisco, levy fixed residential sewer charges, while half levy sewer rates that are partially or entirely based on usage. For agencies with usage-based rates, the survey assumes typical single family billable sewer use of 5.5 hundred cubic feet (hcf) per month. The City’s sewer service charges for a single family home are currently low compared to other agencies in San Mateo County.

Figure 3 – Survey of Single Family Monthly Residential Sewer Charges

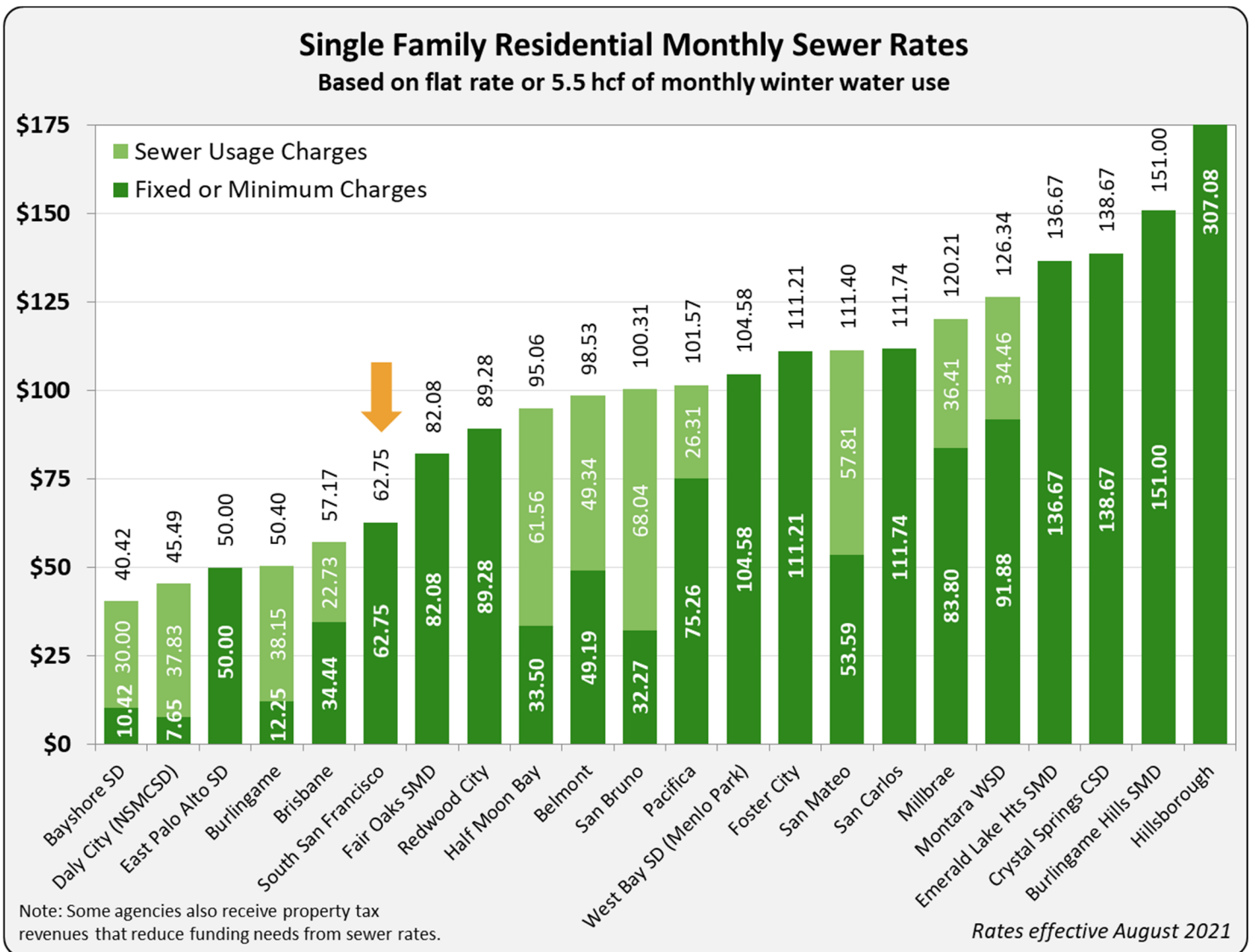


Figure 2 shows a survey of combined monthly water and sewer service charges for a typical single family home with fixed sewer service charges or billable sewer use of 5.5 hundred cubic feet per month, and billable water use of 6 hundred cubic feet per month. Water service to most of the South San Francisco is provided by California Water Service Group (Cal Water), which is reflected in the survey below. In South San Francisco, combined water and sewer service charges for a typical single family home are the second lowest compared to the other agencies surveyed in San Mateo County.

Figure 4 – Survey of Combined Single Family Monthly Water & Sewer Service Charges

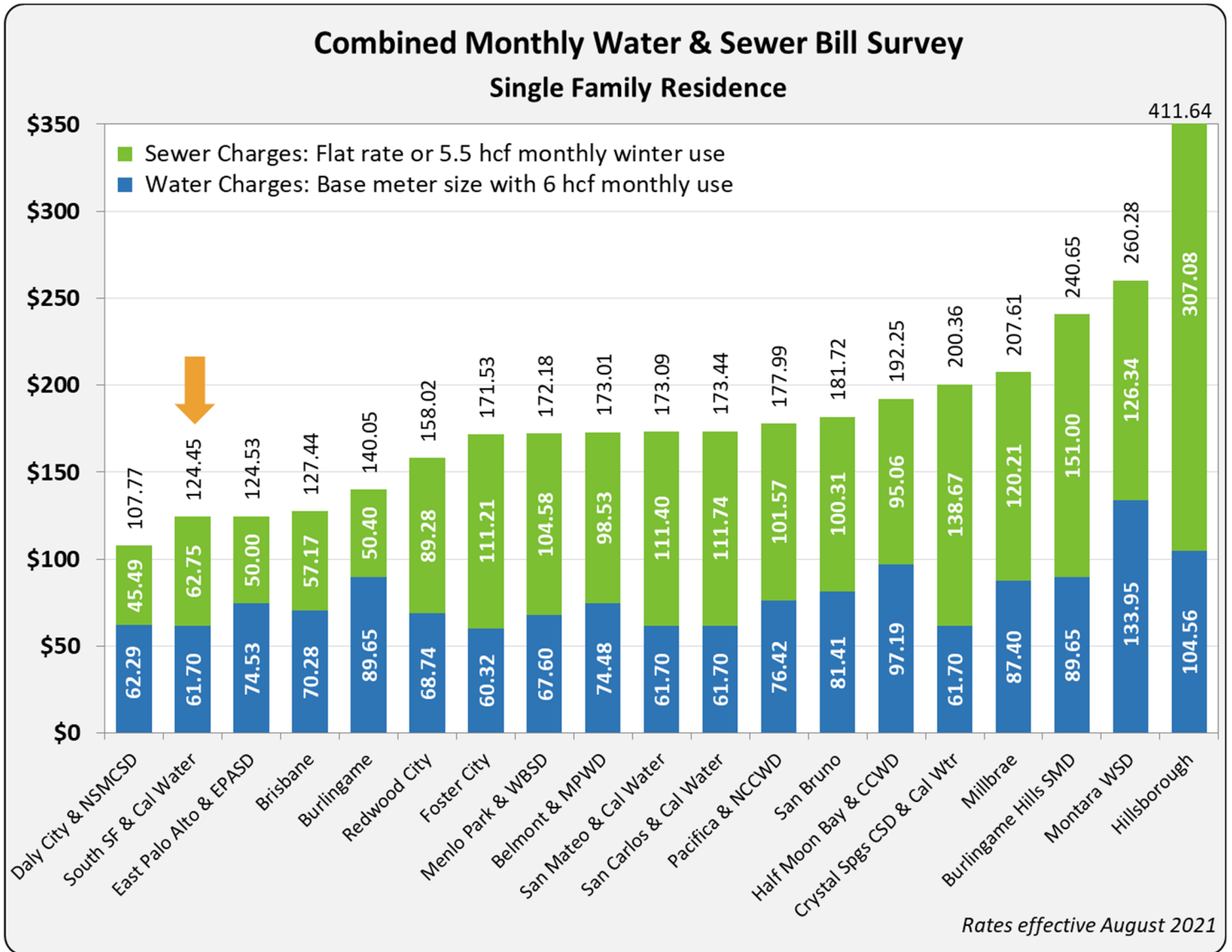
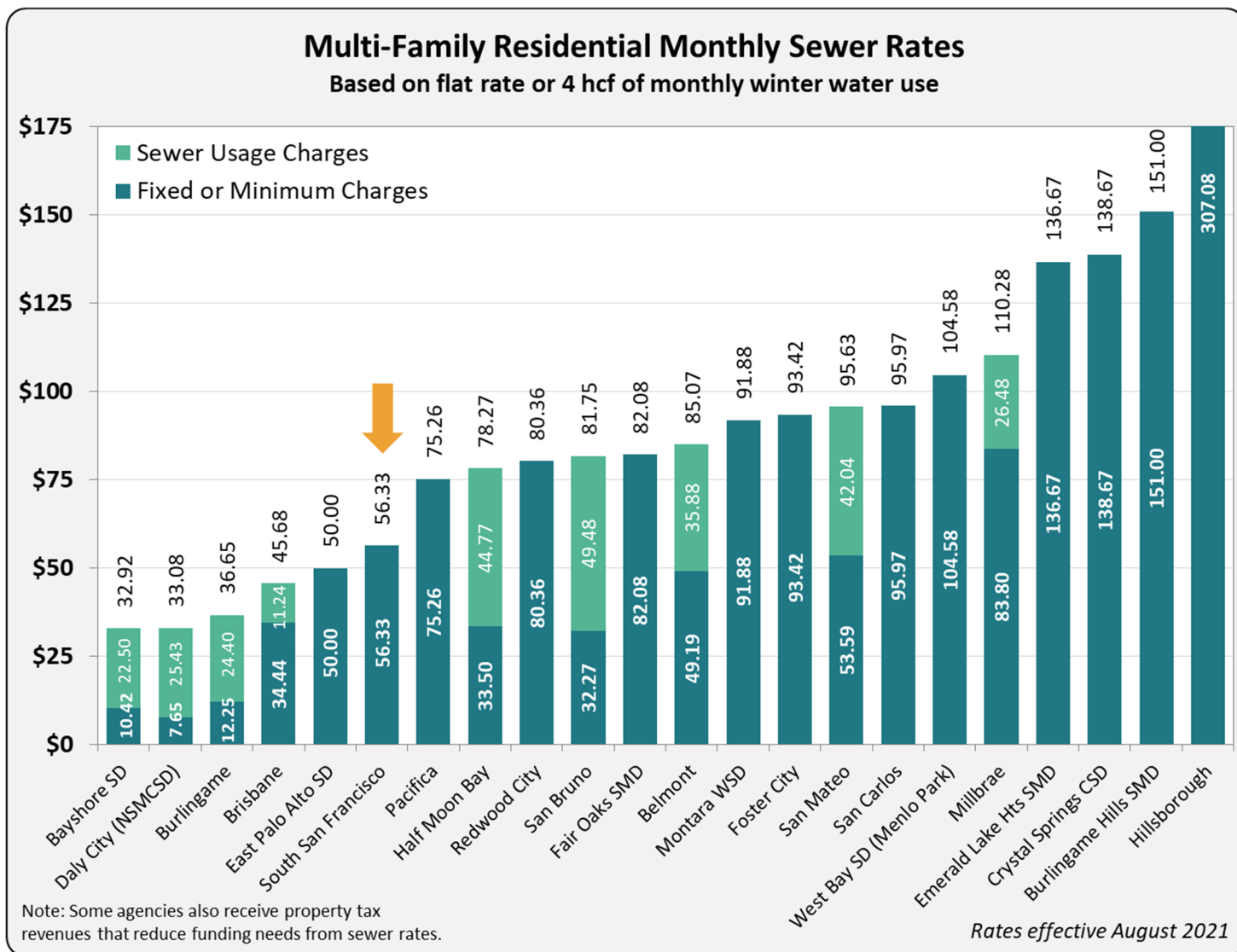


Figure 5 shows a survey of monthly regional sewer service charges for a typical multi-family dwelling unit such as an apartment. The survey assumes 4 hcf of billable sewer use for agencies whose rates include a usage-based component. For agencies with fixed residential charges, South San Francisco is one of four agencies that levy reduced rates on multi-family dwelling units compared to single family homes.

Figure 5 – Survey of Multi-Family Monthly Residential Sewer Charges



2.5 Sewer Customers

Table 3 shows a 5-year breakdown of the City's sewer accounts by customer class. The bottom of the table includes estimates of the number of residential dwelling units served by the City's sewer system.

Table 3 – Sewer Accounts by Customers Class

	2017/18	2018/19	2019/20	2020/21	2021/22
Residential Accounts					
Single Unit	10,809	10,787	10,785	10,760	10,767
Multi Unit	1,750	1,768	1,773	1,788	1,803
Trailers	1	1	1	1	1
Subtotal	12,560	12,556	12,559	12,549	12,571
Commercial/Institutional/Industrial					
Light Strength Comm'l (LTE)	1,204	1,203	1,201	1,204	1,192
Moderate Strength Comm'l (MOD)	182	191	193	194	194
Restaurant (RES)	109	116	117	119	125
Industrial (IND)	33	33	32	32	31
Institutional (INS)	34	32	33	33	33
Subtotal	1,562	1,575	1,576	1,582	1,575
Other (Direct Billers, Septage Haulers)	140	140	140	140	140
Total Accounts	14,262	14,271	14,275	14,271	14,286
Estimated Residential Dwelling Units*					
Single Unit	10,809	10,787	10,785	10,760	10,767
Multi Unit	5,322	5,322	5,306	5,683	6,176
Trailers	356	355	353	355	355
Subtotal	16,486	16,464	16,444	16,798	17,298

Source: City of South San Francisco, Sewer Service Charge Revenue spreadsheet.

* Excludes customers that receive sewer service from Westborough Water District, which include approximately 4,200 residential dwelling units.

2.6 Sewer Rate Revenues

Table 4 shows historical annual sewer service charge revenues by customer class. The City is currently experiencing a decline in sewer rate revenues due to a significant decrease in commercial sewer use (particularly from restaurants) that began in March 2020 due to the impacts of the Coronavirus pandemic. Commercial customers are billed based on metered water from the prior calendar year, which delayed the financial impacts on the City's sewer rate revenues until the current fiscal year.

Compared to the prior fiscal year 2020/21, commercial sewer rate revenues are projected to decrease about 19% in the current fiscal year 2021/22 resulting a net decrease in sewer rate revenues of about \$2 million. This decrease accounts for what would have been a roughly \$2.5 million decrease that has been partially offset by a 2% rate increase that became effective in 2021/22. The revenue loss due to the Coronavirus pandemic is expected to be temporary with non-residential usage projected to gradually return to pre-pandemic levels over the next few years.

Table 4 – Sewer Rate Revenues by Customer Class

	2017/18	2018/19	2019/20	2020/21	2021/22
Rate Increases	13%	9%	2%	0%	2%
Residential					
Single Unit	\$7,138,884	\$7,790,964	\$7,950,901	\$7,939,077	\$8,092,491
Multi Unit	3,171,656	3,467,750	3,544,398	3,779,763	4,191,200
Trailers	212,119	231,400	236,028	236,028	240,656
Subtotal	10,522,660	11,490,114	11,731,327	11,954,868	12,524,347
% Change from Prior Year	12.8%	9.2%	2.1%	1.9%	1.9%
Commercial/Institutional/Industrial					
Light Strength Comm'l (LTE)	4,971,961	5,399,808	6,139,745	6,289,328	5,093,970
Moderate Strength Comm'l (MOD)	872,157	1,102,587	1,192,948	1,190,846	972,512
Restaurant (RES)	1,097,526	1,243,327	1,416,112	1,440,285	988,858
Industrial (IND)	4,168,053	3,724,718	2,832,117	3,003,669	2,362,615
Institutional (INS)	76,880	85,147	85,657	85,220	72,370
Subtotal	11,186,577	11,555,588	11,666,579	12,009,347	9,490,325
% Change from Prior Year	12.4%	3.3%	1.0%	2.9%	-18.7%
Other (Direct Billers, Septage Haulers)	438,158	582,128	954,159	645,942	570,824
% Change from Prior Year	25.9%	32.9%	63.9%	-32.3%	-11.0%
Total	22,147,395	23,627,829	24,352,065	24,610,157	22,585,496
Change from Prior Year	2,513,137	1,480,435	724,236	258,092	(2,024,661)
% Change from Prior Year	12.8%	6.7%	3.1%	1.1%	-8.2%

Source: City of South San Francisco, Sewer Service Charge Revenue spreadsheet.

3 Sewer Finances, Cash Flow & Rate Projections

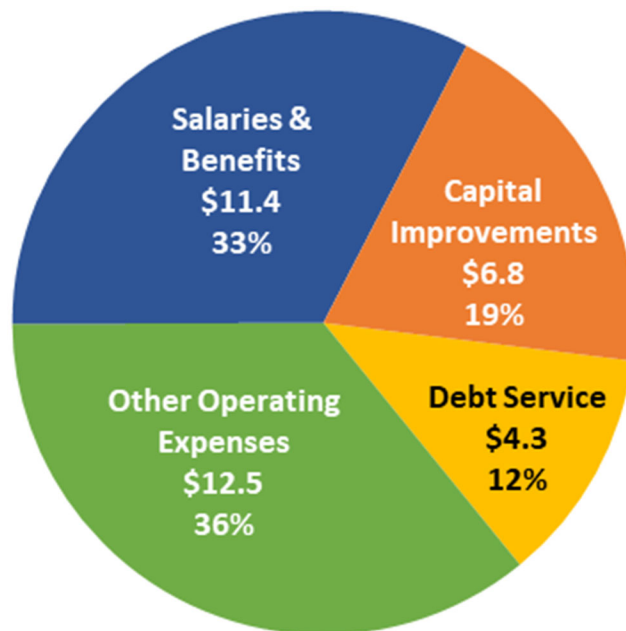
3.1 Sewer Enterprise Finances

The City’s sewer utility is a financially self-supporting enterprise that relies primarily on revenues from sewer service charges to fund the costs of providing service. As such, rates must be set at levels adequate to fund operation and maintenance of the sewer system, meet debt service funding requirements, and pay for capital improvements needed to keep the sewer system in good operating condition.

The following chart shows a breakdown of sewer expenses by category based on a 5-year average of projected expenses for fiscal years 2022/23 – 2026/27, the years corresponding with the proposed sewer rate increases, for purposes of providing a general indication of how sewer rate revenues are spent.

Figure 6 – Sewer Expenses by Category (\$ Millions)

(Based on 5-year average of projected expenses for fiscal years 2022/23 – 2026/27)



3.2 Wastewater Capital Improvement Program

Table 5 on the following page and Figure 7 on the subsequent page show summaries of the City's updated 5-Year Wastewater System Capital Improvement Program (CIP) developed with input from City staff. The CIP identifies approximately \$50.5 million of capital improvement needs over the next 5 years. South San Francisco's share of the 5-year CIP totals \$42.4 million with the remaining \$8.1 million allocated mainly to San Bruno with a small portion allocated to North Bayside System Unit (NBSU), a local Joint Powers Authority (of which the City is a member) that collectively owns regional wastewater effluent conveyance and disposal facilities.

Projects identified include \$17.8 million of improvements to the City's sewer collection system including rehabilitation and replacement of aging sewer pipelines and pump stations. The CIP excludes funding for a few significant collection system projects that the City either a) has not yet determined will be needed, or b) anticipates funding from sources other than sewer rates. The City is responsible for 100% of the funding of all the sewer collection system projects listed in the CIP.

The CIP also includes \$32.7 million of improvements to the Water Quality Control Plant of which South San Francisco would be responsible for funding \$24.6 million. Overall, South San Francisco's share of CIP costs totals \$42.4 million and averages roughly \$8.5 million per year over the next 5 years.

The financial projections assume all CIP projects would be funded on a pay-as-you-go basis with no need for debt financing. If significant additional capital improvements are needed within the next 5 years, the City can evaluate the potential use of debt financing. Due to the significant level of capital improvement funding needs, the financial projections assume the City partially draws down sewer enterprise fund reserves by a little under \$9 million over the next 4 years to supplement funding from projected sewer rates and other annual funding sources.

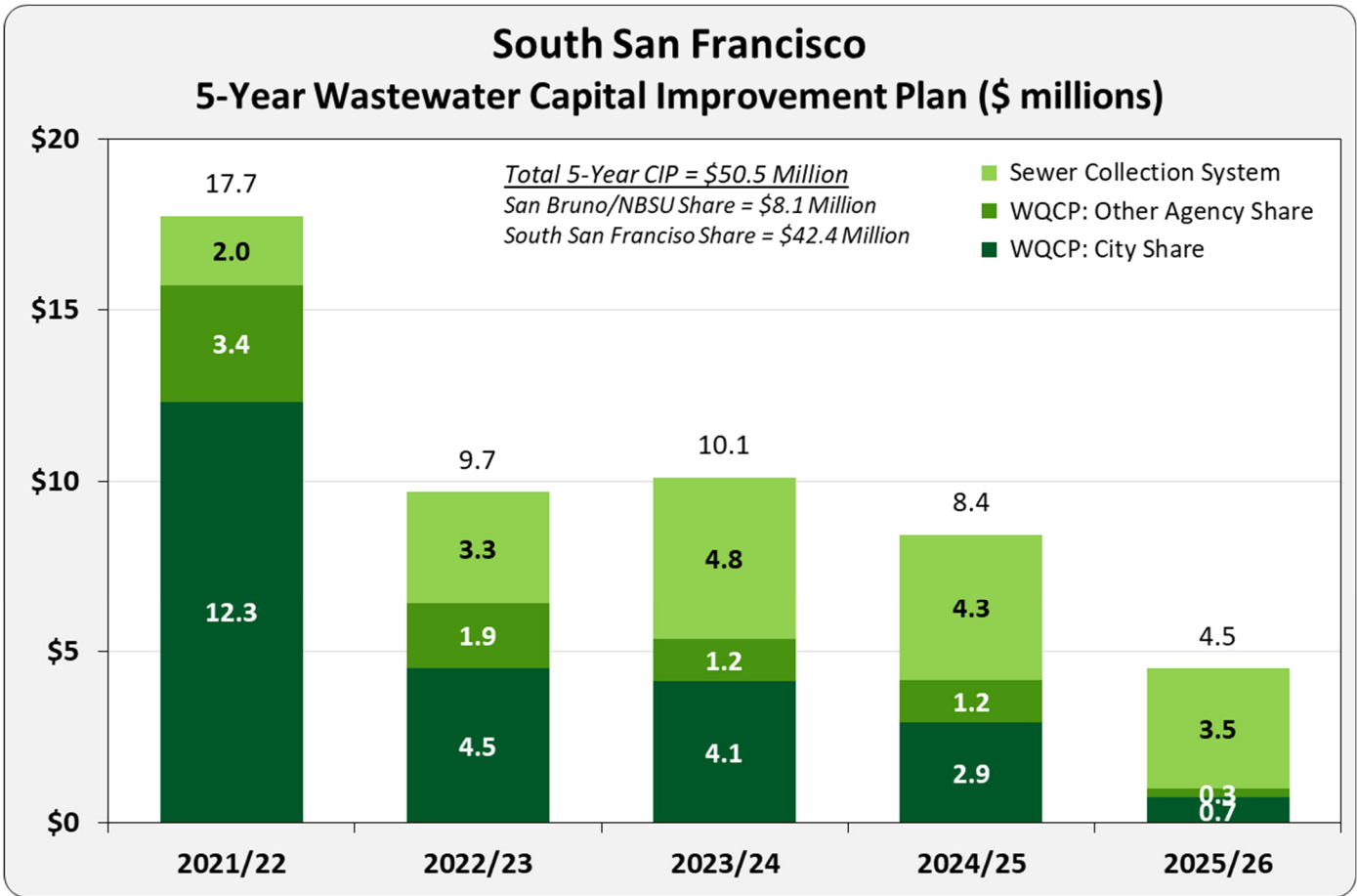
After 5 years, the financial projections include placeholder estimates for future capital needs including: a) an estimated \$4 million per year for collection system improvements and b) \$2.5 million per year for Water Quality Control Plant improvements of which slightly over 73% would be funded by South San Francisco and slightly under 27% would be funded by other agencies, primarily San Bruno. South San Francisco's share of future capital improvement funding totals a little over \$5.8 million per year starting fiscal year 2026/27 and subsequently escalates at the annual rate of 3% to account for construction cost inflation. Future collection system improvement costs are based on capital improvements identified in the City's recently-updated Sewer System Master Plan developed by Akel Engineering Group, Inc. assuming project costs are spread over 25 years with 3% annual construction cost escalation.

Table 5 – Wastewater System Capital Improvement Program

Project	Parent Project	Notes	2021/22	2022/23	2023/24	2024/25	2025/26	5-Yr Total
Sewer Collection System Improvements								
ss2001	Sanitary Sewer Rehabilitation		499,973	1,575,000	3,500,000	3,500,000	3,500,000	12,574,973
ss1901	Pump Station Industrial Re-Coating Prog		1,050,000	1,200,000				2,250,000
ss1902	Pump Station #14 Upgrade	To be determined	\$4,300,000	Need has yet to be determined; to be funded by Impact Fees if needed				TBD/Excluded
ss2201	Country Club Park Sewer Master Plan		210,000					210,000
ss2202	Oyster Point Pump Station	Successor Agency	No Sewer Funding					TBD/Excluded
ss1502	Pump Station #4 Force Main Under Utah Ave	Timing unknown	\$8,000,000	Hoping for federal funds or may need to be debt financed; not yet includ				TBD/Excluded
ss1702	Pump Station #2 Upgrade		\$2,200,000	to be funded by Capacity Fee & Impact Fee Funds				Excluded
ss1801	Sewer Master Plan Phase 2		272,632					272,632
tbd	Force main Location and Mapping				750,000	750,000		1,500,000
tbd	ERP Financial System (Sewer Est. Share)			500,000	500,000			1,000,000
	Subtotal: Sewer Collection System		2,032,605	3,275,000	4,750,000	4,250,000	3,500,000	17,807,605
Water Quality Control Plant Improvements								
ss1205	WQCP Solar Photovoltaic System				1,190,965			1,190,965
ss1301	WQCP Wet Weather and Digester Project		4,087,287					4,087,287
	San Bruno Share	Cash portion paid						-
ss1307	Plant-Wide Industrial Re-Coating Program		4,890,546	1,750,000	2,000,000	2,000,000		10,640,546
	San Bruno Share	26.49%	(1,295,506)	(463,575)	(529,800)	(529,800)		(2,818,681)
	NBSU Share	3.66%	(178,994)	(64,050)	(73,200)	(73,200)		(389,444)
ss1601	Sodium Hypochlorite Storage Tank Repl	Funded in FY21						-
ss1802	Sea Level Rise Study & Planning at WQCP		138,000	3,855,000	2,170,000	2,170,000		8,333,000
	San Bruno Share	29.79%	(41,112)	(1,148,449)	(646,468)	(646,468)		(2,482,498)
ss1703	WQCP Secondary Clarifiers No. 1 & 2 Reconstr		3,000,000	800,000				3,800,000
	San Bruno Share	26.90%	(807,000)	(215,200)				(1,022,200)
ss1705	WQCP Switchgear & Cogen Controls Upgrade	Funded in FY21						-
tbd	DAFT System Rehabilitation		2,500,000					2,500,000
	San Bruno Share	26.90%	(672,500)					(672,500)
tbd	Belt Filter Press Efficiency Improvement		1,100,000					1,100,000
	San Bruno Share	36.68%	(403,500)					(403,500)
tbd	WQCP Unplanned Project Funding						1,000,000	1,000,000
	Est. Other Agency Share	26.90%					(269,000)	(269,000)
	WQCP Total Project Costs		15,715,833	6,405,000	5,360,965	4,170,000	1,000,000	32,651,798
	San Bruno/NBSU Share		(3,398,611)	(1,891,274)	(1,249,468)	(1,249,468)	(269,000)	(8,057,823)
	Subtotal: City Share of WQCP Projects		12,317,222	4,513,726	4,111,497	2,920,532	731,000	24,593,975
	Total Capital Project Costs		17,748,438	9,680,000	10,110,965	8,420,000	4,500,000	50,459,403
	Total City Funding Requirement (Excluding San Bruno/NBSU Share)		14,349,827	7,788,726	8,861,497	7,170,532	4,231,000	42,401,580
	City 5-Year Average Annual CIP Funding Requirement							8,480,316

Source: CIP Project Funding Worksheets and input from City.

Figure 7 – 5-Year Wastewater Capital Improvement Program



3.3 Outstanding Debt Service

The City has a number of outstanding sewer enterprise debt obligations as summarized on the table below. Debt includes mostly State Revolving Fund (SRF) Loans and one smaller issue of sewer revenue bonds. These debt obligations are secured by a legal covenant to raise sewer rates and charges as needed to ensure adequate annual funding to repay debt and meet certain financial metrics. Historically, the City has been in full compliance with all of its debt covenants and obligations. The City has been successful obtaining low-interest rate SRF Loans for most of its wastewater debt financing needs. The City's most recent 2018 SRF Loan included \$4 million of grant funding (principal forgiveness). Other than the City's 2018 SRF Loan, all other outstanding debt obligations reach final maturity within the next 5 – 8 years.

Table 6 – Outstanding Debt Service

Fiscal Year Ending	1999 SRF Loan	2004 SRF Loan	2005 Bonds	2008 SRF Loan	2018 SRF Loan	Total
Loan Amount	\$44,000,000	\$21,258,529	\$6,000,000	\$9,164,505	\$53,403,000	
Princ Forgiveness					(\$4,000,000)	
Interest Rate	2.60%	2.50%	2.75% - 5.00%	2.40%	1.80%	
Repayment Term	20 Years	20 Years	20 Years	20 Years	20 Years	
Reserve Req't	\$2,978,763	\$1,382,335	\$460,368	\$432,998	\$2,960,534	
2021	\$2,978,763	\$1,382,335	\$450,593	\$432,998	-	\$5,244,689
2022	2,978,763	1,382,335	451,331	432,998	-	5,245,427
2023	-	1,382,335	450,000	432,998	-	2,265,333
2024	-	1,382,335	446,625	432,998	2,960,534	5,222,492
2025	-	1,382,335	447,375	432,998	2,960,534	5,223,242
2026	-	1,382,335	447,125	432,998	2,960,534	5,222,992
2027	-	-	445,875	432,998	2,960,534	3,839,407
2028	-	-	-	432,998	2,960,534	3,393,532
2029	-	-	-	432,998	2,960,534	3,393,532
2030	-	-	-	-	2,960,534	2,960,534
2031	-	-	-	-	2,960,534	2,960,534
2032	-	-	-	-	2,960,534	2,960,534
2033	-	-	-	-	2,960,534	2,960,534
2034	-	-	-	-	2,960,534	2,960,534
2035	-	-	-	-	2,960,534	2,960,534
2036	-	-	-	-	2,960,534	2,960,534
2037	-	-	-	-	2,960,534	2,960,534
2038	-	-	-	-	2,960,534	2,960,534
2039	-	-	-	-	2,960,534	2,960,534
2040	-	-	-	-	2,960,534	2,960,534
2041	-	-	-	-	2,960,534	2,960,534
2042	-	-	-	-	2,960,534	2,960,534
2043	-	-	-	-	2,960,534	2,960,534

Final payment for 2005 Bonds can be funded by the Reserve Fund held by the Trustee.

As a partner agency in the Water Quality Control Plant, the City of San Bruno is responsible for funding a portion of South San Francisco’s sewer debt obligations used to fund wastewater treatment plant improvements as shown on the table below. The financial projections assume San Bruno reimburses the City for its share of debt in the same fiscal year debt service is due.

Table 7 – San Bruno Share of Debt Repayment

Fiscal Year Ending	1999 SRF Loan Fixed Pymts	2004 SRF Loan 32.7%	2018 SRF Loan 26.92%	Total
2021	\$589,551	\$452,024	-	\$1,041,575
2022	589,551	452,024	-	1,041,575
2023	-	452,024	-	452,024
2024	-	452,024	796,976	1,248,999
2025	-	452,024	796,976	1,248,999
2026	-	452,024	796,976	1,248,999
2027	-	-	796,976	796,976
2028	-	-	796,976	796,976
2029	-	-	796,976	796,976
2030	-	-	796,976	796,976
2031	-	-	796,976	796,976
2032	-	-	796,976	796,976
2033	-	-	796,976	796,976
2034	-	-	796,976	796,976
2035	-	-	796,976	796,976
2036	-	-	796,976	796,976
2037	-	-	796,976	796,976
2038	-	-	796,976	796,976
2039	-	-	796,976	796,976
2040	-	-	796,976	796,976
2041	-	-	796,976	796,976
2042	-	-	796,976	796,976
2043	-	-	796,976	796,976

3.4 Sewer Fund Balances

Table 8 shows an estimate of the fund balances of the sewer enterprise based on the amount of Cash & Investments on June 30 of each year as shown in the City’s audited Comprehensive Annual Financial Reports with the exception of a preliminary estimate shown for June 30, 2021. In recent years, the sewer enterprise has maintained a little over \$20 million of cash fund balances most years. These cash balances include operating and capital reserves as well as \$4.8 million of debt reserves required for the City’s outstanding SRF Loans.

Preliminary estimates of fund balances as of June 30, 2021 are expected to increase from the prior year due to a reduced level of cash-funded capital improvements in fiscal year 2020/21. However, sewer fund balances are subsequently projected to decrease by a little under \$9 million over the next 4 years due to a projected drawdown of fund reserves to help pay for the City’s projected wastewater capital funding needs. Historical and projected fund reserves are well within industry norms based on the annual costs of the City’s wastewater operations, debt service, and capital improvement program.

Table 8 – Sewer Fund Balances

	As of June 30			
	2018	2019	2020	2021
Cash & Investments	\$20,364,113	\$20,652,375	\$21,442,247	Preliminary Est. \$25,992,912

Source: Comprehensive Annual Financial Reports and City estimates for June 30, 2021.

3.5 Sewer Enterprise Financial Projections

BWA developed 10-year cash flow projections to identify future annual sewer enterprise funding needs and evaluate sewer rate increases. The cash flow projections are shown on Table 9. The projections are based on the latest financial data available from the City and a number of assumptions as listed below. Rate increases are designed to support the sewer enterprise's projected costs of providing service. The projections assume the City draws down approximately \$9 million of fund reserves over the first 4 years due to a combination of temporary revenue losses due to the Coronavirus pandemic and funding needs of the City's wastewater capital improvement program. However, rates are designed to subsequently support balanced budgets while enabling the City to maintain a prudent level of fund reserves.

REVENUE ASSUMPTIONS

- Sewer Service Charge revenues are based on revenues received in fiscal years 2020/21 and anticipated for 2021/22. Revenues for fiscal year 2020/21 reflect non-residential use from the prior calendar year 2019 and were not impacted by the Coronavirus pandemic. As such, revenues from 2020/21 are accounted for as normal, base year revenues. Revenues for fiscal years starting 2022/23 are based on revenues from 2020/21 adjusted to account for rate increases and a temporary reduction in revenues due to the Coronavirus pandemic that phases out over the first 3 years as shown on the table.
- Service charges from Colma and the North San Mateo County Sanitation District (NSMCSD, aka Daly City) are based on the number of equivalent single family residential dwelling units for each agency multiplied by the City's projected single family residential sewer service charge.
- Service charges from San Bruno and other agencies are based on budgeted revenues for 2021/22 adjusted to account for projected 4% annual escalation to keep these revenues increasing at the same rate as the City's projected operating expenses.
- San Bruno's share of debt service (as summarized on Table 7) is included as a revenue source in the same year the corresponding debt service is due.
- Burlingame Hills Sewer Maintenance District Charges are based on City estimates for 2021/22 and also escalate to account for projected 4% escalation.
- Interest Earnings are based on beginning fund reserves multiplied by the projected interest earnings rate shown for each year.
- Revenues from Sewer Impact & Capacity Charges and Other Revenues are projected as shown on the table.

EXPENSE PROJECTIONS

- Operating & Maintenance Expenses are based on the current fiscal year budget with most expenses escalating at the annual rate of 4% for financial planning purposes.
- Costs for the sewer enterprise's contributions for PERS Unfunded Accrued Liabilities (UAL) are based on the latest City projections. Over the next decade, these costs escalate at an average annual rate of slightly under 4% accounting for higher levels of cost escalation over the first 3 years.
- Operating & Maintenance Expenses also account for some additional expenses anticipated by the City for a) wet weather operating costs and b) new equipment and facilities coming online in upcoming years.
- Debt Service includes outstanding debt obligations secured by the net revenues of the City's sewer enterprise. San Bruno's share of annual debt service is included as a revenue line item.
- Capital improvement funding is based on the City's updated 5-year CIP summarized on Table 5. After 5 years, the financial projections include placeholder estimates for future capital needs as shown on the table and discussed in Section 3.2 of this report titled Wastewater Capital Improvement Program.

FUND RESERVE TARGETS & DEBT SERVICE COVERAGE

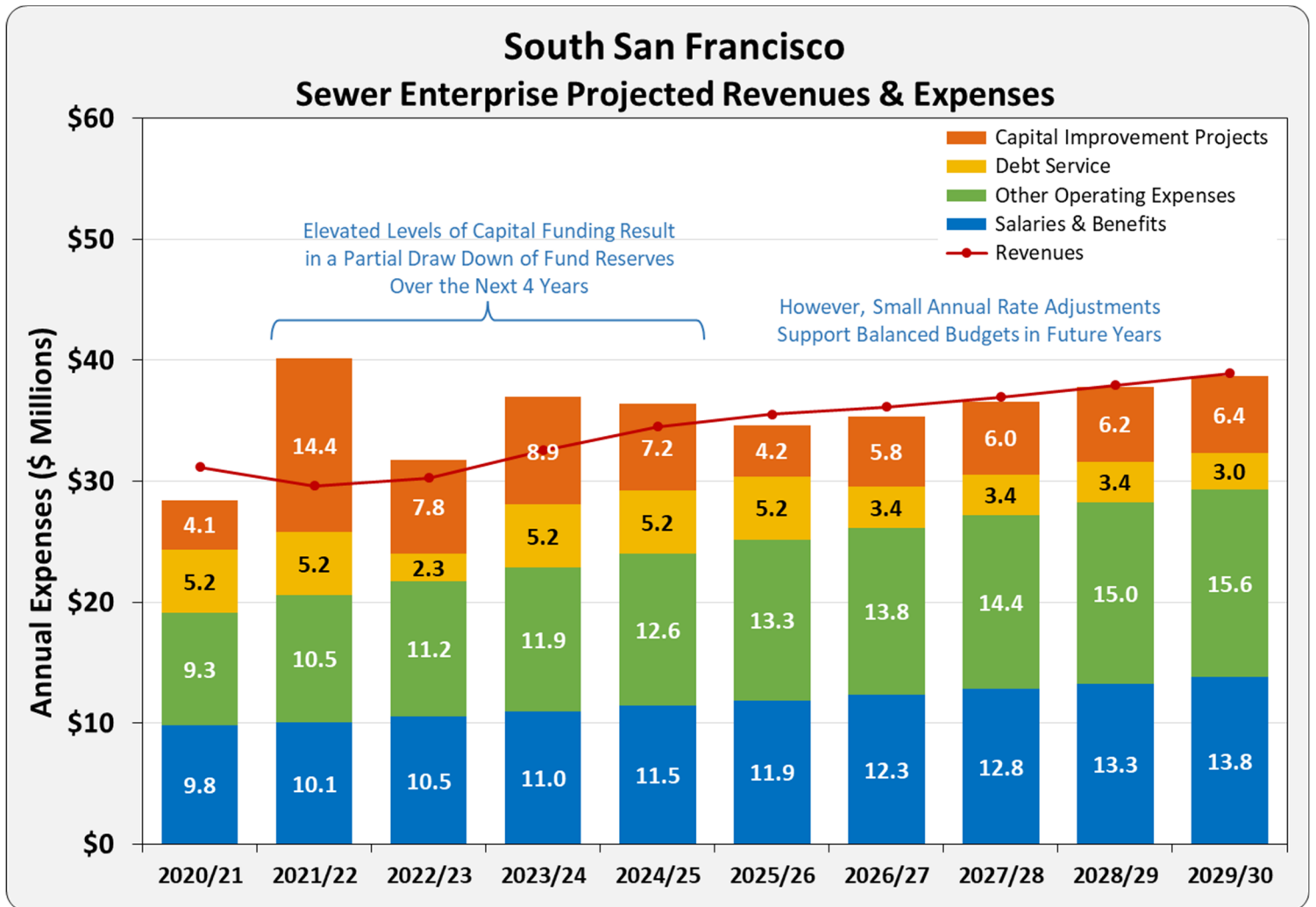
- The projections include a Fund Reserve Target for financial planning purposes. The target includes a) 50% of the City's share of operating and maintenance expenses, b) the reserve requirement of the City's outstanding SRF Loans, and c) \$5 million of capital reserves to help ensure adequate cashflow for projected capital expenses serve as source of funding for unanticipated, emergency capital needs considering the age and condition of the City's wastewater system. Overall, the reserve target equates to roughly 50% - 60% of total annual expenses each year over the next decade, well within an industry-standard range for prudent reserve targets, particularly for agencies that bill on the property tax rolls and hence receive most of their service charge revenues twice per year. The City may temporarily accrue additional capital reserves some years if funding for specific projects is unspent and carried over from year to year. Likewise, the fund reserves may decrease more than projected due to additional funding needs or if sewer rate revenues do not rebound to pre-pandemic levels.
- Debt Service Coverage is calculated based on a) "net revenues" defined as the amount of annual revenues remaining after paying operating and maintenance expenses, divided by b) annual debt service. The City's outstanding debt obligations require the City to meet or exceed an annual debt service coverage ratio of 1.15x annual debt service. Based on the projections, the City will remain in compliance with its annual debt service coverage requirements.

Table 9 – Sewer Cash Flow Projections

South San Francisco Sewer Cash Flow Projections											
Esc.	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2029/30
	Jul-1	Jul-1	Jul-1	Jul-1	Jul-1	Jul-1	Jul-1	Jul-1	Jul-1	Jul-1	Jul-1
Effective Date of Rate Increase	0%	2.0%	2.0%	3.0%	3.0%	3.0%	3.0%	2.5%	2.5%	2.5%	2.5%
Sewer Rate Increase %											
Projected Annual Single Family Charge	\$739	\$754	\$769	\$792	\$816	\$840	\$865	\$887	\$909	\$932	\$955
Interest Earnings Rate	0.5%	0.5%	0.8%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Est Revenue Loss Due to Covid (lagged)	-	\$2,517,000	\$1,500,000	\$1,000,000	-	-	-	-	-	-	-
Beginning Sewer Fund Cash Balances	est	\$21,442,000	\$24,859,000	\$23,357,000	\$18,995,000	\$17,109,000	\$18,014,000	\$18,789,000	\$19,327,000	\$19,600,000	\$20,021,000
REVENUES											
Sewer Service Charges	24,610,000	22,585,000	24,104,000	25,372,000	27,163,000	27,978,000	28,817,000	29,537,000	30,275,000	31,032,000	31,808,000
Colma & NSMCS D Service Charges	1,357,000	1,363,000	1,390,000	1,421,000	1,463,000	1,508,000	1,552,000	1,597,000	1,637,000	1,678,000	1,720,000
San Bruno & Other Agency O&M	3,825,000	3,774,000	3,925,000	4,082,000	4,245,000	4,415,000	4,592,000	4,776,000	4,967,000	5,166,000	5,373,000
San Bruno Share of Debt Service	1,042,000	1,042,000	452,000	1,249,000	1,249,000	1,249,000	797,000	797,000	797,000	797,000	797,000
Interest Earnings	110,000	130,000	186,000	234,000	190,000	171,000	180,000	188,000	193,000	196,000	200,000
Sewer Impact & Capacity Charges	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Other Revenues	15,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total Revenues	31,159,000	29,114,000	30,277,000	32,578,000	34,530,000	35,541,000	36,158,000	37,115,000	38,089,000	39,089,000	40,118,000
SRF Reimbursement		9,916,000									
EXPENSES											
Operating & Maintenance											
Salaries & Benefits	9,837,000	8,421,000	8,758,000	9,108,000	9,472,000	9,851,000	10,245,000	10,655,000	11,081,000	11,524,000	11,985,000
PER S UAL Contributions	incl above	1,640,000	1,789,000	1,882,000	1,980,000	2,038,000	2,092,000	2,148,000	2,205,000	2,264,000	2,324,000
Supplies & Services	8,023,000	8,619,000	8,964,000	9,323,000	9,696,000	10,084,000	10,487,000	10,906,000	11,342,000	11,796,000	12,268,000
Interdepartment Charges	1,246,000	1,638,000	1,704,000	1,772,000	1,843,000	1,917,000	1,994,000	2,074,000	2,157,000	2,243,000	2,333,000
Add'l Wet Weather Expenses	0	0	250,000	500,000	750,000	1,000,000	1,040,000	1,082,000	1,125,000	1,170,000	1,217,000
O&M for New Equipment/Facilities	0	250,000	260,000	270,000	281,000	292,000	304,000	316,000	329,000	342,000	356,000
Subtotal	19,106,000	20,568,000	21,725,000	22,855,000	24,022,000	25,182,000	26,162,000	27,181,000	28,239,000	29,339,000	30,483,000
Debt Service											
1999 SRF Loan	2,979,000	2,979,000	-	-	-	-	-	-	-	-	-
2004 SRF Loan	1,382,000	1,382,000	1,382,000	1,382,000	1,382,000	1,382,000	-	-	-	-	-
2005 Bonds	451,000	451,000	450,000	447,000	447,000	447,000	-	-	-	-	-
2008 SRF Loan	433,000	433,000	433,000	433,000	433,000	433,000	433,000	433,000	433,000	433,000	-
2018 SRF Loan	-	-	-	2,961,000	2,961,000	2,961,000	2,961,000	2,961,000	2,961,000	2,961,000	2,961,000
Subtotal	5,245,000	5,245,000	2,265,000	5,223,000	5,223,000	5,223,000	3,394,000	3,394,000	3,394,000	2,961,000	2,961,000
Capital Improvements											
Sewer Collection System Projects	2,350,000	2,033,000	3,275,000	4,750,000	4,250,000	3,500,000	4,000,000	4,120,000	4,244,000	4,371,000	4,502,000
WQCP Projects	1,750,000	15,716,000	6,405,000	5,361,000	4,170,000	1,000,000	2,500,000	2,575,000	2,652,000	2,732,000	2,814,000
Less Other Agency Contribs for WQCP	0	(3,399,000)	(1,891,000)	(1,249,000)	(1,249,000)	(269,000)	(673,000)	(693,000)	(713,000)	(735,000)	(757,000)
Subtotal	4,100,000	14,350,000	7,789,000	8,862,000	7,171,000	4,231,000	5,827,000	6,002,000	6,183,000	6,368,000	6,559,000
Total Expenses	28,451,000	40,163,000	31,779,000	36,940,000	36,416,000	34,636,000	35,383,000	36,577,000	37,816,000	38,668,000	40,003,000
Revenues Less Expenses	2,708,000	(1,133,000)	(1,502,000)	(4,362,000)	(1,886,000)	905,000	775,000	538,000	273,000	421,000	115,000
Ending Sewer Fund Cash Balances	24,150,000	24,859,000	23,357,000	18,995,000	17,109,000	18,014,000	18,789,000	19,327,000	19,600,000	20,021,000	20,136,000
Fund Reserve Target	17,440,000	18,180,000	18,680,000	19,170,000	19,670,000	18,770,000	19,180,000	19,590,000	20,030,000	20,050,000	20,520,000
SRF Reserve Requirement (incl a above)	4,794,000	4,776,000	4,776,000	4,776,000	4,776,000	3,394,000	3,394,000	3,394,000	3,394,000	2,961,000	2,961,000
Debt Service Coverage (Min>1.15x)	2.30	1.63	3.78	1.86	2.01	1.98	2.95	2.93	2.90	3.29	3.25

Figure 8 shows a 10-year projection of annual sewer expenses broken out by major categories along with projected annual revenues based on the cash flow projections. As shown on the table, revenues with the projected rate increases are not expected to recover the full costs of service from 2021/22 through 2024/25, but subsequently are projected to support balanced budgets in future years.

Figure 8 – Projected Revenues & Expenses



3.6 Projected Sewer Rates

Table 10 shows a 5-year projection of sewer rates reflecting the percentage increases identified in the financial projections. These percentage increases are applied on an across-the-board basis to the City’s current sewer rates resulting the same percentage impact to the rates levied on each customer class. Proposed rates for the City’s commercial and institutional classes are rounded to the nearest 1 cent. With the projected rate increases, the City’s residential rates will remain low compared to other agencies in San Mateo County.

Table 10 – Projected Sewer Rates

	Basis of Calculation	Current Sewer Rates	Projected Sewer Rates Effective				
			July 1 2022	July 1 2023	July 1 2024	July 1 2025	July 1 2026
Rate Increases			2%	3%	3%	3%	3%
RESIDENTIAL							
<i>Fixed annual charge per residential dwelling unit.</i>							
Single Unit Residential	Dwelling Unit	\$753	\$768	\$791	\$815	\$839	\$864
Multi-Unit Residential	Dwelling Unit	676	691	712	734	755	778
Trailer Unit Residential	Dwelling Unit	676	691	712	734	755	778
COMMERCIAL / INSTITUTIONAL							
<i>Volumetric charges per hundred cubic feet (ccf) of inflow or effluent, subject to a minimum annual charge.</i>							
Light Strength Commercial	Minimum Charge	\$753	\$768	\$791	\$815	\$839	\$864
	Hundred Cubic Feet Inflow or Hundred Cubic Feet Effluent	9.6761	9.87	10.17	10.48	10.79	11.11
		10.7512	10.97	11.30	11.64	11.99	12.34
Moderate Strength Commercial	Minimum Charge	\$753	\$768	\$791	\$815	\$839	\$864
	Hundred Cubic Feet Inflow or Hundred Cubic Feet Effluent	15.1425	15.45	15.91	16.39	16.88	17.39
		16.8249	17.17	17.68	18.21	18.76	19.32
Restaurants	Minimum Charge	\$753	\$768	\$791	\$815	\$839	\$864
	Hundred Cubic Feet Inflow or Hundred Cubic Feet Effluent	22.1239	22.57	23.25	23.95	24.67	25.41
		24.5821	25.08	25.83	26.61	27.41	28.23
Institutions	Minimum Charge	\$753	\$768	\$791	\$815	\$839	\$864
	Hundred Cubic Feet Inflow or Hundred Cubic Feet Effluent	7.8049	7.96	8.20	8.45	8.70	8.96
		8.6720	8.84	9.11	9.39	9.67	9.96
Septage Haulers	Charge per Gallon	0.4126	0.42	0.43	0.44	0.45	0.46
INDUSTRIAL							
<i>Volumetric charges per ccf of inflow or effluent plus charges per pound for wastewater strength loadings of COD and TSS, subject to a minimum annual charge.</i>							
Industrial	Minimum Charge	\$753	\$768	\$791	\$815	\$839	\$864
	Hundred Cubic Feet Inflow or Hundred Cubic Feet Effluent	5.7967	5.91	6.09	6.27	6.46	6.65
		6.4408	6.57	6.77	6.97	7.18	7.39
	Chemical Oxygen Demand Pounds	0.6010	0.6130	0.6314	0.6503	0.6698	0.6899
	Total Suspended Solids Pounds	1.9459	1.9848	2.0443	2.1056	2.1688	2.2339

One hundred cubic feet (ccf) equals approximately 748 gallons.

Appendix A

Proposition 218 Notice



POST OFFICE BOX 711
SOUTH SAN FRANCISCO
CALIFORNIA 94083

Dear Property Owner,

The following pages contain information regarding proposed changes to the City of South San Francisco's sewer service charges over the next five years. If you would like to read this information in Spanish, Tagalog, or Chinese, please visit our website at www.ssf.net and click on Sewer Rates in the Quick Links section, call us at 650-877-8550, email us sewerrateinfo@ssf.net, or stop by the Public Works Corp Yard at 550 N. Canal St. South San Francisco.

Estimado dueño de la propiedad,

Las siguientes páginas contienen información sobre los cambios en la tarifa del servicio de alcantarillado de la Ciudad de South San Francisco por los próximos cinco (5) años. Si desea leer esta información en español, tagalo o chino, visite nuestro sitio web en www.ssf.net y haga clic en Sewer Rates (tarifas de alcantarillado) en la sección Quick Links (enlaces rápidos), llámenos al 650-877-8550, envíenos un correo electrónico a sewerrateinfo@ssf.net, o visítenos personalmente en Public Works Corp Yard en 550 N. Canal St. South San Francisco.

Mahal na May-ari,

Ang mga sumusunod na pahina ay naglalaman ng impormasyon tungkol sa mga pagbabago sa City of South San Francisco sewer service charge sa susunod na limang taon. Kung gusto mong basahin ang impormasyong ito sa Spanish, Tagalog o Chinese, mangyaring bisitahin ang aming website sa www.ssf.net at mag-click sa Sewer Rates sa seksyon ng Quick Links, tawagan kami sa 650-877-8550, email sa amin sa sewerrateinfo@ssf.net, o bisitahin ang Public Works Corp Yard sa 550 N. Canal St. South San Francisco.

亲爱的物业业主,

下列页面包含与未来五年内南旧金山市污水排放服务费变更有关的信息。如果您想要阅读本信息的西班牙语、他加禄语或中文版本,请访问我们的网站 www.ssf.net,并点击 Quick Links (快速链接)部分的 Sewer Rates (污水处理费率),或者给我们打电话 650-877-8550、向我们发送电子邮件 sewerrateinfo@ssf.net,或者登门造访位于 550 N. Canal St. South San Francisco 的 Public Works Corp Yard。



Notice of a Public Hearing on Proposed Sewer Rate Increases

The City Council of the City of South San Francisco will hold a public hearing to consider the adoption of sewer rate increases over the next five years. The proposed increases are needed to provide adequate funding for operations and maintenance, support balanced budgets, and pay for high-priority infrastructure improvements to the City's aging wastewater facilities to maintain safe and reliable service. The maximum proposed sewer rates reflect a 2% increase effective July 1, 2022, followed by 3% increases on July 1 of the subsequent four years.

The City's residential sewer rates are lower than most other agencies in San Mateo County and are substantially below the regional average. With the proposed rate increases, residential charges will remain low compared to other regional agencies.

The City Council will hold a Public Hearing on the proposed sewer rates as follows:

Date: January 12, 2022
Time: 6:00 PM or as soon thereafter as the matter may be heard
Place: Municipal Services Building
City Council Chamber
33 Arroyo Drive, South San Francisco 94080

The City may also offer a Zoom videoconference platform for attending the Public Hearing and comment submission. Please refer to the agenda for the City Council meeting, which will be available several days in advance at <https://ci-ssf-ca.legistar.com/Calendar.aspx>, or call the City Clerk's Office at 650-877-8518. As noted below, protests of the proposed sewer charges must be submitted in writing.

Need for Sewer Rate Increases

The City's sewer utility is a financially self-supporting enterprise funded primarily from sewer service charges. As such, sewer rates need to be set at adequate levels to support operating and maintenance expenses, debt service requirements, capital improvement needs, and other costs of supporting the enterprise. The City designed the proposed sewer rates to support inflationary operating costs and help fund roughly \$50 million of priority capital improvements planned over the next five fiscal years. Capital improvements include upgrades, rehabilitation, and replacement of the sewer collection system and Water Quality Control Plant infrastructure. The City also anticipates partially drawing down sewer fund reserves to help fund capital improvement projects over the next few years.

Low-Income Sewer Service Rebate Program

The City offers a Low-Income Sewer Service Rebate Program designed to provide financial assistance to residential customers based on income eligibility. Customers who are enrolled in or meet the income criteria of California Water Service's *Customer Assistance Program* are eligible to receive a sewer rate rebate from the City. The rebate is currently \$76 per year. For more information on the City's Low-Income Sewer Service Rebate Program, please visit the City's website at www.ssf.net or call 650-877-8550.

Maximum Proposed Sewer Rates

The City plans to phase in a series of slight annual sewer rate increases and adopt a new sewer rate schedule for the next five years. The maximum proposed rates reflect the following percentage increases as shown below for informational purposes.

July 1 2022	July 1 2023	July 1 2024	July 1 2025	July 1 2026
2%	3%	3%	3%	3%

The table below shows a schedule of maximum sewer rates proposed for the next five years. Residential customers pay fixed annual charges per dwelling unit. Commercial/Institutional customers are billed based on metered water consumption or effluent from a prior year. Industrial customers are billed based on meter water consumption or effluent from a previous calendar year plus charges per pound of Chemical Oxygen Demand (COD) and Total Suspended Solids (TSS), subject to a minimum annual amount. South San Francisco collects charges for sewer service via the San Mateo County property tax rolls, except for a small number of customers that the City bills directly.

Maximum Proposed Sewer Rates							
	Basis of Calculation	Current Sewer Rates	Maximum Proposed Sewer Rates Effective On or After				
			July 1 2022	July 1 2023	July 1 2024	July 1 2025	July 1 2026
RESIDENTIAL							
<i>Fixed annual charge per residential dwelling unit.</i>							
Single Unit Residential	Dwelling Unit	\$753	\$768	\$791	\$815	\$839	\$864
Multi-Unit Residential	Dwelling Unit	676	691	712	734	755	778
Trailer Unit Residential	Dwelling Unit	676	691	712	734	755	778
COMMERCIAL / INSTITUTIONAL							
<i>Volumetric charges per hundred cubic feet (ccf) of inflow or effluent, subject to a minimum annual charge.</i>							
Light Strength Commercial	Minimum Charge	\$753	\$768	\$791	\$815	\$839	\$864
	Hundred Cubic Feet Inflow or Hundred Cubic Feet Effluent	9.6761	9.87	10.17	10.48	10.79	11.11
		10.7512	10.97	11.30	11.64	11.99	12.34
Moderate Strength Commercial	Minimum Charge	\$753	\$768	\$791	\$815	\$839	\$864
	Hundred Cubic Feet Inflow or Hundred Cubic Feet Effluent	15.1425	15.45	15.91	16.39	16.88	17.39
		16.8249	17.17	17.68	18.21	18.76	19.32
Restaurants	Minimum Charge	\$753	\$768	\$791	\$815	\$839	\$864
	Hundred Cubic Feet Inflow or Hundred Cubic Feet Effluent	22.1239	22.57	23.25	23.95	24.67	25.41
		24.5821	25.08	25.83	26.61	27.41	28.23
Institutions	Minimum Charge	\$753	\$768	\$791	\$815	\$839	\$864
	Hundred Cubic Feet Inflow or Hundred Cubic Feet Effluent	7.8049	7.96	8.20	8.45	8.70	8.96
		8.6720	8.84	9.11	9.39	9.67	9.96
Septage Haulers	Charge per Gallon	0.4126	0.42	0.43	0.44	0.45	0.46
INDUSTRIAL							
<i>Volumetric charges per ccf of inflow or effluent plus charges per pound for wastewater strength loadings of COD and TSS, subject to a minimum annual charge.</i>							
Industrial	Minimum Charge	\$753	\$768	\$791	\$815	\$839	\$864
	Hundred Cubic Feet Inflow or Hundred Cubic Feet Effluent	5.7967	5.91	6.09	6.27	6.46	6.65
		6.4408	6.57	6.77	6.97	7.18	7.39
	Chemical Oxygen Demand Pounds	0.6010	0.6130	0.6314	0.6503	0.6698	0.6899
	Total Suspended Solids Pounds	1.9459	1.9848	2.0443	2.1056	2.1688	2.2339

One hundred cubic feet (ccf) equals approximately 748 gallons.

The Sewer Rate Study provides the complete basis for the proposed charges and is available at www.ssf.net. If you need assistance regarding the Sewer Rate Study, please contact the Public Works Department, Water Quality Control Plant Division, at 650-877-8555 or email at sewerrateinfo@ssf.net.

Community Input, Written Protest Procedures & Statute of Limitations

Property owners and customers can attend the Public Hearing and provide input on the proposed rates. Property owners and customers may also submit written protests against the proposed sewer rates. Protests must be submitted in writing and must: a) identify the affected property or properties, such as by address, Assessor's Parcel Number (APN), or customer account number, b) include the name and signature of the customer or property owner submitting the protest and c) indicate opposition to the proposed sewer rates. Property owners can mail written protests to Attn: City Clerk, P.O. Box 711, South San Francisco, CA 94083. Written protests may also be delivered in person to the City Clerk's Office or at the Public Hearing. The City Clerk's Office is located at 400 Grand Ave., South San Francisco, CA 94080. California law allows for only one written protest per parcel. Protests submitted by email, facsimile, or other electronic means are not authorized by California law. The South San Francisco City Council would not adopt the proposed charges if the number of written protests received equals at least a majority of affected parcels. The City Clerk must receive written protests before the close of the Public Hearing on January 12, 2022.

Additionally, pursuant to California Government Code 53759, which recently went into effect, there will be a 120-day statute of limitations for challenging any new, increased, or extended fee, including sewer rates adopted, modified, or amended after January 1, 2022.