



NOTICE OF PUBLIC HEARING ON PROPOSED ADJUSTMENTS AND INCREASES TO TOWN OF HILLSBOROUGH SEWER SERVICE CHARGES

The Town of Hillsborough invites the public to attend a public hearing to be held on Monday, June 14, 2021, at 6:00 p.m. to consider adoption of a 5-year schedule of sewer rates. The meeting will be conducted pursuant to the provisions of the Governor's Executive Order N-29-20 or any subsequent Order related to conducting public meetings during the COVID-19 pandemic. The public hearing will be held online via Zoom, which is an independent platform not owned or controlled by the Town. Any member of the public joining the City Council meeting by Zoom should familiarize themselves with Zoom's various data and privacy policies which can be found at Zoom.us. Members of the public may participate in the meeting by logging on to the Zoom meeting listed below. In the event there is a change to the link for accessing the meeting on Zoom, the updated information will be posted on the Town's website and included in the agenda for the meeting.

<https://zoom.us/j/91255411872?pwd=MVhxcTVSWm5XdDV1c2lpelBtZm85QT09>

Meeting ID: 912 5541 1872
Passcode: 954297

Via phone, dial by your location:

- +1 669 900 9128 US (San Jose)
- +1 253 215 8782 US (Tacoma)
- +1 346 248 7799 US (Houston)
- +1 301 715 8592 US (Washington DC)
- +1 312 626 6799 US (Chicago)
- +1 646 558 8656 US (New York)

In the event that the Zoom link is updated prior to the public hearing, the updated Zoom information will be posted on the Town's website and agenda.

Members of the public may provide comments via the Zoom platform by using the "raise hand" feature or, if calling in by phone, by pressing *9 on the telephone keypad. Members of the public shall request to speak by using the "raise hand" feature on Zoom or, if calling in by phone, by pressing *9 on the telephone keypad prior to the close of the public comment period. In response, when it is the speaker's turn to speak, the Town will unmute the speaker and allow them to speak for up to three minutes.

The purpose of the public hearing is to consider all oral testimony and written protests to, and the adoption of, the proposed rates. If adopted, the new rates will go into effect for services provided on and after July 1, 2021, and will be adjusted each July 1 thereafter through, and including, July 1, 2025.

This Notice is being mailed to the Town of Hillsborough's property owners who receive sewer service, as well as any tenants that are directly liable to the Town for payment of sewer service charges, to notify them that the Town is proposing a series of sewer rate increases over the next five years. This Notice describes the reasons for the rate increases and the protest procedure that is available to property owners.

The proposed rate increases are based on an analysis by an independent rate consultant that demonstrated the proportional cost to the Town of providing sewer service to each property it serves. The rates are proposed to be phased in to help minimize the annual impact on customers. The proposed rates were developed with input from the Town's Financial Advisory Committee, a group of community representatives that provides input to the Town

on financial matters. A copy of the rate study report is available online at and is on file with the City Clerk <https://www.hillsborough.net/554/Sewer-Rate-Cost-of-Service-Study>.

Sewer System Overview

The Town of Hillsborough provides sewer service to approximately 11,000 Town residents and seven institutional and commercial customers. The Town’s sewer utility is a self-supporting enterprise that charge sewer service charges which must be adequate to fund the utility’s operating and maintenance costs, debt service obligations, and ongoing capital improvement needs.

The Town collects wastewater via a system of approximately 98 miles of sewer pipelines. The Town’s wastewater is conveyed to the Cities of Burlingame and San Mateo for treatment at their respective facilities.

Rate Adjustments Needed to Fund Future Operating & Capital Needs

The proposed rates are needed to keep revenues aligned with long-term funding needs, including:

- Fund \$19.3 million in collection system capital improvement projects over the next five years to continue the trend of reducing sewer overflows, assisting residents with private lateral repairs, and preventing excess stormwater from entering the sewer system which leads to unnecessary treatment costs of rainwater;
- Fund the Town’s proportionate share (approximately \$48 million over a 30-year period) of an estimated \$1 billion upgrade at the San Mateo treatment plant to: replace aging infrastructure, meet current and future regulatory requirements, and reduce wet-weather overflows.
- Maintain adequate operating and capital reserves, which will enable the Town to retain its high credit rating, thereby minimizing the cost of debt.
- Fund inflationary increases in existing staff and collection system operating and maintenance costs. No staffing increases necessary.

Proposed Sewer Rates

The Town charges fixed annual sewer rates to its customers. All residential customers pay the same rate and are billed on the annual property tax rolls. Non-residential customers are billed annually based on the number of Equivalent Dwelling Units (EDUs) assigned to each customer. An EDU represents the estimated wastewater discharge from a typical residential customer. All residents are charged 1 EDU. EDUs are assigned to non-residential customers based on 90% of average winter water use from the prior three years and State Water Resources Control Board wastewater strength guidelines. The following table shows the maximum sewer rates to be adopted for the next five fiscal years.

The Town has determined that the proposed total sewer service charges set forth in the table below would not exceed the estimated reasonable proportional cost of providing sewer service to each parcel and related regulatory activity of the sewer system.

	Current Rates	Proposed Maximum Annual Charges per EDU				
		2021-22	2022-23	2023-24	2024-25	2025-26
All Customers (\$/EDU)	\$3,543	\$3,685	\$3,832	\$3,985	\$4,145	\$4,311
\$ Increase		\$142	\$147	\$153	\$160	\$166

PUBLIC HEARING AND PROTESTS

Any record owner of a parcel upon which the sewer service charges are proposed to be imposed and any tenant directly liable for the payment of sewer service charges (i.e., a customer of record who is not a property owner)

may submit a written protest to the proposed rate adjustments and increases to the Town's service charges; however, only one protest will be counted per identified parcel. Any written protest must: (1) state that the identified property owner or tenant is opposed to the proposed sewer rate adjustments and increases; (2) provide the location of the identified parcel (by street address, assessor's parcel number, or customer account number); and (3) include the name and signature of the property owner or tenant submitting the protest. Written protests may be submitted to the City Clerk by mail or in person at 1600 Floribunda Ave., Hillsborough, CA 94010, or by placing the protest in the white metal drop-box located in the Town Hall parking lot prior to the close of the public hearing. The City Clerk must receive written protests delivered by mail no later than 4:00 p.m. on the date of the Public Hearing, or if placed in the drop box, prior to the close of the public comment portion of the public hearing. Any protest submitted via e-mail or other electronic means will not be accepted as a valid written protest. Please indicate on the outside of any envelope mailed to the Town Attn: Rate Hearing.

The City Council will accept and consider all written protests and will hear and consider all oral comments to the proposed rate adjustments and increases at the public hearing. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of the public hearing, the City Council will consider adoption of the proposed rate increases as described in this notice. If written protests against the proposed rates are not presented by a majority of the property owners or tenants of the identified parcels subject to the proposed rate increases and the City Council will be authorized to adopt the rate increases.

The documents supporting the rate adjustments and increases are available for review online at <https://www.hillsborough.net/554/Sewer-Rate-Cost-of-Service-Study> and at the City Clerk's office between 8:00 a.m. and 4:00 p.m., Monday through Thursday, and between 8:00 a.m. and 12:30 p.m. on Fridays. Please note Town Hall is currently closed due to COVID-19. Visitors to Town Hall may ring the doorbell at Town Hall and be provided the documents to review outside of Town Hall.