



**STATE OF MILLBRAE
WATER INFRASTRUCTURE
STUDY SESSION II
FEBRUARY 28, 2017**

I. RECAP OF FIRST STUDY SESSION ON JANUARY 24

- Discussed state of Millbrae's Water Distribution System
Including Information from Water Master Plan (Completed December 2015)

RECAP

- Water system serves 23,000 customers
- Approximately 6,500 connections
- Water source:
**100% San Francisco Public Utilities Commission
(SFPUC)**

RECAP

- 75 miles of water mains
 - Average age 60-70 years
 - Typical useful life 50 years
- 500 fire hydrants
- 1,500 shut off valves

RECAP

- 4 Active storage tanks (average age 50+ years)
 - Skyline 1&2
 - La Prenda
 - Vallejo
 - Helen (abandoned/not in use)
- 2 pump stations
 - Madera – rehabilitated in 2008
 - Larkspur – requires improvements

IMPACTS OF AGING SYSTEM

Due to aging system, too much time spent on emergency repair rather than planned preventive maintenance, or system replacement

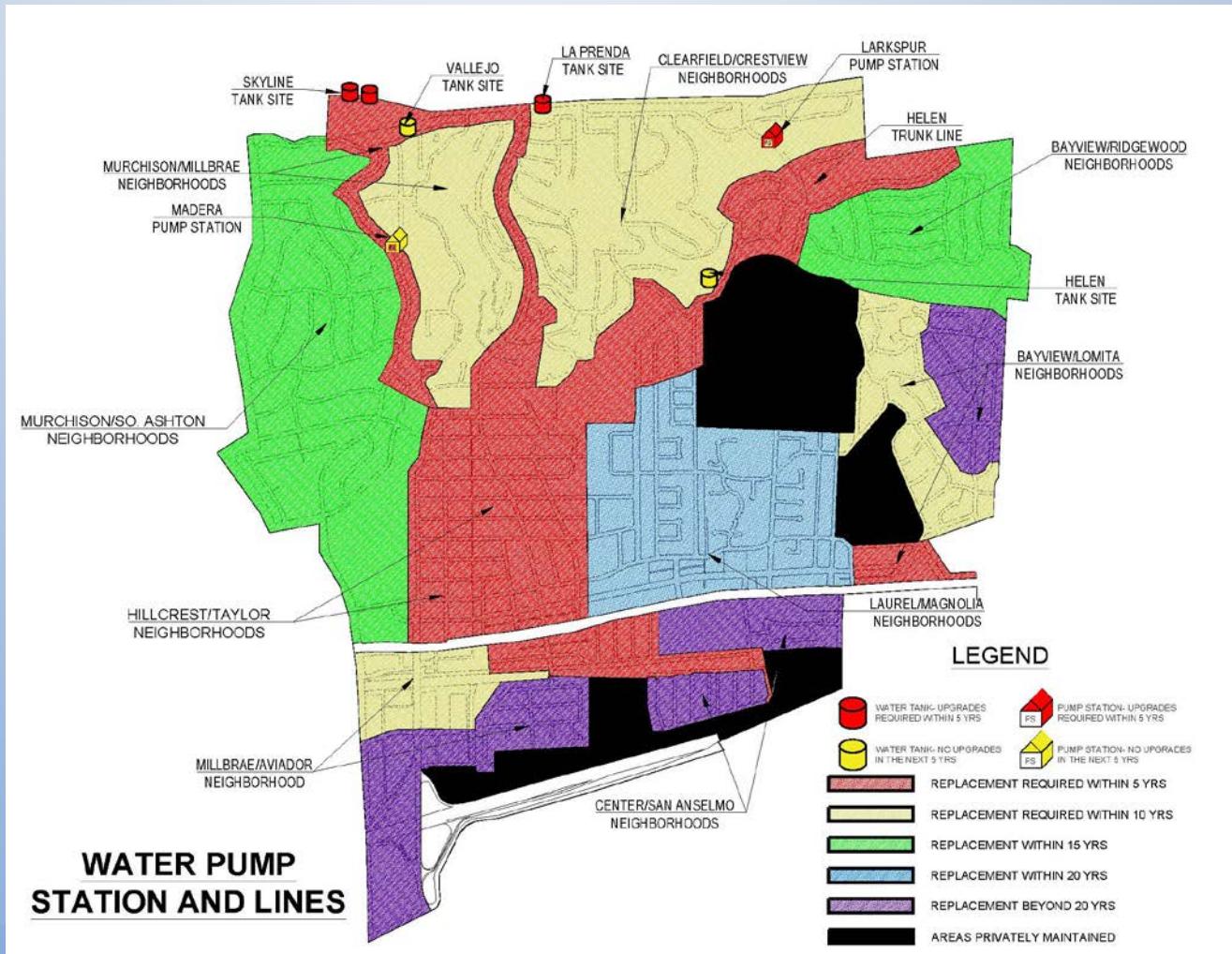


- ❑ What are the basic proposals that the City is suggesting for the long term health of Millbrae's water system?
 - ✓ Accelerate capital infrastructure investment to a *minimum* of 2% replacement of its water pipes annually
 - ✓ Preferably, more replacement would be done initially to get caught up with the backlog.

City of Millbrae Water Utility

II. Questions from First Session

- ❑ Could you provide a map of the City which indicates areas that are in particular need of upgrades?



❑ Can you give a rough idea of how much of the water system has been upgraded/replaced?

✓ Existing water system pipes within the City:

75 miles total

✓ Total replaced:

25-30% of system has been replaced since 1995;

Approx. 2 miles of replacement are 80% complete this year.

- ❑ Would it help to have a separate Water Department?
 - ✓ The Water Utility is served by seven (7) exclusively dedicated maintenance crew members, and there are efficiencies to sharing administrative and engineering services with the Public Works Department.

- ❑ How is the City's Water Utility paid for?
 - ✓ The Water System is paid for through charges to water system customers in Millbrae.
 - ✓ Customer payments are used exclusively for the water system, with no co-mingling w/other city services or funds

- ❑ How is the Water Utility different from police, fire, recreation, or street maintenance services?
- ✓ Public safety, street maintenance, and recreation services are funded from general city revenues. The Water Utility, on the other hand, provides water service directly to water customers. Each user's service can be directly measured, so therefore water rates are based on customers actual usage of the system.

Is this common for city governments?

- ✓ Yes, except for cities that have a for profit private water company, such as residents of South San Francisco, or customers that live within the jurisdiction of a water utility district.
- ✓ In all cases, all those customers have to pay the full cost of water services through their rates

- If water rates are based on actual usage, why have my charges not gone down when I have cut back my water usage dramatically during the drought?**
- ✓ Water rates have not been raised since 2013.
- ✓ Customers are billed every other month for both water AND sewer charges on one bill:
 - ✓ Recent utility bill increases have been for a multi-year sewer improvement plan to meet environmental requirements to maintain a cleaner Bay.

City of Millbrae

UTILITY BILL

| STATEMENT DATE | PAYMENT DUE DATE | AMOUNT DUE | AMOUNT PAID |
|------------------|---------------------|-----------------|---|
| 12/21/2016 | 01/17/2017 | \$271.84 | AUTO PAY on 01/17/2017 |
| ACCOUNT NUMBER | SERVICE PERIOD | SERVICE ADDRESS | |
| ████████████████ | 10/01/16 - 11/30/16 | | |
| DESCRIPTION | CHARGES | PRIOR | CURRENT CONSUMPTION PRIOR YR CONS GAL PER DAY |
| Previous Balance | 304.60 | | |
| Payments | -304.60 | | |
| Past Due | 0.00 | | |
| Adjustments | 0.00 | | |
| Water Usage | 49.05 | 926 | 935 |
| Water Service | 30.00 | | 9 |
| Sewer Usage | 49.59 | | 9 |
| Sewer Service | 95.40 | | 112 |
| SSO | 47.80 | | |

① Water = \$179.05
(2 months)

② Sewer = \$192.79
(2 months)

| | |
|-----------|----------|
| Total Due | \$271.84 |
|-----------|----------|

The City has an Exclusive Franchise Agreement with SSF Scavenger Co. for debris box services. Debris boxes must be rented from them for house cleanups & construction/demolition projects. Call 589-4020 for more information.
www.ci.millbrae.ca.us/recycling.

If you have a billing question, or would like to add your e-mail as additional information to your account, you can send an e-mail to utilitybilling@ci.millbrae.ca.us. Please indicate your name, address, phone #, and account # in the e-mail.

Billing Questions

(650) 259-2420
Mon-Fri 8:30-4:30

After Hours Emergency

(650) 363-4951

Water/Sewer Concerns

(650) 259-2374
Mon-Fri 7:00-3:00

RETAIN THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION WITH YOUR PAYMENT

| STATEMENT DATE | PAYMENT DUE DATE | AMOUNT DUE | SERVICE ADDRESS |
|------------------|---------------------|-------------|-------------------------|
| 12/21/16 | 01/17/17 | \$271.84 | |
| ACCOUNT NUMBER | SERVICE PERIOD | AMOUNT PAID | MAKE CHECKS PAYABLE TO: |
| ████████████████ | 10/01/16 - 11/30/16 | AUTO PAY | City of Millbrae |

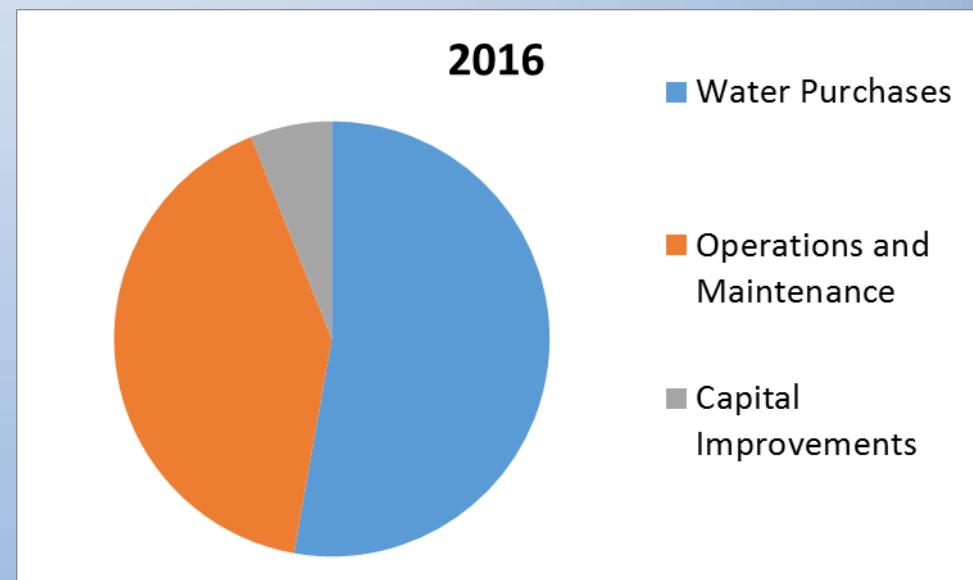
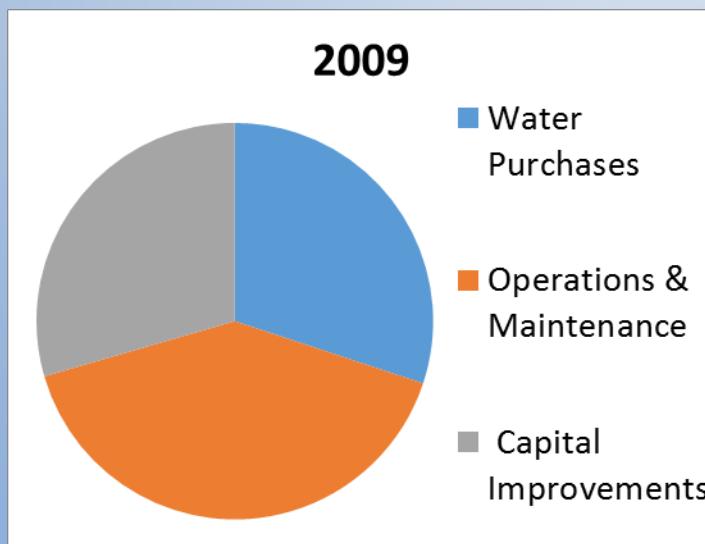
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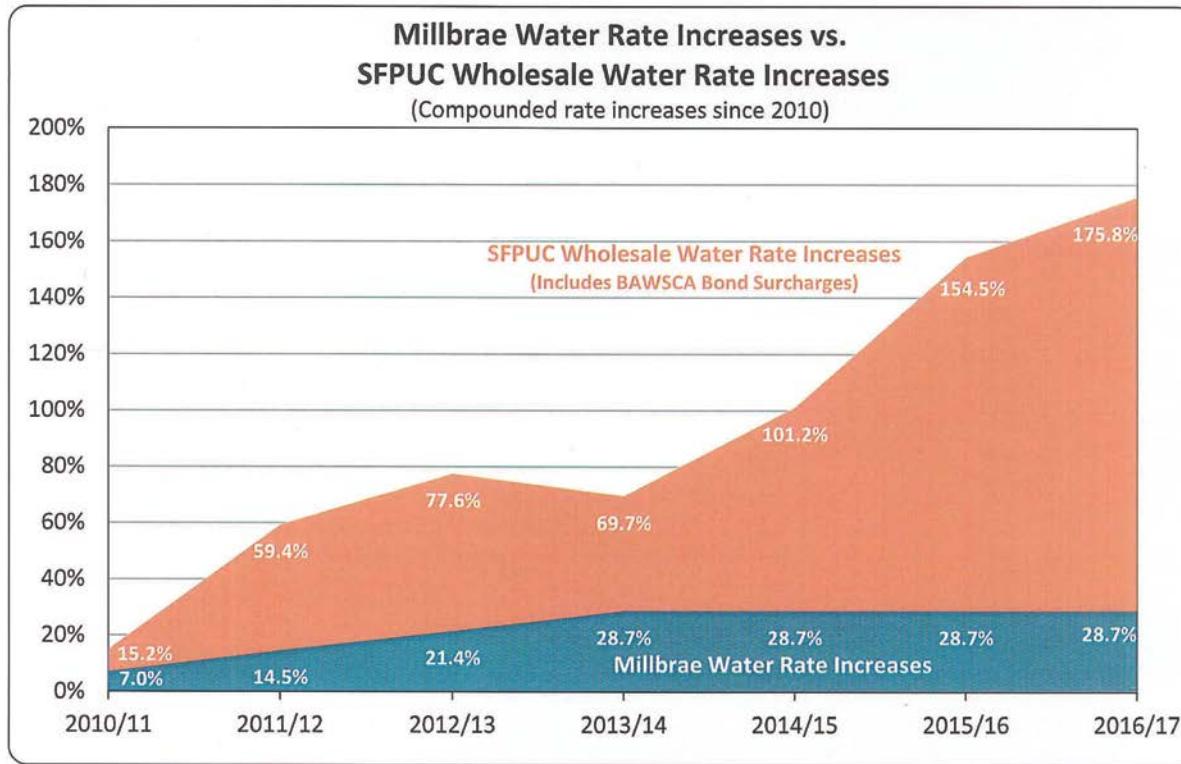
- ❑ How has the system gotten into disrepair/why is the City concerned?
- ✓ As the SFPUC has raised its wholesale water charges, more and more of the City's water charges to residents and businesses are going to fund water purchases, and less is left for preventative maintenance and capital investments without using financial reserves...

□ Why is the SFPUC raising their rates?

- ✓ Since 2009, the SFPUC has raised their rates to Millbrae 176% to fund a multi-year capital replacement plan itself to upgrade its dams, reservoirs, pump stations, and the hundreds of miles of pipes that deliver water to the Peninsula from the Sierras

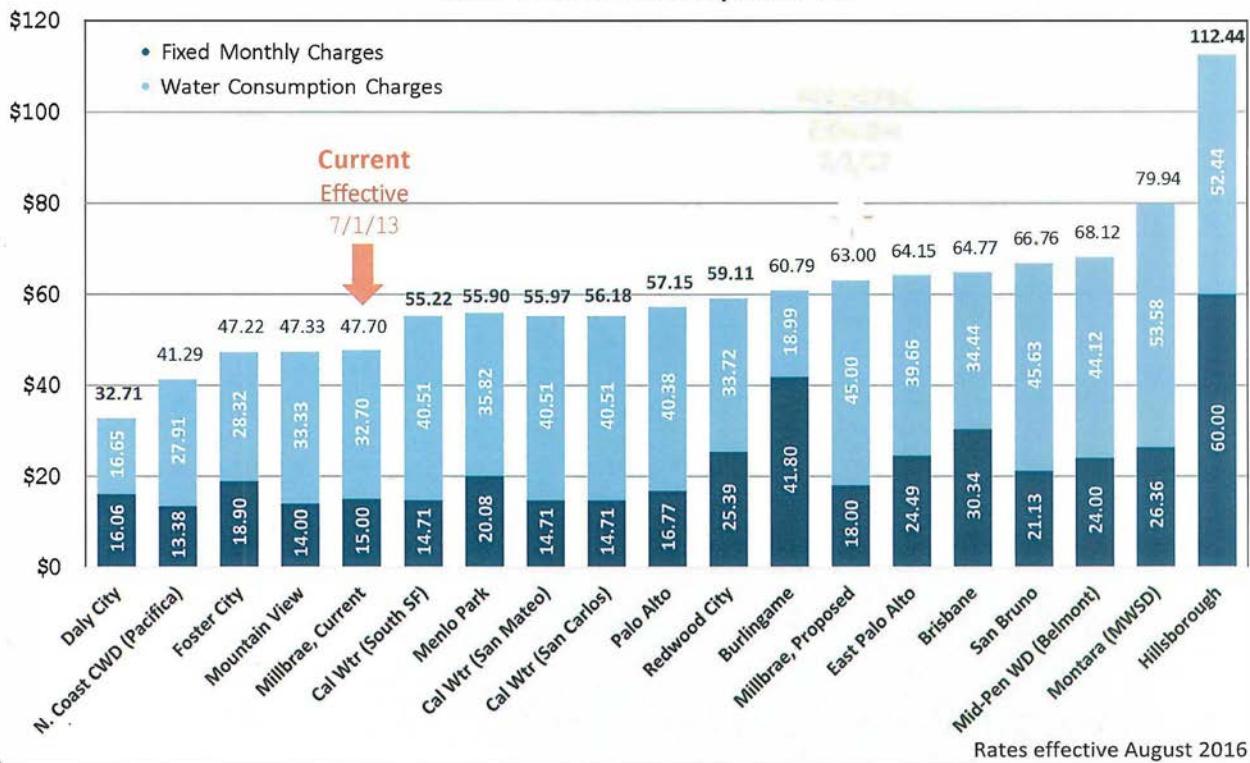
- ❑ Can you be more specific about how the SFPUC rates have impacted Millbrae's water budget?
- ✓ This is shown in the charts below:





Single Family Residential Monthly Water Bills

Based on 6 ccf of monthly water use



- ❑ How is the SFPUC water rate increase impacting the Water Utility's Financial Health?
- ✓ While the SFPUC raised rates 176% since 2009, Millbrae's rates have gone up 29%.
- ✓ The Water Utility has been using financial reserves to pay for O&M and capital improvements.
- ✓ In 2015-16, the Water Utility drew down \$1.2 million in cash.



□ Has the City considered providing recycled water as a way to save water?

- ✓ The City supports conservation efforts, and is proud of its efforts to save water at both City facilities and parks, and the public has done their part as well.
- ✓ A separate recycled water system *would require a new set of distribution pipes and a new treatment facility*, and would be cost prohibitive for ratepayers.
- ✓ The Millbrae Station Specific Area Plan adjacent to BART mandates all new development there pay for installation of purple (recycled water) pipe, which will be available if a recycled water system is ever implemented in the future.

- ✓ Even if the City had the funds to treat and transport recycled water to customers, it would still need to address the problems identified with an aging Water Utility Infrastructure.

□ **What options does the City have going forward to ensure a reliable water infrastructure system?**

- ✓ Continue current practice of underfunding system infrastructure replacement
- ✓ Look for a private, for-profit water company willing to purchase and invest in the system
- ✓ Subsidize the Water Utility with General Fund dollars.
- ✓ Phase in water rate increases over a multi-year period adequately fund infrastructure needs

DISCUSSION/ NEXT STEPS

