

City Council Meeting

February 14, 2023

Responses to City Council Agenda Questions

5:30pm Special Meeting

Item 4a Study Session Water & Sewer Rate Study

- Has the SFPUC Rate line with BAWSCA Bond Surcharge (in green on Slide 24 in the packet) been adjusted to reflect the large bond surcharge reduction we should be seeing after BAWSCA's bond refinancing which completed in January? (TH)

The SFPUC Wholesale Water Rate Chart does not explicitly account for savings due to the BAWSCA bond refinancing. The line showing wholesale rates with the BAWSCA Bond Surcharge was meant more to show the general principal that in addition to paying the SFPUC wholesale rate, the City also pays an additional amount for an allocated share of the BAWSCA Bonds. This amount has typically fluctuated between roughly \$0.39 to \$0.45 per hundred cubic feet (hcf) depending on the aggregate amount of SFPUC wholesale water sold each year. 1 hcf equals about 748 gallons. For the chart, it simply assumed a BAWSCA Bond surcharge of 40 cents per hcf per year as a rough estimate.

The BAWSCA 2023A Refunding Bonds refinanced about \$164 million of prior bonds resulting a decrease in annual debt service from about \$24.7 million to \$22 million per year with annual savings estimated at roughly \$2.7 million per year (almost 11%). If SFPUC wholesale water use remained constant, this would translate to BAWSCA Bond Surcharge savings of about 4.5 cents per hcf (748 gallons) all other things held equal. However, the understanding is that wholesale SFPUC water sales actually decreased a bit in the past fiscal year, which offsets a significant portion of the 4.5 cents savings...e.g. the numerator (debt service) is decreasing due to the refi, but so is the denominator (volume of wholesale water sales). Considering wholesale water use varies a bit from year to year, it's a little bit of a guessing game as to what exactly the BAWSCA Bond Surcharge will be each year. And BAWSCA simply collects an estimate and then does a true up for each agency after the year is over.

*This was accounted for in a normal water supply year, San Bruno obtains about 35% of its water supply from SFPUC which equates to about 510,000 hcf of water. 510,000 hcf x 4.5 cents per hcf savings = **about \$23,000 of annual savings to San Bruno due to the BAWSCA bond refi.***

- Please provide a copy of the Bartle Wells rate study. (MM)

The 2023 Water and Sewer Rate Studies Background and Preliminary Findings document is attached in tonight's agenda packet as attachment 2 to the staff report. This document contains most of the findings that will be included in the Final Water and

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Sewer Rate Study report. The report will be finalized after tonight's City Council study session, where the City Council will receive a presentation and provide feedback on the Preliminary Water and Sewer Rate Study findings. Staff anticipates that the Final Water and Sewer Rate Study report will be presented to the City Council in March.

7pm Regular Meeting

Item 6 Consent Calendar

- Where is the approval of meeting minutes? I went back for several meetings and am not seeing this item, and I also don't see meeting minutes posted on the city website in the Agenda Center. (TH)

During the transition of the City Clerk's Office, staff focused on several time sensitive projects that required full attention. Given that the meetings are available for viewing on the City's YouTube channel, the record of the minutes was temporarily put on hold for staffing resources. Now that the City Clerk position has been filled, this task is under review and scheduled for completion. Once the minutes are approved by the City Council, they will be added to the website.

- Can someone provide information on these items from the warrant register? (MS)

0105838	AVALONBAY COMMUNITIES, INC.	201623	1/30/2023	199,136.00
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AvalonBay – The 20% Affordable Housing Set-Aside payment for Avalon San Bruno. This is an annual obligation of the former Redevelopment Agency (RDA) --now called the Successor Agency. The annual payment goes toward costs to support/subsize the affordable housing w/in Avalon San Bruno.

0109646	BIO CAR CARE	201631	1/30/2023	2,175.00
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Bio Car Care – This is for a total of 87 car washes for City vehicles at \$25/each. This is a waterless carwash service that cleans Police and other city vehicles onsite. In calendar year 2022, the City spent approximately \$20,000 with this vendor.

0000843	ARRIS SOLUTIONS, INC.	201742	2/6/2023	51,168.93
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Arris Solutions – Contracted equipment support for cable TV. Arris is the manufacturer of the cable boxes that CityNet uses. Every customer with CityNet cable service has one or multiple Arris cable boxes within the residence/business.

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0000430	DKS ASSOCIATES	201648	1/30/2023	29,503.05
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DKS Associates – Contracted traffic engineering design services for Oak Ave at Crystal Springs Road, for the period of September 1 – September 30.