



PROPOSED INCREASE IN FY 2017-2018 SEWER RATES

May 26, 2017

Dear Customer,

The Board of Directors of the Westborough Water District (WWD) is set to consider a proposed sewer rate increase. **The Board will vote on this proposed change at a public hearing scheduled for 7:30 PM, Thursday, July 13, 2017.** The new rate will be applied to bills for use during July and August, which will be issued in early September. The sewer rates will be reflected on property tax bills for fiscal year 2017-2018. They will replace the current sewer rates, which have been in effect since July 2016.

In addition, the WWD Board will also hold a public hearing at the same time to consider a report that would place the sewer charges on the annual property tax bill.

The purpose of this special mailing is to meet our legal obligation to notify you of the proposed rate increase, to explain the potential impact of the rate changes on your sewer bills, and to explain why we need this rate increase. In addition, it is intended fulfill a legal requirement to notify you of the proposed adoption of the report of sewer charges to be placed on the property tax bill.

Summary of Sewer Rate Increase Proposal

The sewer rate increase proposal includes:

Sewer

- An increase of up to 10.6% in rates for sanitary sewer service, which means the rate will increase from \$8.02 up to \$8.87 per unit. Sewer charges are calculated based upon water usage during the months of January and February.

The District reserves the right to adopt sewer rate increases that are less than those described above.

How are sanitary sewer rates calculated?

The District's sanitary sewer rates consist of two charges, a Sanitary Sewer Service Charge and a Sanitary Sewer Handling Charge. These charges are further described in the District's Rate and Fee Schedule. Both charges are multiplied by the amount of water each customer uses in the months of January and February to determine the charges for each customer. The water usage during those months is used to calculate sewer rates because those are the months in which the least amount of landscape irrigation occurs. Water used for landscape irrigation does not implicate the sewer system. The rates are based on the amount of units (a unit is 100 cubic feet of water) used during January and February, multiplied by six to determine the annual use.

The Sanitary Sewer Service Charge is based on the rate that the District pays to the North San Mateo County Sanitation District (NSMCSD), which accepts and treats the sewage collected by the

District. That charge is scheduled to increase from \$6.76 per unit to \$7.30 per unit, effective July 1, 2017. The Sanitary Sewer Handling Charge is the charge that the District imposes for collecting and transporting the District's sewage to the NSMCSD facilities. It is currently \$1.26 per unit and is proposed to change to \$1.57. The rate the District charges to its customers is the total of those two rates, and is proposed to change from \$8.02 to \$8.87 per unit.

How Will the New Rates Impact You?

The proposed sewer rate increase of 10.6% will result in a net increase (based on 7 units - sewer) from \$56.14 to \$62.09 per month. The impact will vary, of course, depending on your water consumption.

On the following pages, see the sewer rate comparison table for a breakdown showing the impact of the new rate structure on customers at different consumption levels.

What Can You Do to Reduce the Impact of the Rate Increase?

If you want to minimize the impact of the new rates on your sewer bill, you should reduce your water use during the months of January and February.

For more conservation ideas, please visit our web site at www.westboroughwater.com or call our District Office at (650) 589-1435.

Why Do We Need a Rate Increase?

The District must cover its costs to continue providing good service to our customers. As a public agency, by law, the District may not collect more revenue than is necessary to cover its annual costs to provide its services. Our costs have increased. Specifically:

- North San Mateo County Sanitary District has informed us that it intends to increase our sewer service rates by \$0.54 per unit and we must pass on that increase. In addition, an increase of \$0.31 per unit is needed to enable the District to meet its costs of providing service and to perform capital improvement program projects.
- The fiscal year 2016-17 budget for the District showed an operating loss of over \$375,000 based on operating revenue versus operating expenses. Additional income from non-operating revenues was used to balance the budget but it is not guaranteed every year. Therefore, the District needs to increase the rates it collects for sewer service.
- The District has planned over \$400,000 in capital improvement projects for this coming year to improve system reliability.
- Inflation.

Public Hearing Scheduled for Vote on Rates and Adoption of Report Placing Sewer Charges on Property Tax Bill

The Board of Directors will vote on the new rate proposal at a public hearing scheduled for 7:30 p.m., Thursday, July 13, 2017, at the Westborough District. You have the right to protest

the proposed rate increase prior to the close of that meeting. *See the enclosed public hearing notice for more information about the public hearing and how to protest the rate increase.*

The Board of Directors will vote on the proposed report placing sewer charges on the property tax roll at a public hearing scheduled for 7:30 p.m., Thursday, July 13, 2017, at the Westborough District.

For more information, please visit our web site at www.westboroughwater.com or call our Customer Service Department at (650) 589-1435

Sincerely,

Darryl Barrow
General Manager

Enclosures

NOTICE OF PUBLIC HEARING ON PROPOSED SEWER RATE INCREASE

A Special Legal Notice in Compliance with State Proposition 218

A public hearing before the Board of Directors of the Westborough Water District to consider the issue of a rate increase is scheduled for:

**7:30 p.m., Thursday, July 13, 2017
2263 Westborough Boulevard
South San Francisco, CA 94080**

Public Notification Required

The WWD Board of Directors proposed the increase in sewer rate. In compliance with State Proposition 218, passed by California voters in 1996, WWD is hereby notifying all affected property owners and water customers of the proposed sewer rate change.

See the enclosed sewer rate tables for a comparison of the current rates and the proposed rates.

How to Oppose the Rate Increase

Under the guidelines established by the State Proposition 218 you have the right to protest this proposed rate increase. If you do, you must submit your protest in writing, even if you plan to attend the public hearing. If written protests are submitted by a majority of the affected property owners, the proposed rate changes will not be imposed and the District will consider other alternatives to the rates being ratified.

Your written protest must be received prior to the close of the July 13 public hearing. Written protests must include a description of the parcel (parcel number) or utility (WWD) account number. E-mail protests will not be accepted. Only one protest will be accepted per parcel. Send written protest to:

**Westborough Water District
P.O. Box 2747
South San Francisco, CA 94083**

For more information visit the WWD's website at www.westboroughwater.com or call our Customer Service Department at (650) 589-1435.

WWD SEWER RATES		
	<u>Current Sewer Rates</u> (\$8.02 per unit)	<u>Proposed Sewer Rates</u> (\$8.87 per unit)
3 Units	\$24.06	\$26.61
4 Units	\$32.08	\$35.48
5 Units	\$40.10	\$44.35
6 Units	\$48.12	\$53.22
7 Units	\$56.14	\$62.09
8 Units	\$64.16	\$70.96
9 Units	\$72.18	\$79.83
10 Units	\$80.20	\$88.70
11 Units	\$88.22	\$97.57
12 Units	\$96.24	\$106.44
13 Units	\$104.26	\$115.31
14 Units	\$112.28	\$124.18
15 Units	\$120.30	\$133.05
16 Units	\$128.32	\$141.92
17 Units	\$136.34	\$150.79
18 Units	\$144.36	\$159.66
19 Units	\$152.38	\$168.53
20 Units	\$160.40	\$177.40
21 Units	\$168.42	\$186.27
22 Units	\$176.44	\$195.14
23 Units	\$184.46	\$204.01
24 Units	\$192.48	\$212.88
25 Units	\$200.50	\$221.75
26 Units	\$208.52	\$230.62
27 Units	\$216.54	\$239.49
28 Units	\$224.56	\$248.36
29 Units	\$232.58	\$257.23
30 Units	\$240.60	\$266.10



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**IMPORTANT INFORMATION ENCLOSED
PROPOSED FY 2017-2018 SEWER RATES**