



Montara Water & Sanitary District

Serving the Communities of Montara and Moss Beach

P.O. Box 370131

8888 Cabrillo Highway

Montara, CA 94037-0131

Visit Our Web Site: <http://www.mwsd.montara.org>

Tel: (650) 728-3545

Fax: (650) 728-8556

E-mail: mwsd@coastside.net

NOTICE OF PUBLIC HEARING ON PROPOSED SEWER RATE INCREASES

Dear Property Owner,

Montara Water and Sanitary District is proposing to increase its sewer service charges over the next two years. The proposed increases are needed to fund the costs of sewer operations, maintenance, and capital improvements to aging infrastructure including the District's sewer collection system and the regional wastewater treatment plant operated by the Sewer Authority Mid-Coastside. The District will hold a Public Hearing on the proposed sewer service charges as follows:

Date: May 31, 2018

Time: 7:30 p.m.

**Place: Montara Water and Sanitary District
8888 Cabrillo Highway, Montara, CA 94037
(Adjacent to the Point Montara Lighthouse & Hostel)**

The sewer utility is a self-supporting enterprise that relies primarily on revenues from sewer service charges to fund the costs of providing service. As such, sewer rates must be set at levels adequate to fund the costs of operations, maintenance, debt service, and capital improvements needed to keep the aging wastewater system in good operating condition. The proposed rate increases are needed to:

- Provide funding for critical capital improvements to the regional wastewater treatment plant operated by Sewer Authority Mid-Coastside, which is over 40 years old and in need of substantial rehabilitation.
- Increase funding for rehabilitation and replacement of aging sewer collection system pump stations and pipelines, many of which are now over 60 years old and reaching the end of their useful operating lives.
- Fund operating and maintenance expenses for the regional wastewater treatment plant, which have increased in recent years partly due to the age and condition of facilities, and provide funding for inflationary cost increases for the District.

The District last adopted sewer rate adjustments in 2010. At the time, these rate adjustments were anticipated to be phased in over four years. The District has worked consistently to minimize costs. Due to cost control measures and other factors, the District was able to raise rates slower than anticipated. Typical residential sewer bills are currently in the middle range compared to other regional agencies. The District recognizes that the proposed rate increases will place additional impacts on customers and plans to re-evaluate its rates and finances in upcoming years to ensure sewer rates continue to reflect the cost of providing wastewater service.

Proposed Sewer Rates

The District is proposing to adopt sewer rate increases for the next two fiscal years as shown on the table below. The proposed sewer rates are applied per hundred cubic feet (hcf) of billable annual usage subject to a minimum charge based on 4 hcf per month (48 hcf per year) of billable use. Residential sewer service charges are calculated based on annualized water use from four wet-weather months (November - February or December - March depending on water billing cycle), a period of minimal outdoor irrigation. Commercial sewer service charges vary based on customer class and wastewater strength and are applied based on annual water use. The first rate increase effective July 1, 2018 includes both an overall rate increase as well as some small adjustments designed to align rates with the cost of service for each customer class. Sewer service charges are collected on the San Mateo County property tax rolls.

PROPOSED SEWER RATES			
	Current Sewer Rates*	Proposed Rates Effective	
		July 1, 2018	July 1, 2019
Sewer Service Charge Rates	Equivalent	Rate	Rate
<u>Customer Class</u>	<u>rate per hcf</u>	<u>per hcf</u>	<u>per hcf</u>
Residential	\$14.31	\$17.41	\$21.07
Restaurants	25.96	30.21	36.55
Motels	15.39	18.33	22.18
Offices	12.65	15.69	18.98
General Commercial	13.70	16.80	20.33
Schools	12.88	15.93	19.28
Hospitals	14.40	17.36	21.01

Sewer Service Charge Rates are usage-based rates billed per hundred cubic feet (hcf) of billable use; 1 hcf = one hundred cubic feet, or approximately 748 gallons.

Annual sewer service charges are subject to a minimum charge based on 4 hcf per month (48 hcf per year) of billable use.

* Note: Sewer rates are currently expressed as a rate per 4 months of billable use in the District's Master Fee Schedule. For example, the current residential rate is \$42.93 per hcf and is applied to total water use over a 4-month period. This equates to a rate of \$14.31 per hcf of annualized billable use. Going forward, sewer rates will be expressed as a rate per hcf of annual billable use.

Sample Residential Bill Calculation for Fiscal Year Beginning July 1, 2018: A typical residential customer with average monthly water use of 5 hcf from November-February or December-March has annualized billable use of 5 hcf x 12 months = 60 hcf. The annual sewer service charge is calculated by multiplying annual billable use of 60 hcf x \$17.55 per hcf = \$1,053 which is collected on the property tax rolls.

Process for Submitting Written Protests

Property owners may submit written protests against the proposed rate increases. The proposed rates will not be adopted if written protests are received from a majority of affected parcels with one written protest counted per parcel. Pursuant to California law, protests must be submitted in writing and must a) identify the affected property or properties, such as by address or Assessor's Parcel Number; b) include the name and signature of the property owner submitting the protest; and c) indicate opposition to the proposed sewer rate increases. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Written protests can be mailed to: District Clerk, Montara Water and Sanitary District, P.O. Box 370131, Montara, CA 94037. Written protests may also be delivered to the District's offices at 8888 Cabrillo Highway in Montara. All written protests must be submitted prior to the close of the Public Hearing.

For additional information or questions, please contact the District at (650) 728-3545.