

May 22, 2009

Dear Customer,

The Board of Directors of the Westborough Water District (WWD) is set to consider proposed water and sewer rate increases. **The Board will vote on these proposed changes at a public hearing scheduled for 7:30 PM, Thursday, July 9, 2009.** The new rates will become effective July 1, 2009, and will be reflected in bills issued in early September. They will replace the current rates, which have been in effect since July 2008.

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 water bill and to explain why we need a rate increase. In addition, it is intended to notify you of the proposed adoption of the report of sewer charges.

Summary of Water and Sewer Rate Increase Proposal

The water and sewer rate increase proposal includes:

Water

- An increase of up to 8.09% in rates for potable (drinking) water, which means the rate will increase from \$2.72 up to \$2.94 per unit.

Sewer

- A 8.72% increase in rate for sanitary sewer, which means the rate will increase from \$5.27 up to \$5.73 per unit.

How Will the New Rates Impact You?

The proposed water rate increase of 8.09% and sewer rate increase of 8.72% will result in a net increase (based on 15 units – for both water and sewer) from \$119.85 to \$130.05. The proposed changes will have a minimal impact on the majority of the customers; however, the impact will vary, depending on your water consumption.

On the following pages, see the water and 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 on Your Water Bill?

If you want to minimize the impact of the new rates on your water bill, you should begin now to take steps to reduce your water use. Because landscape irrigation is the primary use of water in the summer, your landscape offers the greatest opportunity to save water. Watering efficiently, selecting low-water-use plants and reducing the amount of turf in your landscape are all steps you can take to reduce your water consumption this summer.

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 high quality water 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:

- San Francisco Public Utility Commission (SFPUC) has informed us that it intends to increase our water rates and in turn we must pass on the increase. The SFPUC is undertaking a significant capital improvement program intended to make its water system more reliable in the event of an earthquake or other disaster. The SFPUC has raised the District's rate by 15.4%; however, the District is proposing only an 8.09% increase in water rates.
- The fiscal year 2007-08 financial statements for the District showed an operating loss of \$504,562 based on operating revenue versus operating expenses. Additional income from non-operating revenues such as taxes and investment income was used to balance the budget but it is not guaranteed every year.
- The District has planned over \$171,000 in capital improvement projects for this coming year to improve system reliability.
- Inflation

Public Hearing Scheduled for Vote on Rates

The Board of Directors will vote on the new rate proposal at a public hearing scheduled for 7:30 p.m., Thursday, July 9, 2009 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.*

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 WATER AND 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 9, 2009
2263 Westborough Boulevard
South San Francisco, CA 94080**

Public Notification Required

The WWD Board of Directors proposed the increase in sewer and water rates. 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 water and sewer rate changes.

See the enclosed water and 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 9th 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 (W.W.D.)
P.O. Box 2747
South San Francisco, CA 94083**

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

W.W.D. WATER AND SEWER RATES

	<u>Current Water Rates</u> (\$2.72 per unit)	<u>Proposed Water Rates</u> (\$2.94 per unit)	<u>Current Sewer Rates</u> (\$5.27 per unit)	<u>Proposed Sewer Rates</u> (\$5.73 per unit)
3 Units	\$8.16	\$8.82	\$15.81	\$17.19
4 Units	\$10.88	\$11.76	\$21.08	\$22.92
5 Units	\$13.60	\$14.70	\$26.35	\$28.65
6 Units	\$16.32	\$17.64	\$31.62	\$34.38
7 Units	\$19.04	\$20.58	\$36.89	\$40.11
8 Units	\$21.76	\$23.52	\$42.16	\$45.84
9 Units	\$24.48	\$26.46	\$47.43	\$51.57
10 Units	\$27.20	\$29.40	\$52.70	\$57.30
11 Units	\$29.92	\$32.34	\$57.97	\$63.03
12 Units	\$32.64	\$35.28	\$63.24	\$68.76
13 Units	\$35.36	\$38.22	\$68.51	\$74.49
14 Units	\$38.08	\$41.16	\$73.78	\$80.22
15 Units	\$40.80	\$44.10	\$79.05	\$85.95
16 Units	\$43.52	\$47.04	\$84.32	\$91.68
17 Units	\$46.24	\$49.98	\$89.59	\$97.41
18 Units	\$48.96	\$52.92	\$94.86	\$103.14
19 Units	\$51.68	\$55.86	\$100.13	\$108.87
20 Units	\$54.40	\$58.80	\$105.40	\$114.60
21 Units	\$57.12	\$61.74	\$110.67	\$120.33
22 Units	\$59.84	\$64.68	\$115.94	\$126.06
23 Units	\$62.56	\$67.62	\$121.21	\$131.79
24 Units	\$65.28	\$70.56	\$126.48	\$137.52
25 Units	\$68.00	\$73.50	\$131.75	\$143.25
26 Units	\$70.72	\$76.44	\$137.02	\$148.98
27 Units	\$73.44	\$79.38	\$142.29	\$154.71
28 Units	\$76.16	\$82.32	\$147.56	\$160.44
29 Units	\$78.88	\$85.26	\$152.83	\$166.17
30 Units	\$81.60	\$88.20	\$158.10	\$171.90