

PROPOSED WATER RATE INCREASES

To Western Hills Water District Customers:

Proposition 218 requires local water districts to notify property owners of any proposed new rates for **water services**. The Western Hills Water District Board of Directors will consider new rates during the public hearing listed below. This notice also provides information on the reason for the rate increases and what the District plans on doing with the additional revenue generated.

NOTICE OF PUBLIC HEARING

A public hearing for the proposed rate increase will be held on:

Date: Thursday August 5, 2010

Wastewater Rate Increase: Time: 1:00 p.m.

Water Rate Increase: Time: 1:00 p.m.

Place: Administration Office, 9501 Morton Davis Drive, Patterson, Ca 95363

This Notice has been sent to all property owners who currently receive these utility services. If adopted, the proposed 5-year rate increases would become effective October 1, 2010. Water and sewer increases will be considered and adopted separately. At the public hearing, the Board of Director will consider sewer rates first and water rates second.

HOW TO PROTEST PROPOSED RATES

Under Proposition 218, the owner of record for a parcel(s) that is subject to the proposed rate increase can submit a written protest against the proposed rate increase to the District at or before the time set for the public hearing. One protest per parcel without regard to parcel value or size. If a majority of the affected parcels submit written protests, the proposed rate increases will not go into effect.

A valid protest must: (1) be in writing; (2) include the County Assessor's Parcel Number (APN); (3) list the owner name(s);

(4) signed by an owner; and (5) be received at or before the public hearing. If the party signing the protest is not shown on the last equalized assessment roll of Stanislaus County as the owners of the parcels(s), then the protest must include written evidence that such party is the owner of the parcel.

Parcel owners must file a separate written protest for each type of utility rate that he/she is protesting. For example, if you are protesting both water and sewer rate increases, then you must file two separate written protests.

Protests may be mailed or personally delivered to: Western Hills Water District, 9501 Morton Davis Drive, Patterson, CA. 95363. All protests must be received by the time set for the public hearing.

In rental situations where the tenant pays the utility bills, the property owner is responsible for supplying the tenant with this notice. Tenants may submit a written protest at the hearing, but only one protest per parcel will be accepted.

**Si usted necesita ayuda en español con esta noticia, por favor llame al (209) 895-9493.
If you have any questions please call (209) 895-9493.**

PROPOSED WATER RATE INCREASES

	Current Rate	2010-11	2011-12	2012-13	2013-14	2014-15
Residential Water Use Charge	\$35 per month plus \$1.25 for every 750 gallons	\$37.50 per month plus \$9.25 per 750 gallons	\$51.00 per month plus \$10.19 per 750 gallons	\$65.00 per month plus \$11.72 per 750 gallons	\$65.00 per month plus \$11.91 per 750 gallon	\$65.00 per month plus \$11.82 per 750 gallons
Commercial Water Use Charge	\$1.25 for every 750 gallons	\$37.50 per month plus \$10.81 per 750 gallons	\$51.00 per month plus \$12.36 per 750 gallons	\$65.00 per month plus \$14.84 per 750 gallons	\$65.00 per month plus \$14.72 per 750 gallons	\$65.00 per month plus \$14.64 per 750 gallons
Raw Water	\$ 875.00 per acre-foot	\$ 938.00 per acre-foot	\$ 1030.00 per acre-foot	\$ 1126.00 per acre-foot	\$ 1169.00 per acre-foot	\$ 1214.00 per acre-foot

If adopted, the new rates would go into effect on October 1, 2010. For each subsequent fiscal year, the new rates would go into effect on July 1 of each year.

Why are water rates being increased?

The District strives to provide reliable water service to its customers and rate increases are needed to cover increasing operational, administrative and water costs. The District Board of Directors established the current water rates on March 25, 1999 and has kept the rates constant for the last 11 years, except that the Raw Water rate was increased from \$350.00 to \$875.00 per acre-foot on September 1, 2009.

The District is projecting annual customer growth with an additional 500 totally new connections expected by the end of 2019. When new customers and the corresponding additional revenues are included, expenses still exceed revenues; therefore, growth alone will not fully pay for annual expenses.

In 2009, the effective cost to the District for raw water at the District's California Aqueduct turnout was \$558.59 per acre-foot. The raw water then needed to be pumped uphill to Diablo Grande. A substantial portion of the water was used for the golf courses and open space irrigation. The remaining raw water was then treated and delivered mainly to the District's residential customers. The total cost for purchasing, pumping, treating, and delivering the treated water was \$2,055,811 and that total cost is projected to increase to \$3,271,120 by 2018-19. In 2009-10, the District's total cost for treated water exceeded revenues by \$1,208,025 and that revenue shortfall is expected to increase to \$1,987,033 in 2018-19. If water rates are not increased, the cumulative shortfall for water totals \$15,350,204 over a ten year period.

The final Water and Wastewater Rate Study and the District Engineer's Report on the Rate Study and the proposed rate increases may be viewed at www.whwdist.org.

PROPOSED WASTEWATER RATE INCREASES

To Western Hills Water District Customers:

Proposition 218 requires local utility districts notify their customers of any proposed new rates for **wastewater services**. The Western Hills Water District Board of Directors will consider new rates during a public hearing as listed below. This notice also provides information on the reason for the rate increases and what the District plans on doing with the additional revenue generated by the rate increases.

NOTICE OF PUBLIC HEARING

A public hearing for the proposed rate increase will be held on:

Date: Thursday August 5, 2010

Water Rate Increase: Time: 1:00 p.m.

Wastewater Rate Increase: Time: 1:00 p.m.

Place: Administration Office, 9501 Morton Davis Drive, Patterson, Ca 95363

A Notice has been sent to all property owners who currently receive any of these utility services. If adopted, the proposed 5-year rate increases would become effective October 1, 2010. Water and wastewater increases will be considered and adopted separately. At the public hearing, the Board of Director will consider water rates first and wastewater rates second.

HOW TO PROTEST PROPOSED RATES

Under Proposition 218, the owner of record for a parcel(s) that is subject to the proposed rate increase can submit a written protest against the proposed rate increase to the District at or before the time set for the public hearing. If a majority of the affected property owners submit written protests, the proposed rate increases will not go into effect.

A valid protest must: (1) be in writing; (2) include the County Assessor's Parcel Number (APN); (3) list the owner name(s); (4) have a signature; and (5) be received at or before the public hearing. If the party signing the protest is not shown on the last equalized assessment roll of Stanislaus County as the owners of the parcel(s), then the protest must include written evidence that such party is the owner of the parcel.

Parcel owners must file a separate written protest for each type of utility rate (water or wastewater) that he/she is protesting.

For example, if you are protesting both water and wastewater rate increases, then you must file two separate written protests.

Protests may be mailed or personally delivered to: Western Hills Water District, 9501 Morton Davis Drive, Patterson, CA. 95363.

In rental situations where the tenant pays the utility bills, the property owner is responsible for supplying the tenant with this notice. Tenants may submit a written protest at the hearing, but only one protest per parcel will be accepted.

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If you have any questions please call (209) 895-9493.**

RESIDENTIAL PROPOSED WASTEWATER RATE INCREASES						
	Current Rate per month	2010-11 Rate per month	2011-12 Rate per month	2012-13 Rate per month	2013-14 Rate per month	2014-15 Rate per month
City of Patterson Wastewater Charges	\$25.00 ¹	\$42.71 ²	\$46.13 ²	\$49.82 ²	\$52.80 ²	\$55.97 ²
District Administration and Collection Costs	----	\$10.87 ³	\$12.16 ³	\$14.50 ³	\$13.61 ³	\$12.88 ³
Total	\$25.00	\$53.58	\$58.29	\$64.32	\$66.41	\$68.85

¹ The District is currently paying \$39.54 per sewer hookup per month to the City of Patterson but the District is currently only charging \$25.00 per month to its customers.

² City of Patterson's proposed sewer rate increases, which are scheduled for adoption in June 2010.

³ District proposed Administration and Collection charges. The term "Collection" here refers to the maintenance of the collector pipelines from each hookup to the pipeline taking the sewage from Diablo Grande to the City of Patterson.

COMMERCIAL PROPOSED WASTEWATER RATE INCREASES					
	2010-11	2011-12	2012-13	2013-14	2014-15
City of Patterson Wastewater Charges (flat rate per month)	\$ 42.70 ²	\$ 46.13 ²	\$ 49.82 ²	\$52.80 ²	\$55.96 ²
City of Patterson Wastewater Charges (over 10 ccf ¹ –rate per ccf per month)	\$2.43 ²	\$2.63 ²	\$2.83 ²	\$3.00 ²	\$3.18 ²
District Administration and Collection Costs (rate per ccf ¹ per month)	\$3.28 ³	\$3.78	\$4.50 ³	\$4.23 ³	\$3.99 ³

¹ ccf= one hundred cubic feet= 748 gallons

² City of Patterson's proposed sewer rate increases, which are scheduled for adoption in June 2010. The rates shown are 1.5 times the City of Patterson's proposed rates for commercial wastewater service per the WHWD's contract with the City.

³ District proposed Administration and Collection charges. The term "Collection" here refers to the maintenance of the collector pipelines from each hookup to the pipeline taking the sewage from Diablo Grande to the City of Patterson.

If adopted, the new rates would go into effect on October 1, 2010. For each subsequent fiscal year, the new rates would go into effect on July 1 of each year.

Why are wastewater rates being increased?

The District strives to provide reliable wastewater services to its customers and rate increases are needed to cover increasing City of Patterson wastewater charges to the District and the District’s own operational and administrative costs. The District Board of Directors established the current wastewater rates on March 25, 1999 and has kept the rates constant for the last 11 years.

In 2009, the District processed 33.98 million gallons of wastewater. Based on the 2009-10 adopted budget, the District will have \$250,421 in expenditures and \$144,719 in revenues, thus creating an annual shortfall of \$105,702. The District is projecting annual customer growth with an additional 500 totally new connections expected by the end of 2019. When new customers and the corresponding additional revenues are included, expenses still exceed revenues; therefore, growth alone will not fully pay for annual expenses. If rates are not increased, annual shortfalls are expected to increase until 2018-19 when the total annual shortfall will total \$365,354. The cumulative shortfall during the ten (10) fiscal years 2009-19 would total \$2,075,200.

How will the District’s rates compare to other cities?

In 2006-07, The State Water Resources Control Board (SWRCB) developed a survey of wastewater rates for a typical single family residence located in a city with a population of less than 1,000 and found the following: the highest monthly wastewater charge was \$231.92 (2005), the average charge was \$43.11 (2005), and the median charge was \$33.58 (2005). Although the SWRCB has not updated their survey, the following is a sample of some of the cities in the survey and some of the updated charges:

Agency	Monthly Charge 2005	Monthly Charge Estimates 2010 ¹
Amador Water Agency	\$73.50	\$82.29
Bridgeport PUD	\$78.54	\$93.28
Burlingame Hills WMD	\$67.67	\$80.37
Golden Valley MWD	\$126.00	\$149.65
Lake Canyon CWSD	\$75.00	\$89.08
Palmer Creed CSD	\$60.00	\$71.26
WHWD	\$25.00	\$58.41

¹ 2005 charges inflated by 3.5 percent but it is unknown if the rates increased based on higher percentage.

The final Water and Wastewater Rate Study and the District Engineer’s Report on the Rate Study and the proposed rate increases may be viewed at www.whwdist.org.