



NOTICE OF PROPOSED WATER AND SEWER RATE CHANGES
June 4, 2009

TO: Water and Sewer Ratepayers and Parcel Owners in the City of Hayward Service Area (please forward this notice to the ratepayer)

The City of Hayward is proposing increases in water and sewer rates, effective October 1, 2009 and October 1, 2010. A public hearing will held by the Hayward City Council regarding the proposed rate adjustments on **Tuesday, July 21, 2009, at 8:00 p.m.**, at the Hayward City Hall, 777 B Street. **Rates and charges, which will be adopted at the conclusion of the public hearing, will not exceed the proposed rates presented in this notice.**

WATER RATES

Water rates were last adjusted in October 2007. Water usage charges pay for the costs of delivering water and are based on quantity of water used in your home or business, as measured by your water meter. Significant increases in the wholesale cost of purchasing water from the San Francisco Public Utilities Commission, Hayward’s sole water supplier, plus general operating cost increases, have resulted in the need to adjust water usage rates as shown in Table 1. Water service fees, which are based on meter size, pay for the fixed costs of providing water service and do not vary according to the quantity of water delivered. No changes to the water service charges are proposed.

In addition to rate adjustments, the City is proposing changes to the water rate structure to encourage customers to conserve water and to more equitably distribute the costs of providing services. Currently, a three tier-structure is applied to all customers. Beginning in October 2009, two specific changes are proposed:

- Separate rate structures would be applied to single-family residential accounts, and to multi-family (with five or more dwelling units) and non-residential accounts, to reflect differences in water use; and
- A fourth tier would be added to the single-family residential rate structure to further encourage conservation for very high residential water use. The fourth tier would apply only to water use in excess of 750 gallons per day in a billing period, which is about three times the average single-family home use.

CURRENT AND PROPOSED WATER RATES

	Usage	Rate/Unit	
Current Rates (all customers)	1 – 10 units	\$2.15	
	11 – 30 units	\$2.53	
	Over 30 units	\$3.12	
Proposed Single-Family Residential Rates (including duplex, triplex, and fourplex accounts)	Usage	Rate/Unit (Oct 1, 2009)	Rate/Unit (Oct 1, 2010)
	1 – 8 units	\$2.50	\$2.90
	9 – 25 units	\$2.90	\$3.40
	26 – 60 units	\$3.65	\$4.25
	Over 60 units	\$4.00	\$4.65
Proposed Multi-Family and Non-Residential Rates	Usage	Rate/Unit (Oct 1, 2009)	Rate/Unit (Oct 1, 2010)
	1 – 200 units	\$3.25	\$3.65
	Over 200 units	\$3.65	\$4.20

Note: One unit of water equals 748 gallons. Charges are based on metered water consumption in each two-month billing period.

Current average annual water use for single-family residential customers is 18 units per two-month billing period, or about 225 gallons per day. Based on this level of usage, single-family customers will see an average increase in their bi-monthly billing of \$8.20, from \$58.00 to \$66.20, including both the water usage charge and service fee.

SEWER SERVICE CHARGES

Sewer service charges were last adjusted in October 2007. This fee pays for the collection, treatment and disposal of wastewater from residences and businesses and is based on the type and volume of wastewater disposed. Increases in the costs of providing these services and capital costs related to improving the wastewater treatment facility have resulted in the need for rate adjustments. The treatment facility improvements are needed to meet State and Federal requirements for discharging to the San Francisco Bay and to improve the reliability of treatment processes.

Residential Rates

The standard residential rate is proposed to increase by 5% from the current monthly charge of \$23.31 to \$24.48 on October 1, 2009 and by 5% to \$25.70 on October 1, 2010. Lower monthly rates, called Economy and Lifeline rates, are automatically applied to billings where metered water consumption is lower than the standard usage, as shown below. The following table lists the current and proposed residential sewer service charges.

CURRENT AND PROPOSED MONTHLY RESIDENTIAL SEWER SERVICE CHARGES

	Current	Proposed (Oct 1, 2009)	Proposed (Oct 1, 2010)
Standard Residential (single-family unit)	\$23.31	\$24.48	\$25.70
Duplex, Triplex, Fourplex (per unit)	\$23.31	\$24.48	\$25.70
Multi-Family (per unit)	\$20.74	\$21.78	\$22.87
Mobile Home (per unit)	\$16.31	\$17.13	\$17.98
Economy (6 to 10 units of metered water usage)	\$13.65	\$14.33	\$15.05
Lifeline (0 to 5 units of metered water usage)	\$6.82	\$7.16	\$7.52

Non-Residential Rates

Non-residential customers are classified as either coded or critical users. Most non-residential customers are in the first category and are classified by the type of businesses that most closely resembles the nature of wastewater generated. The coded sewer rates also take into account whether customers have separate irrigation meters. Critical users are billed according to actual measured wastewater strength and volume. The following table lists non-residential sewer service charges for the most common businesses and for critical users. A complete list of charges can be found at www.hayward-ca.gov or you can call (510) 583-4700 to request a copy by mail.

NON-RESIDENTIAL SEWER SERVICE CHARGES FOR CODED USERS* (per unit of water)

	With Separate Irrigation Meter			Without Separate Irrigation Meter		
	Current	Proposed (Oct 1, 2009)	Proposed (Oct 1, 2010)	Current	Proposed (Oct 1, 2009)	Proposed (Oct 1, 2010)
Commercial/Government	\$3.73	\$3.92	\$4.11	\$3.36	\$3.52	\$3.70
Restaurant w/ Grease Interceptor	\$6.06	\$6.33	\$6.60	\$5.46	\$5.70	\$5.96
Restaurant w/o Grease Interceptor	\$7.99	\$8.36	\$8.74	\$7.19	\$7.53	\$7.86
Commercial Laundry	\$4.49	\$4.69	\$4.88	\$4.04	\$4.21	\$4.39
Bakery	\$7.99	\$8.36	\$8.74	\$7.19	\$7.53	\$7.86
Beverage Bottling	\$4.57	\$4.76	\$4.96	\$4.11	\$4.28	\$4.46

NON-RESIDENTIAL SEWER SERVICE CHARGES FOR CRITICAL USERS*

	Current	Proposed (Oct 1, 2009)	Proposed (Oct 1, 2010)
Flow – Cost per 100 cubic feet of wastewater	\$1.86	\$1.94	\$2.03
Carbonaceous Biochemical Oxygen Demand – Cost per pound	\$0.56	\$0.58	\$0.60
Suspended Solids – Cost per pound	\$0.71	\$0.75	\$0.80

*Calculated based on formula and not straight 5% increase per year.

If you need assistance in calculating the impact of the proposed rate adjustments, please contact the Department of Public Works, Utilities Administration at (510) 583-4723 or by e-mail at utilities.administration@hayward-ca.gov.

The water usage and sewer service charges are proposed to include an annual rate adjustment in FY 2012, 2013 and 2014 based upon the change in Consumer Price Index (CPI), and in the case of the water rate, the change in the cost of wholesale water. It is proposed the rates will be adjusted by the Hayward City Council based on the percentage change of the most recent CPI and the cost of wholesale water. The rates will be adopted in June of each year and will be effective on October 1. Customers will be notified of the new rates at least 30 days in advance of the effective date.

The proposed rate changes will not take effect if protests are received from a majority of affected property owners and tenants responsible for paying utilities bills. If you wish to protest the proposed service rate increases, the City must received your written protest by mail or hand delivery before the close of the public hearing on July 21, 2009. Mail or deliver written protests to: City of Hayward, 777 B Street, Hayward, CA 94541, Attention: City Clerk. For your protest to be counted, it must indicate your name, and either the address(es) or water/sewer account number(s) of the property or properties that you own in Hayward.

Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Interested persons must request the accommodations at least 48 hours in advance of the meeting by contacting the City Clerk at (510) 583-4400 or TDD (510) 247-3340.