

# Montara Water & Sanitary District

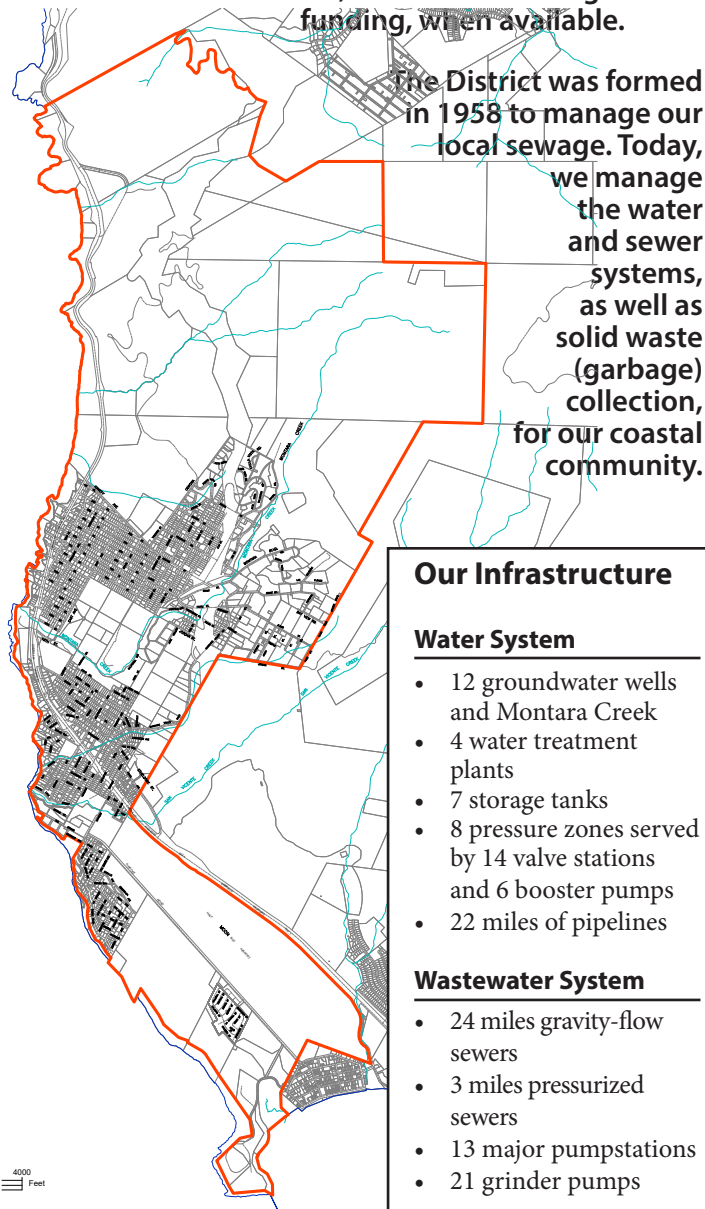
## Water and Sewer Rates Fact Sheet

Montara Water and Sanitary District (MWSD) works every day to deliver water, garbage and sewer services for the residents of Montara and Moss Beach. Over 6,000 residents rely on our services for their homes and businesses.

Info Sheet

### Water and Sewer Rates: District Financing, History, Spending, Limitations, and Infrastructure Investment

**District Financing** – Montara Water and Sanitary District operates and maintains our water and sewer systems with funding primarily from the bills our customers pay. Historically, we have also utilized general obligation bond financing, low interest state loans, as well as limited grant funding, when available.



The District was formed in 1958 to manage our local sewage. Today, we manage the water and sewer systems, as well as solid waste (garbage) collection, for our coastal community.

#### Our Infrastructure

##### Water System

- 12 groundwater wells and Montara Creek
- 4 water treatment plants
- 7 storage tanks
- 8 pressure zones served by 14 valve stations and 6 booster pumps
- 22 miles of pipelines

##### Wastewater System

- 24 miles gravity-flow sewers
- 3 miles pressurized sewers
- 13 major pumpstations
- 21 grinder pumps

**The District's operating funds come from:**

Rates (Bills paid by customers):	49-75%
Property Tax 1% (stable):	11-12%
Connection and Other Fees* (variable):	10-40%
Investment Income:	0-3%

\*depends on development and new construction

**California State Law (Proposition 218) limits the use of ratepayer funds (customer bill payments).** CA law requires that funds generated from rate (bill) payments be used only to operate and maintain the system (water or sewer) they are paying for. Ratepayer funds also may not be used to reduce a customer's bill (i.e. subsidize any class of customer).

**General Obligation Bond & System Purchase** – In 2001, our community overwhelmingly supported the public purchase of our local water system and secured funds to upgrade it's infrastructure. That general obligation bond measure provided \$11 million to purchase the water system and \$8 million for critical system improvements. Over the last 19 years, by leveraging those funds, along with low interest loans and grants, as well as your rate dollars, we've invested over \$14.5 million in our water system.

We added new water tanks, installed a new groundwater well and new water treatment facilities, rehabilitated 7 of our 12 groundwater wells, begun pipeline replacements, added solar panels, improved our system technology by adding real-time monitoring and upgrading our meter reading technology. We've also ensured that our staff have efficient, ready to go equipment, generators, and vehicles should an emergency occur.

Our wastewater system - including the critical plant that treats all our sewage, as well as our sewers and pumps - is also aging and reaching the end of its useful life.

We work hard to keep these systems operating for you and that work never ends.

**District Completed Capital Investment** – Over the last 14 years, the District has completed \$14.5 million in capital infrastructure improvements. This work was funded by the 2001 General Obligation Bond, low interest State loans, grants, and customer bill payments.

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>\$4.15M</b> – Replacement of Meters, Mains & Raw Water Pipeline; Install of Alta Vista Well & Solar; Rehab of Alta Vista WTP & Portola Tank road, Wagner & Drake Wells			<b>\$1.94M</b> – Replacement of Mains; new Water Quality testing; Install of water treatment plants, Rehab of Airport No. 3, North Airport, & Portola wells					<b>\$2.75M</b> – Replacement of Mains; Install of Schoolhouse I & II, Alta Vista II tanks					<b>\$1.46M</b> – Replacement of 4th St. Mains; Install of new main on 7th St., Acquisition of new generator, Improvements at Alta Vista site		

**Need for Continued Investment** – The systems and facilities we rely on every day continue to age. Over the next 20 years, the District will need to spend \$2 million per year - a total of \$40 million - to keep our systems in good working order. Funds from the General Obligation Bond are spent, and only limited low interest State loans are available. We need increased income to maintain our systems.

2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	.....
<b>\$40 Million</b>	<b>\$9.58M</b> – Replacement of approximately 45,000 linear feet of water mains, including associated valves and appurtenances														
	<b>\$12.83M</b> – Replacement of the Alta Vista No. 1, Portola and the 2 Pillar Ridge tanks, Pillar Ridge and the Alta Vista treatment plants, Schoolhouse booster pump														
	<b>\$4.7M</b> – Rehabilitation of the Alta Vista Well, Drake, North and South Airport wells the 4 Portola Wells, the 3 Pillar Ridge Wells, and 16 PRV stations														
	<b>\$6.67M</b> – Replacement of all hydrants, service meters, generators, vehicles, electronic monitoring system, and office systems; groundwater and well studies														

**Water System Reliability Charge:**

On June 4, 2020, MWSD Board of Directors authorized a Water System Reliability Charge effective July 1, 2020. The purpose of the charge is to provide a dedicated funding source “to maintain and replace aging pipelines, tanks, pumps and other infrastructure in the District’s water collection and distribution system.” The Charge is applied annually by meter size. Regular bi-monthly water system service and quantity charges remain unchanged.

**Water System Reliability Charge will be collected on property tax rolls under California Government Code Section 5473.**

Typical Water System Reliability Charges		Effective July 1, 2020
<b>Water Service Accounts</b>		
5/8" x 3/4" Meter Size		<b>\$558.66</b>
<b>Accounts with Private Fire Service Only</b>		
Up to 4"		<b>\$279.33</b>

**Sewer Rates:**

On June 4, 2020, MWSD Board of Directors authorized sewer rate increases for the next three fiscal years. Residential sewer service charges are calculated based on annualized water use from four wet-weather months, 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 will be effective starting July 1, 2020. Sewer service charges are collected on the San Mateo County property tax rolls.

**Sample Residential Bill Calculation for Fiscal Year Beginning July 1, 2020:**

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 \$22.97 per hcf = \$1,378.20 which is collected on the property tax rolls.

Sewer Rates				
Rate Adjustment %		9%	9%	9%
Customer Class	Current	Effective July 1, 2020	Effective July 1, 2021	Effective July 1, 2022
Residential	\$21.07	<b>\$22.97</b>	<b>\$25.04</b>	<b>\$27.29</b>