



CITY OF BELMONT NOTICE OF PUBLIC HEARING

On Tuesday, July 24, 2007, in compliance with the California State Constitution and Proposition 218 requirements, the Belmont City Council will conduct a Public Hearing on a Proposed Sewer Rate Increase of 12%. Written notification of this Hearing was mailed to all property owners in early June. The Proposed Sewer Rate Increase is estimated to produce an additional \$647 thousand dollars for operational and capital needs.

The City's proposal is to raise sewer rates for low strength customers (i.e. residential, retail/commercial, institutional/public authorities and industrial) from \$5.00 monthly fee per unit to \$5.60 monthly fee per unit, where one unit equals 100 cubic feet (HCF) of water. However, despite the rate increase, the average residential customer will see a reduction in their annual bill from \$522.00 currently to \$497.28 in fiscal 2008. This is because the sewer bill is based on the December 2006 through March 2007 water meter readings, i.e. the "measurement period", from Mid-Peninsula Water District, and the average residential customer used substantially less water than the same period in the prior year. Furthermore, for those low usage customers, using 3.7 HCF or less water per month for the measurement period, they too will see a rate reduction as the annual minimum fee is proposed to be lowered from \$261.00 to \$248.64. It is important to note that the above amounts are based on averages and circumstances will be different for each customer based on their measurement period usage. Some customers will see increases in their bill and the total charge could exceed 12% if their measurement period usage increased.

To determine the potential impact of the 12% rate increase, residential customers can estimate their own FY 2008 sewer bill by using the following formula and the Mid-Peninsula Water District bill

1. Add your units for the measurement period December 2006 through March 2007
2. Divide the total by 4
3. Multiply the result by the \$5.60 monthly fee
4. Annualize the amount by multiplying by 12
5. Add \$1.25 County administrative charge

The City's proposal will also raise sewer rates for high strength customers (i.e. restaurants and supermarkets). Those rates are proposed to increase from \$8.49 monthly fee per unit to \$9.51 monthly fee per unit. The minimum fee for restaurants and supermarkets will increase from \$2,720.20 to \$2,989.94 and \$5,720.56 to \$7,800.10, respectively.

To reduce administration costs, the sewer bill is added to the property tax roll. Therefore, should the rate increase be approved, customers can expect to see the increase included in their FY 2007-2008 property tax bill. The first installment of the property tax bill is due November 10th and the second is due on March 10th.

For information regarding the proposed new rates, please contact Sara Mares of NBS at (800) 676-7516, or refer to the brochure you received. For questions regarding the Hearing process, please contact the City Clerk's office at (650) 595-7413. For additional information please refer to Hot Topics at the City's website: www.belmont.gov.

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