



FREQUENTLY ASKED QUESTIONS

Who does the Woodbridge Services District (WSD/District) serve?

Woodbridge Sanitary District (WSD/District) was formed in 1949 to provide sanitary sewer service to the community of Woodbridge. WSD provides wastewater collection, treatment, and disposal services to almost 1,300 residential and commercial customers.

How does the District fund day-to-day operations and maintain the sanitary system infrastructure?

Customer rates account for about 87% of revenue generated to operate and maintain the sanitary system to the benefit of its customers and community. Other income includes property taxes, interest, connection fees and solid waste franchise fees. Wastewater services are billed and collected on customers' annual property taxes which are due November 1st and February 1st.

The District completed a rate study and adopted new rates in 2022. Why is the District considering rate increases again?

Infrastructure needs: Two significant collection system infrastructure projects were recently identified are needed in the next 2-3 years to ensure the proper workings of the sanitary system. The total cost of the improvements is about \$800,000 combined. The District will need to raise the revenue to fund the projects.

Inflation: The District is not immune to the inflationary rise of costs for supplies, services, and utilities. Greater than average increases than projected in the 2022 rate study have caused a budget shortfall in day-to-day operations and maintenance of the sanitary sewer system.

Employee compensation: The State of California has stringent regulations for wastewater providers including the knowledge and certifications of staff to operate and maintain the sanitary system to the required standards. WSD staff is currently not compensated in accordance with industry standards or commensurate with cost of living in the area. The Board of Directors recognized the importance of retaining its trained staff and has added increases to compensation and added retirement and medical benefits, which staff did not previously receive.

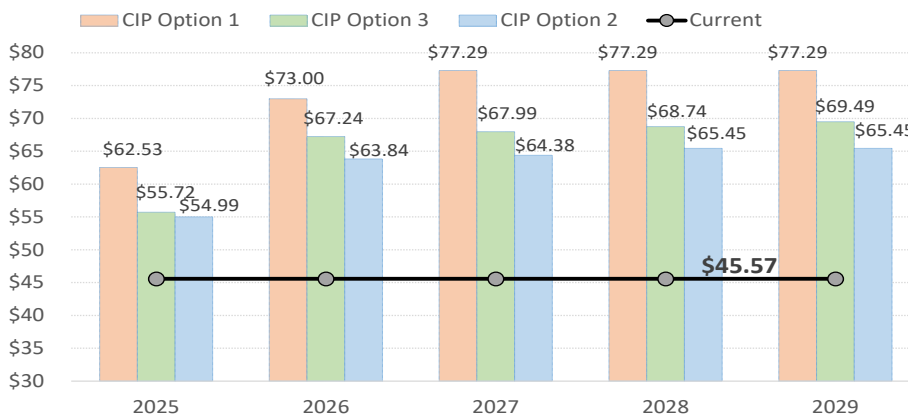
What financial scenarios have the District been presented?

- Option 1: Capital improvement projects in the 5-year plan (CIP) are cash funded and additional revenue is collected to fund future system rehabilitation projects. No additional debt is issued.
- Option 2: The CIP is partially cash funded and partially funded by additional USDA debt of \$0.86 million (\$0.78 million CIP and \$0.08 million bond issuance costs).
- Option 3: The CIP is partially cash funded and partially funded by additional USDA debt of \$1.71 million (\$1.63 million CIP and \$0.08 million bond issuance costs).

The bar graph illustrates the projection of monthly fees for a 3-bedroom single family home (most common size) over the next five years under all three options. The current fee is \$45.57 per month. Under option 1, rates would increase steeply in the first three years to generate cash quickly to fund construction of improvements when needed, but then rates stabilize.

By incurring additional debt, under option 2, rates increase less steeply and can remain the same in years 4 and 5. Under option 3, rates increase each year, but they remain lower than under Option 1 and more improvements are completed.

Figure 1
Projected Monthly Fees for a 3-Bedroom Single Family Home



The Board of Directors is proposing to adopt Option 1 as the maximum rates over the next five years.

How are all residential and commercial customers impacted under Option1?

The following chart depicts the projected rates for all customers.

| Customer Category | Current | New Rates starting July 1 of | | | | |
|--|------------|------------------------------|------------|------------|------------|------------|
| | | 2024 | 2025 | 2026 | 2027 | 2028 |
| Wastewater Strength | | | | | | |
| ANNUAL Fee per Equivalent Dwelling Unit (EDU) | | | | | | |
| Domestic Strength [1] | \$437.48 | \$600.28 | \$700.76 | \$741.98 | \$741.98 | \$741.98 |
| Low Strength [2] | \$394.04 | \$544.48 | \$635.62 | \$673.00 | \$673.00 | \$673.00 |
| Medium Strength [3] | \$459.20 | \$628.18 | \$733.32 | \$776.46 | \$776.46 | \$776.46 |
| High Strength [4] | \$567.86 | \$767.72 | \$896.22 | \$948.94 | \$948.94 | \$948.94 |
| Very High Strength [5] | \$4,105.58 | \$5,311.28 | \$6,200.30 | \$6,565.02 | \$6,565.02 | \$6,565.02 |
| Detached Residential | | | | | | |
| ANNUAL Fee per Home | | | | | | |
| 1 Bedroom | \$328.12 | \$450.22 | \$525.58 | \$556.50 | \$556.50 | \$556.50 |
| 2 Bedroom | \$437.48 | \$600.28 | \$700.76 | \$741.98 | \$741.98 | \$741.98 |
| 3 Bedroom | \$546.86 | \$750.34 | \$875.94 | \$927.46 | \$927.46 | \$927.46 |
| 4 Bedroom | \$656.22 | \$900.42 | \$1,051.14 | \$1,112.98 | \$1,112.98 | \$1,112.98 |
| 5 Bedroom | \$765.60 | \$1,050.50 | \$1,226.34 | \$1,298.48 | \$1,298.48 | \$1,298.48 |
| 6 Bedroom | \$874.96 | \$1,200.56 | \$1,401.52 | \$1,483.96 | \$1,483.96 | \$1,483.96 |
| 7 Bedroom | \$984.34 | \$1,350.62 | \$1,576.68 | \$1,669.42 | \$1,669.42 | \$1,669.42 |
| 8 Bedroom | \$1,093.70 | \$1,500.70 | \$1,751.90 | \$1,854.96 | \$1,854.96 | \$1,854.96 |

[1] Examples include single-family homes, mobile home parks, apartments/condos, retirement homes, and meeting places.

[2] Examples include retail, office, banks, dental/doctor offices, storage, beauty shops, veterinarians, health spas, markets (no butcher or baker), storage, and car washes.

[3] Examples include auto repair and service, gas station with markets, laundromat, bars (no food served), and hotel/motel.

[4] Examples include grocery markets, funeral homes, restaurants, fast food and bakeries.

[5] Dump station and RV park without sewer.

How will the rate increase impact Woodbridge businesses?

The following chart shows the impact to Woodbridge's largest commercial customers under Option 1.

| Commercial Customer | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|----------------------------------|----------|----------|----------|----------|----------|----------|
| | Current | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Woodbridge Golf & Country Club | \$18,285 | \$24,842 | \$29,000 | \$30,706 | \$30,706 | \$30,706 |
| OddFellows | \$9,881 | \$13,358 | \$15,594 | \$16,512 | \$16,512 | \$16,512 |
| Elks Lodge | \$8,537 | \$11,211 | \$13,087 | \$13,857 | \$13,857 | \$13,857 |
| Woodbridge Crossing | \$6,392 | \$8,654 | \$10,103 | \$10,697 | \$10,697 | \$10,697 |
| PI Bar (was Woodbridge Pizzeria) | \$5,178 | \$7,004 | \$8,177 | \$8,658 | \$8,658 | \$8,658 |
| Woodbridge Inn Restaurant [1] | \$4,762 | \$6,442 | \$7,520 | \$7,963 | \$7,963 | \$7,963 |
| Cactus Restaurant | \$3,975 | \$5,374 | \$6,274 | \$6,643 | \$6,643 | \$6,643 |

[1] The Woodbridge Inn bill is reviewed each year by the Board of Directors. The actual bill may differ from that shown in the table.

Why doesn't the District obtain a loan or grant for the needed improvements?

The Woodbridge community in which the District serves does not qualify for grants due to socio-economic factors. The District does have the option to execute a United States Department of Agriculture (USDA) loan, however, the District is not in favor of taking out a loan for the following reasons:

- WSD currently has a \$1.5 million loan that carries interest.
- An additional loan will raise the District's annual debt service.
- The loan carries a 40-year term which means the District would be paying for projects completed in 2024-2027 until 2065.

Why would the District place the burden completely on current ratepayers and not spread the cost to future users of the wastewater system, as proposed by adopting Option 1 rates?

All options incur an increase. Paying cash now would improve the probability of rates stabilizing after the initial outlay of costs the first two years. This also allows the flexibility for the District to apply for future loans should a much more costly infrastructure project be needed that could not be solely supported by rate revenue.

How do Woodbridge rates compare to other wastewater treatment service providers?

The maximum rates are well within the range of cities and districts similar in size and location and therefore considered appropriate to pay for wastewater services. For example, the current monthly residential rate for similar areas include: Linden \$58, Ceres \$59, Oakdale \$61, Riverbank \$69, Lathrop \$75 and Galt \$83. The proposed typical monthly residential rate for WSD under option 1 is \$63.

Will the District be able to fund all currently identified capital projects?

Under Option 1 and Option 2, the District will be able to fund the same critical facilities improvements and will defer \$850,000 in other capital improvements. Option 3 funds the additional \$850,000 of improvements in the next five years.

Does the District have to implement increases each year?

The proposed rate increases over a five-year period are the maximum allowable rates. The Board of Directors may choose to implement a lower rate at any time during the 5-year period. Under all three options, the rates remain stable or increase between \$1-2 per month in years 3, 4 and 5 for most households.

When will the District make the decision whether to adopt new rates?

The Woodbridge Sanitary District will hold a Public Hearing to adopt new rates on Tuesday, June 18, 2024 at 5:30 p.m. at the Woodbridge Fire District located at 400 E Augusta St. in Woodbridge.

Can the rates be protested?

Yes, under Proposition 218, ratepayers have the right to submit a protest in writing via letter (no emails). Protests must include name, property address or parcel number, a signature stating whether an owner or a tenant, and date. Submit or mail protests Board Clerk, Woodbridge Sanitary District, 19720 Benedict Dr., Woodbridge, CA 95258. Protests may also be submitted in person at the Public Hearing. Only one protest per parcel will be accepted.

How do I obtain more information?

1. Attend a workshop Tuesday, May 28 at 6 p.m. at the Moose Lodge located at 3824 E. Woodbridge Rd., in Acampo.
2. Contact the District with questions or request a review of the rate study via email at Woodbridgesanitary@woodbridgesd.com, by calling (209) 368-0900, or visit in person at 19720 Benedict Dr.
3. Visit the website at www.woodbridgesd.specialdistrict.org