



## Common Questions and Answers about Proposed Sewer Service Charges

**What areas do you serve?** Sanitary District No. 5 of Marin County (SD5) provides wastewater collection, treatment, and disposal for Tiburon, the peninsula around Paradise Cove, and Belvedere.

**What is the proposed sewer service charge increase for the Belvedere service area for residential customers?** The proposed rate increase for Belvedere would be phased in over five years. The current residential charge of \$1,185 per year would be raised to \$1,457 in 2010, to \$1,748 in 2011, to \$1,836 in 2012, to \$1,928 in 2013, and to \$1,985 in 2014.

**What is the proposed sewer service charge increase for the Tiburon service area for residential customers?** The proposed rate increase for Tiburon would be phased in over five years. The current residential charge of \$478 per year would be raised to \$598 in 2010, to \$717 in 2011, to \$825 in 2012, to \$923 in 2013, and to \$1,034 in 2014.

**What is the goal of the sewer service charge increase?** Over \$4.7 million in average annual maintenance, upgrades, and improvements are needed to ensure reliable service across the District. The rate increase is necessary to raise adequate reserves to fund needed system improvements, and to pay for emergencies. In addition, the District collects sewer service charges through the County property tax bill, and there is a lag of up to nine months between receipt of the money from the County, and, therefore, increased reserve funds are necessary to maintain adequate cash flow.

**Why are Belvedere's charges different than Tiburon's?** In 2005, sewer collection service for Belvedere was transferred from the City of Belvedere to Sanitary District No. 5 (SD5). Key reasons for the difference in sewer service charges are described below:

- The transfer to SD5 required that the Belvedere sewer system be maintained as a separate financial zone and that its residents pay the actual cost of service.
- The Belvedere service area has a population about one-half that of Tiburon, but twice as many pump stations because of the hilly terrain and its original sewer system design. Pump stations require maintenance and electric power, adding additional cost.
- Tiburon's sewer service charge is partially funded by property taxes, resulting in a lower service charge of \$478 per year per dwelling unit. Adding over \$300 in property tax payments that the District receives per home or dwelling unit in Tiburon, the total funding in Tiburon per household is currently \$782 per year.
- The Belvedere service area must pay back a bond that adds about \$135 per household to the annual sewer service charge. By contrast, the Tiburon service area has no bond debt.
- SD5 received from the City of Belvedere a one-time \$750,000 reserve fund at the time of annexation, but it was needed almost immediately to pay for operations. Tiburon had previously saved substantial reserve funds. The Belvedere zone needs increased reserves to pay for upgrades, funds for emergency needs, and to maintain adequate cash flow.

**What is the basis for the new charges?** Sewer service charges are based on the actual cost to collect, transport, and treat wastewater, as determined by an independent financial analysis.

**How are non-residential sewer charges computed? What is the amount of the proposed increase for non-residential customers?** Non-residential customers have different impacts on the sewer system, and therefore have individual rates based on the strength (cost to treat) and amount of flow (determined by annual water use). For example, a restaurant pays more than an office because the grease and food from cooking in a restaurant is a higher strength and thus more costly to treat than wastewater from an office. A laundromat uses a greater amount than a dress shop, and thus is charged more. The percentage change for all customers in Tiburon is 25% in 2010, 20% in 2011, 15% in 2012, 12% in 2013, and 12% in 2014. In Belvedere, the percentage change in rates for all customers is 23% in 2010, 20% in 2011, 5% in 2012, 5% in 2013, and 3% in 2014.

**What will happen if the proposed sewer service increase is not approved?** An increase is needed to ensure quality service and to protect public health and the environment. Without the increase, the District will not be able to pay for all the necessary upgrades, increasing the risk of having to pay far more to regulators for not complying. In the event of a spill, there could be astronomical fines, and potential damage to the environment and public health.

**What are the benefits to customers from increased charges?** Our current sewer service charge is not sufficient to meet all operational needs, let alone invest in essential improvements. Increased revenue from the proposed change would make it possible to upgrade key facilities, improve reliability, protect public health and the environment, meet strict new regulations, and lower long-term maintenance and treatment costs.

**What types of planning and maintenance programs does the District carry out?** Sanitary District No. 5 maintains a ten-year capital improvement plan that identifies needed projects and sets them in priority order. The District also carries out a preventive maintenance program that seeks to eliminate problems before they occur. Using the latest technologies, the District anticipates problems and provides quality service while protecting people and the environment. Here are examples:

- Video inspection of pipelines to assure they are secure and leak free, and to identify with precision areas that need repairs.
- Special vacuum and water jet trucks clean pipelines and remove roots and other obstructions.
- Computer mapping and mathematical modeling to help design and maintain facilities. The history of each pipe section—when it was built, with what materials, its service history—can be readily retrieved and used for preventive maintenance.

**If you have questions or comments, please contact us:**

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