



Ensuring Continued Public Health and Environmental Protection Summary of Proposed Sewer Service Charges

We have all heard news stories in recent years about sewer spills around the Bay harming the environment, threatening public health, and leading to fines that can exceed a million dollars.

Sanitary District No. 5 has done a good job of protecting our own corner of the Bay around Tiburon and Belvedere. But the District is committed to a zero spill policy, and to reach that goal the aging sanitary system that serves Tiburon and Belvedere requires intensified maintenance and upgrades. Without increased revenue and an increased pace of maintenance and improvements, we risk sewer spills, potentially astronomical fines, as well as possible damage to the environment and public health.

Before asking for additional funds, we have taken every reasonable step to lower costs and stretch the funding we already have:

- **IN-SOURCING:** We have saved over \$2 million in recent years by engineering and, in some cases, building and installing complex wastewater treatment equipment.
- **INCREASED ENERGY EFFICIENCY:** We have saved over \$23,000 annually.
- **POSTPONED NON-CRITICAL PROJECTS AND MAINTENANCE:** Some of these capital improvement projects and maintenance activities are becoming critical and must be completed.
- **CROSS-TRAINED STAFF:** We have a lean staff that is extensively cross-trained to increase efficiency and decrease the need for additional hiring.

Furthermore, we carry out long-range planning to identify needed improvements and set them out in priority order, which helps lower costs of improving facilities. However, the District has not been able to carry out all of the needed work in recent years due to budget constraints. For example, over \$140,000 was either cut or deferred in our 2009-10 capital budget.

After exhaustive analysis, we have determined that the rate increases summarized below are necessary, or we risk even higher costs from potential spills, overflows, or treatment problems.

IN THE TIBURON ZONE, from 1980 until the present, rate increases have averaged only 2.4% per year. The current rate is \$478 per year per dwelling unit. The proposed new rates are: \$598 in 2010, \$717 in 2011, \$825 in 2012, \$923 in 2013, and \$1,034 in 2014. Over \$300 per year in additional revenue from property taxes is received from each dwelling unit in Tiburon, which is not received from Belvedere.

IN THE BELVEDERE ZONE, the current charge adopted in 2009 is \$1,185. An approved 9% increase was not implemented the prior year. Increases are proposed that would change the rate to: \$1,457 in 2010, \$1,748 in 2011, \$1,836 in 2012, \$1,928 in 2013, and \$1,985 in 2014.

Proposed new rates would make it possible to pay for needed upgrades, begin developing an emergency fund, and maintain adequate cash flow. Our goal: ensure round-the-clock quality service, protect public health and the environment, avoid fines from regulators, and lower long-term maintenance costs.
