

NOTICE TO PROPERTY OWNERS OF PROPOSED INCREASE IN SEWER SERVICE CHARGES AND PUBLIC HEARING

(Please share this information with tenants)



Sanitary District No. 5
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Tiburon, CA 94920

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BELVEDERE ZONE

SANITARY DISTRICT NO. 5 OF MARIN COUNTY

This notice provides information about a proposed increase in the sewer service charge and a public hearing at which public comments will be considered and the proposed increase voted on by the District Board of Directors.

HEARING DATE: June 29, 2010

HEARING TIME: 7:00 p.m.

**LOCATION: Tiburon Town Hall Council Chambers
1505 Tiburon Blvd, Tiburon, CA 94920**

WHY IS A RATE INCREASE NEEDED?

FUNDS NEEDED FOR ENVIRONMENTAL COMPLIANCE AND TO PROTECT THE BAY. Rates must be increased to pay for operations, maintenance, facility improvements, and all other District costs. The proposed increase will ensure reliable wastewater service in the Belvedere area and help the District to comply with increasingly strict regulations that are designed to protect the Bay.

HOW WERE THE PROPOSED RATES DEVELOPED?

LONG-TERM FACILITY PLANS DEVELOPED TO LOWER COSTS. The District has developed a ten-year capital improvement program based on a thorough evaluation of its pumps, pipelines, communication systems, treatment plants, and other essential facilities. This long-range, systematic planning helps the District prioritize improvements and organize them to be completed in a cost effective way.

Last year, the District began a detailed analysis of the District's needs, starting with the list of specific improvements identified in the ten-year capital improvement plan. The estimated costs for maintenance, operations, and other necessary expenses were also factored in. The District then undertook a line-by-line review of virtually every budget item and carefully developed draft rates to fund the identified needs. The needs and proposed rates have been reviewed and refined by an independent financial consultant, District staff, a citizens advisory committee, a Board committee, and the full Board.

RATE PROPOSALS DEVELOPED WITH FULL PUBLIC REVIEW. The District presented summaries of its findings to both the Tiburon Town Council and Belvedere City Council, as well as to the public through the District newsletter, the press, the web, fact sheets, and community forums. The District also received public input by phone and email.

CUSTOMERS PAY FOR THE ACTUAL COST TO PROVIDE SERVICE. The newly proposed sewer charge is based on the actual cost to collect, transport, and treat wastewater from customers within the District's service area.

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EXAMPLE OF FUNDING NEEDS IN BELVEDERE ZONE: 2010 TO 2014

The funds from the proposed increase are designated for specific needs in each area served by the District. Below are examples of funding needs in the Belvedere Zone:

Belvedere’s Pipeline and Pump Upgrades

Sewer line rehab program: \$320,000
Cove Rd force main replacement: \$600,000
Force main replacement program: \$225,000
Lagoon Rd generator / conduit: \$175,000
Other pipeline and pump projects: \$955,000

Belvedere’s Share of the Treatment Plant Upgrades

Chlorine tank: \$101,000
Digester rehab and seismic retrofit: \$202,000
Aeration blower: \$84,000
Other treatment projects next 5 years: \$808,000

Average Annual Operations and Maintenance for Belvedere

Average annual operations and maintenance: \$1,043,358
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WHAT STEPS HAVE BEEN TAKEN TO CONTROL COSTS AND LIMIT THE INCREASES?

Examples of Cost Savings:

The District has always put a focus on finding cost savings to help keep rates down. Below are examples of recent cost saving successes:

Staff replaced the Paradise Cove Treatment Plant and saved \$1,800,000. Staff also installed a new screw press in-house and saved over \$494,000, and another \$15,000 by self-installing the clarifier scum trough replacement. The District adopted a voluntary early exit/resignation program, saving an additional \$140,000 per year. In another cost saving effort, the District decreased its annual electrical charges by \$23,000 and obtained a \$15,800 grant to pay for the energy-saving improvements.

WHAT ARE THE PROPOSED NEW RATES?

Belvedere Rate History

Before the District annexed the Belvedere sewer system in 2005, the City of Belvedere set rates at \$890 per year for each dwelling unit. The rate was then increased in two steps by the District, up to \$1,185 in 2009. A third 9% increase was never implemented.

Residential Rate Increase for Belvedere

The proposed rate increase for Belvedere would be phased in over five years. The current residential charge per single family home or dwelling unit 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.

Non-Residential Service Charge Change

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 instance, 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. The percentage change in rates for non-residential and residential customers is the same. Assuming unchanged property use and volume of water usage, non-residential rates are proposed to increase by the following percentages: 23% in 2010, 20% in 2011, 5% in 2012, 5% in 2013, and 3% in 2014.

HOW TO PROTEST THE PROPOSED CHANGES

Protests must be submitted in writing, must identify the property for which the protest is submitted, must identify the owner(s) of the property or properties for which the protest is entered, and must be signed by the property owner. Email protests will not be accepted. If written protests against the proposed sewer service charge are presented by a majority of owners of parcels affected, the District cannot approve the proposed changes in charges.

You are invited to attend the public hearing on June 29, 2010 at 7 p.m. and provide oral or written comment on the proposed increase.

At the public hearing, the Board will consider public input and any written protests. Protests can be mailed or hand delivered to the District office, or presented up until the close of the public comment portion of the hearing on June 29.

Sewer service charges are also proposed to increase in the Tiburon Zone. If you own property in the Tiburon Zone and did not receive a Tiburon Zone notice, please contact the District.

PLEASE CONTACT US IF YOU HAVE QUESTIONS OR COMMENTS ABOUT THE PROPOSED SEWER SERVICE CHARGES:

Phone: 415/435-1501 ■ Email: info@sani5.org ■ Write: P.O. Box 227, Tiburon, CA 94920

Address the Directors: Attend the public hearing at the date, location, and time listed on the front of this notice.