

**SANITARY DISTRICT NO. 5 OF MARIN COUNTY**

2001 Paradise Drive  
Tiburon, California 94920

**AGENDA**

**Governance Committee Special Meeting**  
**Thursday, April 13<sup>th</sup> 2023, 5:30 p.m.**

Teleconference Location:  
Director Richard Snyder  
10 Pomander Way  
Belvedere CA 94920

PURSUANT TO THE RALPH M. BROWN ACT, ALL VOTES SHALL BE  
BY ROLL CALL DUE TO DIRECTOR SNYDER TELECONFERENCE FROM  
10 POMANDER WAY, BELVEDERE CA 94920

**I. Roll Call**

**II. Public Comments**

**III. New Business**

1. Review and discussion of Draft Prop 218 Notice

**IV. Adjournment**

*This Committee may be attended by Board Members who do not serve on this committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment. Accessible public meetings: Any member of the public who needs accommodations should email the Office Manager, at rdohrmann@sani5.org, who will use her best efforts to provide as much accessibility as possible while also maintaining public safety.*



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

(Please share this information with tenants.)

Sanitary District No. 5  
P.O. Box 227  
Tiburon, CA 94920

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### **BOARD OF DIRECTORS:**

Tod Moody, President  
Omar Arias-Montez, Vice President  
John Carapiet, Secretary  
Catharine Benediktsson, Director  
Richard Snyder, Director

**SANITARY DISTRICT NO. 5 OF MARIN COUNTY**

**Proposition 218 requires that a notice be sent and that a public hearing be held before the sewer service charge is increased. Proposition 218 also specifically exempts increases in sewer service charges from voter approval.**

**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's Board of Directors.**

**HEARING DATE: June 22, 2023**

**HEARING TIME: 5:00 p.m.**

**LOCATION: Sanitary District No.5 of Marin County  
2001 Paradise Drive, Tiburon, CA 94920**

### **Why a Rate Increase Is 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 District's service 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, treatments 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 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, web, fact sheets and community forums. The District also received public input by phone and e-mail.

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.

*Continued on the reverse side*

**Example of Funding Needs: 2023 to 2028**

The funds from the proposed increase are necessary to fund day-to-day operations and specific capital projects to be performed by the District. Over the next five years, the District plans to spend an average of \$2,710,997 annually on sanitary system repairs, maintenance, upgrades, and improvements. This includes improvements to the sewer pipelines and pump stations via the annual rehabilitation program and major treatment plant upgrades. For example, a pump station control panel replacement, rehabilitation of existing wet wells, treatment plant Digester rehabilitation project, secondary clarifier scum collector replacements, and other specific, needed replacement or repair projects.

**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 18 of the 24 pump station motor control centers in house as opposed to contracting out saving the District around \$150K between 2015-2022. Staff also installed a new plant water- filtering unit and received an exemption from the Regional water quality control board to use plant effluent instead of potable water for sewer line cleaning purposes saving over \$1,000/year in water costs. The costs of chemicals to provide treatment keeps going up, but staff has been able to efficiently reduce the use of chemicals through enhanced process control operations saving the District \$15k-\$20K year.

**WHAT ARE THE PROPOSED NEW RATES?****Sanitary District No.5 Rate History**

The District has not increased sewer service charges since 2014. Currently Belvedere customers are charged \$1,985 per equivalent dwelling unit (EDU) while Tiburon customers are charged \$1,034 per EDU. The higher sewer fee in Belvedere is a result of the District not receiving a portion of the Ad-Valorem property tax in that service area. A condition of the annexation of 2005. Thus, the difference in rates per zone.

**Proposed Residential Service Charge Increase for District Customers.**

The proposed rates recognize the cumulative benefits all ratepayers receive from services provided by the District. Therefore, all customers will be subject to the base rate of \$1,848 in 2024, \$2,033 in 2025, \$2,237 in 2026, \$2,460 in 2027, and \$2,706 in 2028. The proposed rates provide a credit for those parcels within Tiburon that contribute Ad-Valorem property tax revenue to the District, which helps offset the costs of providing sewer service. For such parcels, the proposed rates shall be \$1,358 in 2024, \$1,534 in 2025, \$1,728 in 2026, \$1,942 in 2027, and \$2,179 in 2028. Note, the District will provide written notice to the specific parcels located within the current Tiburon zone that are not eligible for the Ad-Valorem credited rate. Currently, all but two Tiburon parcels contribute Ad-Valorem property tax revenue to the District.

**Proposed 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. Historically, non-residential customers have been charged based on their annual water use relative to the average water use of Southern Marin residential customers. As a result, non-residential customer bills have fluctuated based on residential customer's level of conservation, even when a non-residential customer's flow remains the same. The proposed rates will assume a constant value of 75 hundred cubic feet per EDU each year. Non-residential customer bills will continue to be calculated by following three steps: 1) Dividing metered water use by the single-family equivalent water use (75 HCF); 2) Multiplying by the strength factor assigned per customer class (1.0, 1.7, 2.0, 2.2, or 2.4); and, 3) Multiplying the results of steps 1 and 2 by the rate per EDU to calculate the charge to be billed. Non-residential customers will be charged the same rate per EDU as residential customers. Whether the parcel contributes Ad-Valorem revenues to the District will determine whether the customer is assessed the Base Rate or Ad-Valorem credited rate when computing the total customer bill.

**HOW TO PROTEST THE PROPOSED CHANGES**

You are invited to attend the public hearing on **June 22, 2023 at 5 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 must be mailed or hand delivered to the District office, or presented up until the close of the public comment portion of the hearing on this matter.

Protests must be submitted in writing, must identify the property (i.e., address and parcel number) 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 will not approve the proposed changes in charges.

Please note that there is a 120-day statute of limitations for challenging all sewer rates should the proposed adjustments be adopted.

**PLEASE CONTACT US IF YOU HAVE QUESTIONS OR COMMENTS about the proposed sewer service charges, please contact us in any of the following ways:**

ADDRESS THE DIRECTORS: Attend the public hearing at the date, location and time listed on the front of this notice.

**Phone: 415/435-1501 ■ email: [info@sani5.org](mailto:info@sani5.org) ■ Write: P.O. Box 227, Tiburon, CA 94920**