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www.lgvsd.org

**Board of Directors**

Megan Clark  
Rabi Elias  
Russell R. Greenfield  
Craig K. Murray  
Judy Schriebman

**Board Meetings are**

held at 4:30 PM on  
the second and fourth  
Thursday of each month

ECRWSS – Postal Customer

**District Administration**

Mark. R. Williams, General Manager



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*Rob Fernandes (at left) and Chris Gill came to the aid of an elderly woman while performing routine maintenance work in the field.*

## LGVS D Workers Go Above and Beyond to Help a District Customer in Need

The Las Gallinas Valley Sanitary District has a dedicated staff that is committed to its mission to “protect public health and our environment by providing effective wastewater collection, treatment, and recycling services.” Sometimes fulfilling that mission goes beyond just doing what’s in our job description.

It was a cold morning on December 5, 2013 when line crew members Rob Fernandes and Chris Gill were out in the field on a routine

maintenance task. Temperatures had dropped below freezing the previous night and there was a sharp chill in the air.

As Rob and Chris were driving down Merrydale Road at about 7:30 AM, they happened to see an elderly woman slumped over and hanging on to the railing of a ramp in her front yard. Seeing that she was in distress, the two pulled their truck over and walked back to see if she needed help.

The wheelchair ramp leading to her home had iced over. Apparently, she had walked outside to bring out a bag of trash and slipped on the icy ramp. She grabbed onto the railing to keep herself from falling, but couldn't right herself. When Rob and Chris found her, she was crouched over unable to move and had been in that position for some time. The crew asked if she was alright and did she need assistance. She said she was OK, despite the fact that she had numerous bruises and was unable to walk back into her home. The two District employees picked her up and carried her into her home. They had to be extremely careful because they were slipping on the iced-over ramp.

Once inside, her son, who uses a wheelchair, discovered his mother had nearly fallen. The collection crew offered to call for emergency services, but the woman and her son did not think they needed further assistance.

LGVS D line crews are out in the field every day performing preventative maintenance on the sewer lines, and the District is extremely proud of their assistance to this citizen.

# THE HERON

Las Gallinas Valley Sanitary District

Winter 2014

## LGVS D Board Considers Options for Sewer Rate Billing Methods

### Fixed Rate vs. Variable Rate is Subject of Study

Customers of the Las Gallinas Valley Sanitary District (LGVS D) have asked the Board of Directors to review its method of billing for sewer service. Among the concerns customers have voiced is the equity of a flat rate vs. variable rate. In response, the LGVS D Board commissioned the firm HDR Engineering, Inc. to perform a Sewer Rate Methodology and Connection Fee Study in September 2013. The study evaluated several options for future sewer rates as part of the upcoming rate analysis for 2014-2015 and beyond. HDR presented the draft study at the Board's November 14 meeting. At the December 12 meeting, additional information was presented to the Board, staff and public. Members of the public and the Board provided comments and input on the report during both meetings.

The study looked at a number of issues: variable vs. fixed rates for residential customers; the rate structure for multi-family properties such as apartments and condominiums; the formula used to convert commercial water use to sanitary sewer units for billing purposes; and the connection fees charged for new developments. The report is available at [www.lgvsd.org](http://www.lgvsd.org).

#### How Rates are Set

Sewer agencies are required to have the ability to treat the maximum amount of sewage that can be discharged to it based on its permitted capacity. In setting the rates it charges its customers, LGVS D must determine its annual costs for operating and maintenance, capital improvements, and debt service.

*"In setting the rates it charges its customers, the District must determine its annual costs for operating and maintenance, capital improvements, and debt service. These costs are then allocated to the users of the sewer system."*

These costs are then allocated to the users of the sewer system. There are generally three different ways of allocating costs fairly:

1. Calculate the amount of money needed to operate, maintain and upgrade the facilities and divide it by the number of users.
2. Calculate the amount of financial resources needed and bill users based on generalized data, such as by class of customer; residential, commercial or industrial.
3. Calculate the amount of financial resources needed and bill each property based on individualized data such as winter water flow.

Each method has benefits and burdens and any one method may not result in a precise allocation of costs.

LGVS D currently serves a population

Turn to "LGVS D Board Tackles..." on page 2

## Public Meeting on Proposed Rate Changes

A community meeting to explain the proposed changes in the Las Gallinas Valley Sanitary District's sewer rate methodology will be held:

**March 6, 2014 at  
Osher Marin JCC  
200 N. San Pedro Rd., San Rafael  
5:00-6:30 PM**

The LGVS D Board of Directors is considering a change in the way charges for wastewater services are assessed (see story on this page) and wants to ensure that customers have the opportunity to learn about the proposed changes and ask questions of District staff. The March 6th meeting will consist of a presentation covering the proposed rate changes for single-family, multi-family and commercial/industrial customers and how annual bills may be affected. A question-and-answer session will follow.



In keeping with the requirements of Prop. 218, the District will hold a public hearing on the proposed rate changes at 4:30 PM on June 5, 2014 at (location TBD). LGVS D customers will receive a notice in the mail informing them of the meeting and the opportunity to comment on the proposed rates.

of approximately 30,000 and has about 9,700 active connections. The customer base is comprised of 60% single-family residential, 21% multi-family residential and 19% commercial or industrial.

**Fixed vs. Variable Rates**

It is a common practice for sewer agencies to use water usage as an estimation of sewage that is produced because sewer meters are not used, except for large industrial customers. Typically winter water consumption is utilized to calculate the amount of residential sewage produced. This eliminates most irrigation use and assumes that the majority of the water entering a residence will produce sewage from sinks, showers and toilets. While this is not an exact calculation, it is the best estimate we have for sewage production.

A survey conducted by the State Water Resources Control Board of 422 wastewater agencies throughout California found that the majority of agencies bill a flat rate for sewer service on an annual basis for residential customers, including single and multi-family.

The study evaluated using a variable rate, with a fixed-rate component, for residential customers. A substantial part of the budget, 95%, is comprised of fixed costs that are incurred for operating and maintaining the infrastructure. The study determined that only 5% of

the LGVSD's annual operating and maintenance budget varies with the sewage flow. Therefore, only a small part of a customer's bill is impacted by their actual water use. In addition, the billing is performed in an efficient and cost-effective manner by one staff member as part of their regular duties. If the LGVSD were to convert to flow-based rates, it would have to either hire an employee to perform the calculations and the billing or outsource the process.



**Multi-family Customers**

Multi-family properties are defined as either those with a master meter for one property, such as an apartment building, or units that share a single meter such as a duplex or four-plex. HDR evaluated two years of data for residential customers and determined that multi-family properties, on average, use less water than single-family homes, which should result in less sewage. HDR recommended that sewer rates for multi-family properties be adjusted to 80% of a single-family home per dwelling unit.

After hearing public input at two meetings, the Board directed staff to adjust the rates for multi-family units to 80% of a single-family unit, and continue with the fixed, flat rates.



**Commercial and Industrial Customers**

Commercial and industrial customers are billed for sewer

service based on the average of summer and winter water use. A strength factor may be applied for certain customers based on the concentration of their sewage. The average water use is converted to a sanitary sewer unit, currently based on a formula of 10 CCF or 7,480 gallons of water per month. The study evaluated whether this conversion factor was still appropriate and determined that the conversion factor should be revised to 8 CCF or 5,984 gallons per month. This proposed change could increase sewer charges for commercial customers. Currently, the conversion formula rounds up the sewer unit to the next whole number. Staff proposed modifying the formula to calculate the charge out to one decimal point such as 7.6 rather than 8. At a minimum, each property would be charged for one unit. The Board has directed staff to make these changes in the formula and calculations for commercial customers.

**Connection Fees**

Connection fees are charged to new residential and commercial developments for capacity of the sewer collection system and treatment plant. The current rate is \$6,200 per dwelling unit and that rate is not expected to change at this time. However, for multi-family developments, the Board has directed staff to update the amount charged to be consistent with sewer user charges of 80% of a single family dwelling.

**What's next?**

Staff will continue to study the impact of the proposed changes in the next few months. LGVSD is planning to have a public workshop in early March 2014 to discuss the impacts of the revised sewer rate methodology. There will also be a public hearing in early June 2014 where the Board will adopt an ordinance to effect the change. Watch for future newsletters and mailings as well as the LGVSD website, [www.lgvsd.org](http://www.lgvsd.org) for updates. If you have any questions please contact Susan McGuire at 415-472-1033 x 19.

<b>Proposed Sewer Rate Adjustments</b>		
Customer Class	Current Rate Per Sewer Unit	Proposed Rate Per Sewer Unit
Residential	\$647	\$661
Multi-family*	\$647	\$529
Commercial**	\$647	\$661

\*Assumes multi-family is 80% of a single family residential for winter use  
 \*\*Assumes 1 commercial sewer unit equals 8 CCF water per month

This chart shows the proposed sewer rate adjustments that are being considered by the LGVSD Board. The proposed adjustments would lower the multi-family rate and increase single-family residential and commercial rates.

# District Looks Ahead to Meet Regulatory Requirements

The Las Gallinas Valley Sanitary District (LGVSD) is always keeping an eye to the future as it plans for the maintenance of its wastewater treatment facilities. Its Board and staff regularly update the District's plans for replacing aging equipment and facilities that no longer meet regulatory requirements for protecting the environment.

In the coming year, District officials will consider plant upgrades that will ensure the LGVSD plant meets current requirements for treatment and disposal of wastewater. Under consideration will be an increase in the treatment plant's capacity and a more effective treatment process that would improve the effluent produced at the plant. The upgrades will likely result in sewer rate increases in future years.



*This is the LGVSD secondary clarifier, which has been in service continuously since 1964 at the wastewater treatment plant. The clarifier will require significant modification to work with the other planned improvements.*

"The capital improvements planned for the future are entirely aimed at meeting the Regional Water Quality Control Board's regulations and protecting the environment," said LGVSD General Manager Mark Williams. "The technology and equipment we are using in portions of our plant are 50 years old. We have squeezed every bit of life out of them. There are times when, just like with a roof or a sewer lateral, you have to replace them." The District actively searches for grants from state and federal agencies to help pay for needed upgrades.

Stricter requirements on the quality of wastewater have forced sewer districts to improve their treatment methods. "The characteristics of wastewater have changed dramatically from what they were 50 years ago," said Williams. "There are disposable wipes, medicines, cleaning chemicals and personal care products. Our plant was never designed to remove these kinds of materials. We need to move forward with new technologies to address these emerging contaminants. We continue to stress the importance of people not disposing of unused medicine down the drain or flushing disposable wipes down the toilet." In order to meet those challenges, the District would upgrade its secondary treatment from trickling filters to an activated sludge process, which is much more effective in removing contaminants from wastewater. The capacity for secondary treatment would double from 9 million gallons per day (mgd) to 18 mgd. It would also provide a 1 million gallon flow equalization that would provide extra storage during storm events.

During heavy rains, inflow into the treatment plant can outpace the ability to treat the combination of wastewater and stormwater. This extra flow caused by inflow and infiltration (called I&I), which results from groundwater entering sewer lines through cracks, and unpermitted connections to sewer lines, such as roof drains, yard drains or sump pumps. "We continue to work to reduce our inflow and infiltration during storm events," said Williams. "But it cannot be completely eliminated."

The final study for the plant upgrade project is expected in early 2014. Design could begin in 2014, with construction in 2015-2016. The preliminary cost estimates are \$30 million for the plant upgrades. All project plans, design and costs are subject to approval by the LGVSD Board of Directors.

## LGVSD Awarded Certificate of Excellence for Transparency



The Las Gallinas Valley Sanitary District (LGVSD) was awarded the District Transparency Certificate of

Excellence by the Special District Leadership Foundation (SDLF) in recognition of its outstanding efforts to promote transparency and good governance.

"This award is a testament to the Las Gallinas Valley Sanitary District's commitment to open government," said LGVSD General Manager Mark Williams. "The entire district staff is to be commended for their contributions that empower the public with information and facilitate engagement and oversight."

In order to receive the award, a special district must demonstrate the completion of eight essential governance transparency requirements, including conducting ethics training for all board members, properly conducting open and public meetings, and filing financial transactions and compensation reports to the State Controller in a timely manner.

The Las Gallinas Valley Sanitary District also fulfilled 15 website requirements, including providing readily available information to the public, such as board agendas, past minutes, current district budget, and the most recent financial audit. Finally, the district must engage the public in its governance, through newsletters and an annual informational public budget hearing.

SDLF is an independent, non-profit organization formed to promote good governance and best practices among California's special districts through certification, accreditation and other recognition programs.