

June 14, 2018 Public Hearing on Sewer Service Charge Increase

The District will hold a public hearing on its proposed 2018-19 budget and sewer rates on Thursday, June 14, 2018, at 4:30 PM at the District's office, 300 Smith Ranch Road, San Rafael, CA 94903. In 2015, a plan was approved that detailed sewer service charges through 2019-20. The proposed 2018-19 increase will be reviewed by the District Board of Directors for approval at the June 14th public hearing.

Rate Change Explained

At a public hearing on June 11, 2015, in conformance with the requirements of Proposition 218, the District approved a five-year sewer service charge increase plan. The initial rate increase took effect on July 1, 2015.

Funds from sewer service charges are used for all District sewer services, including: maintenance, replacement and updating aging sewer system facilities to meet new stringent regulatory requirements. Making critical improvements helps the District avoid costly regulatory fines, protects public health, and safeguards the environment.

To cover the cost of these critical services and upgrades, the District proposes increasing the rate from \$867 to \$898 per year per sanitary sewer unit (less than \$3/month) effective July 1, 2018.

How the District Keeps Costs Down

The District maintains a small staff and proactively plans for and makes responsible investments in infrastructure and improvements. Good compliance with regulatory requirements has helped the District avoid costly fines that have been imposed on other sanitary agencies.

How the Funds are Being Used

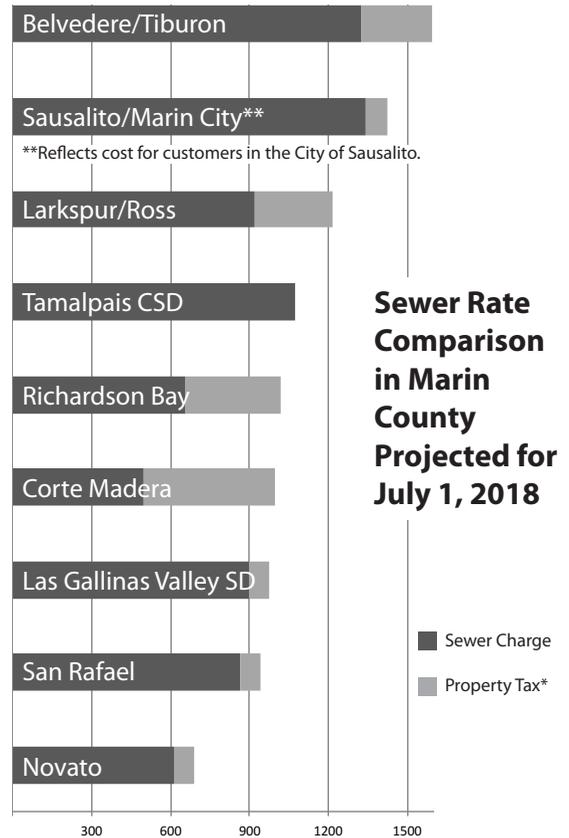
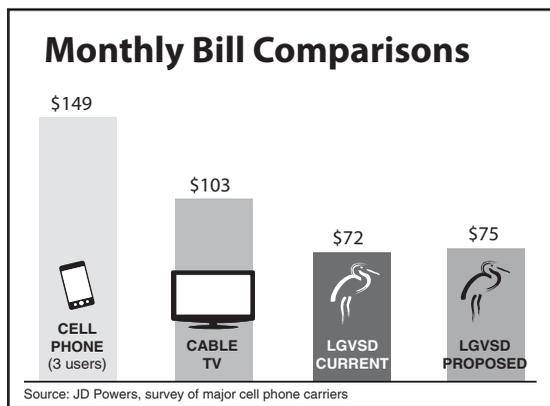
While the majority of the funding is being reserved for the expansion and upgrade of the treatment plant (\$60 million), LGVSD has completed, or is working on, the following projects to date:

- Rehabilitating sewer and lower lateral pipelines
- Increasing capacity of sewer mains for high flow events.
- Rehabilitating pump stations and improving force mains.
- Maintaining facilities to avoid equipment failure, make emergency repairs when necessary and replace vehicles and equipment.
- Completion of a Biogas Energy Recovery System (replaced an over 25 year old methane fueled generator) which also generates CNG (compressed natural gas) to fuel the District's new CNG sewer maintenance truck.
- Rehabilitation of the primary digester to improve solids decomposition and increase methane production for power generation and vehicle fuel.

LGVSD Rates* Remain Below Marin County Average

The annual cost of sewer service for a typical District single family residential customer (or sanitary sewer unit) are below the average median of comparable Marin County communities.

*Agencies also receive property tax revenue to fund operations. These revenues are a significant source of funding and vary greatly among sewer districts and cities providing services.



Moving Forward on the Treatment Plant Upgrade

In order to address critical issues (aging infrastructure, changes in wastewater content, and new regulations), the District is embarking on one of the largest projects in the District's history with the Treatment Plant upgrade. Construction is expected to start in late 2018. When complete, LGVSD will be able to deliver full secondary biological treatment capacity for flows up to 18 million gallons per day (MGD) and raise the elevation of the secondary treatment facilities to make the plant more resilient against flooding and the impacts of sea level rise.

In addition, the District and Marin Municipal Water District (MMWD) have agreed to expand the existing LGVSD Recycled Water Treatment Facility. The expanded facility will replace the existing MMWD facility which has reached the end of its useful life, allowing LGVSD to operate a single recycled water treatment plant. The expansion will improve efficiency and is expected to lower the cost to produce recycled water.

At this time, the administration building update has been postponed so that the available funds may be used for the critical wastewater treatment project.

Summary of Las Gallinas Valley Sanitary District Sewer Service Charges for July 1, 2018 through June 30, 2019

This is the fourth year in a five-year program of rate changes approved in 2015. The amount and method for calculating charges for various classes of customer are outlined below.

Residential Rates Beginning July 1, 2018

Residential Rates: The annual sewer service charge for single family homes or similar residential units such as condominiums and mobile homes will be set at an amount of no more than \$898 per living unit for the fiscal year beginning July 1, 2018. Multi-family residential units such as apartments are charged 90% of the annual single family home sewer service charge.

Non-Residential Rates Beginning July 1, 2018

Non-Residential Rates: The rates for non-residential customers are proportional to the increase in residential rates. Rates are calculated individually for each type of non-residential use as described below.

User Classes	Rate Calculation	Water Use Calculation
Domestic strength users: Commercial, office buildings, retail, churches, halls, public agencies, laundromats, service stations, medical offices, hospitals, convalescent/nursing homes, barber/beauty shops, and car washes	The annual sewer service charge rate times the average summer and winter water use times a strength factor of: 1.0	To calculate water use, the District obtains the average of winter and summer water usage for each non-residential customer from the Marin Municipal Water District. This data is then converted to equivalent single family residential units (or sanitary sewer units). Water used solely for irrigation and recycled water which does not enter the sewer system, i.e. water not used for toilet flushing, laundry, commercial car washes, etc., is excluded from the calculation.
High strength users: Bakeries	3.2	
Markets with disposals	2.6	
Restaurants/Cafes	2.4	
Mortuaries, mixed uses/ other, hotels with restaurants	2.0	
Industrial and other high-strength users	Contact the District for assistance	
Schools without showers or cafeteria facilities	0.01 times the annual sewer service charge rate per average daily attendance for students, faculty and employees	
Schools with showers or cafeteria facilities	0.02 times the annual sewer service charge rate per average daily attendance for students, faculty and employees	



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San Rafael, CA 94903

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Our Commitment to Excellence

**Public Education and Outreach Award
Three-County Area
2012, 2013, 2014, 2015, 2016**

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Three-County Area
2008, 2010, 2012, 2016**

**Excellence in Financial Reporting,
Certificate of Achievement, 2017**

**District Transparency Certificate of
Excellence by the Special District
Leadership Foundation**

To Protest the Proposed Changes

Protests against the proposed changes in the sewer service charge must be submitted in writing to the District before the end of the public hearing to be held on June 14, 2018 at 4:30 PM. Protests must identify the owner(s) of the property or properties for which the protest is entered, and be signed by the property owner. If a majority of owners of affected parcels within the District submit written protests against the proposed changes, the District will not approve the sewer service charge increases.

ATTEND THE RATE HEARING: June 14, 2018 at 4:30 PM at the District's office
300 Smith Ranch Road, San Rafael, CA 94903

WEB: www.lgvsd.org **PHONE:** 415-472-1734 **EMAIL:** info@lgvsd.org

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the District at (415) 472-1734 at least 24 hours prior to the meeting. Notification prior to the meeting will enable the District to make reasonable accommodation to help ensure accessibility to this meeting.

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