

PUBLIC HEARING DETAILS

The public hearing at which the City Council will consider and decide upon the proposed sewer service charge increase is scheduled to occur on:

Tuesday, June 18, 2019 at 7:00 PM

Sausalito City Council Chambers

420 Litho Street

Sausalito, California 94965

PLEASE CONTACT US

If you have questions or comments about the proposed sewer rate increase, you may contact us in one of the following ways.

Address the Councilmembers: Attend the Public Hearing on the date, location, and at the time listed above.

By Phone to Our Dedicated Hotline: (800) 676-7516

By E-mail to the Assistant CM / Admin Services Director: YCarter@sausalito.gov

In Writing: 420 Litho Street, Sausalito, CA 94965

HOW TO PROTEST

Any affected property owner or tenant may submit a written protest to the proposed increases to the sewer service charges. Each protest must be in writing, state that the identified property owner or tenant opposes the proposed changes, identify the parcel for which the protest is made (by assessor's parcel number or street address), and include the signature of the property owner or tenant.

Only one protest will be counted per parcel. Written protests may be submitted by mail to the City of Sausalito at the address above. Or they can be hand-delivered before or at the public hearing, which will be held on Tuesday, June 18, 2019 at 7:00 PM in the Sausalito City Council Chambers, 420 Litho Street, Sausalito, CA 94965. To be counted, ballots must be received before the hearing ends.

If a majority of property owners submits protests, the Council cannot adopt the proposed rates.

PLEASE CONTACT US IF YOU HAVE QUESTIONS OR COMMENTS ABOUT THE PROPOSED RATES AND CHARGES
Hotline: 800-676-7516 Email: ycarter@sausalito.gov
Write: Yulia Carter, Assistant CM/Admin Services Director, 420 Litho Street, Sausalito, CA 94965

Sincerely,
Adam Politzer
City Manager

Dear Customer,
Every five years, the City of Sausalito assesses its sewer management costs and needs, and establishes rates needed to support these needs. The City has completed a finance study that has assessed costs and revenue requirements for the next five years.
You are receiving this notice because you are a City of Sausalito sewer customer and/or you own property that is receiving sewer services. **A public hearing will be held on June 18, 2019 at 7:00 p.m.** to hear comments on a proposed rate adjustment for sewer services for a 5-year period. If adopted, the proposed rate adjustments will be effective for Tax Years 2019/20 through 2023/24.
This notice provides information on how rates are calculated, the reasons for the required rate adjustments, how customers can receive more information on the proposed rate adjustments, and how to file a personal protest against the proposed rate adjustments.
We believe that the proposed five-year rate plan detailed on the inside pages meets the City's objectives for managing and maintaining the sewer system in a manner that manages costs, continues to help protect our tributaries and the Bay, and reduces risk to you, the ratepayer.

NOTICE OF PUBLIC HEARING ON PROPOSED CHANGES IN RATES AND CHARGES

PLEASE SHARE THIS INFORMATION WITH TENANTS



City of Sausalito
420 Litho Street
Sausalito, CA 94965
Phone: (415) 289-4100
www.Sausalito.gov

Councilmembers

Joe Burns, Mayor
Susan Cleveland-Knowles, Vice-Mayor
Joan Cox, Councilmember
Jill James Hoffman, Councilmember
Ray Withy, Councilmember

City Manager
Adam Politzer

Assistant CM / Admin Services Director
Yulia Carter
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Helpful Notes and Definitions for Understanding the Rates

Definition for Equivalent Dwelling Unit (EDU)

Sewer service charges are measured in EDUs. One EDU represents the capacity of a typical single family dwelling unit. Properties, such as multi-family units, may have more than one EDU.

How Types of Residential Units are Classified

The City has four residential customer classifications: Single Family, Single Family Attached, Duplex, and Multi-Family. The City also has industrial/commercial ratepayers.

Effective Date of Proposed Changes

If approved, the rates are effective July 1, 2019. The bill for most customers will appear on the annual property tax due in December, 2019.

Full Financial Plan Available

Detailed background on the basis for the proposed sewer rates is available at www.sausalito.gov. A full Financial Plan is included in the April 30, 2019 Council Agenda.

How the Residential Sewer Service Rates are Calculated

The City's residential rate structure follows the approach that was approved by a majority of the rate-payers and adopted by City Council in 2014. Sewer rates are allocated to one of four customer classes:

- Single Family
- Single Family Attached
- Duplexes
- Multi-Family

88 percent of the sewer rate is comprised of a fixed charge for installed infrastructure, and the remaining 12 percent is an adjustable volumetric charge that is calculated based on winter water use for each customer class. During winter, water usage closely reflects indoor water usage and consumption.

The volumetric component is adjusted annually based on average winter water usage for the prior fiscal year across all customer classes.

For Non-Residential (Industrial/Commercial) Customers

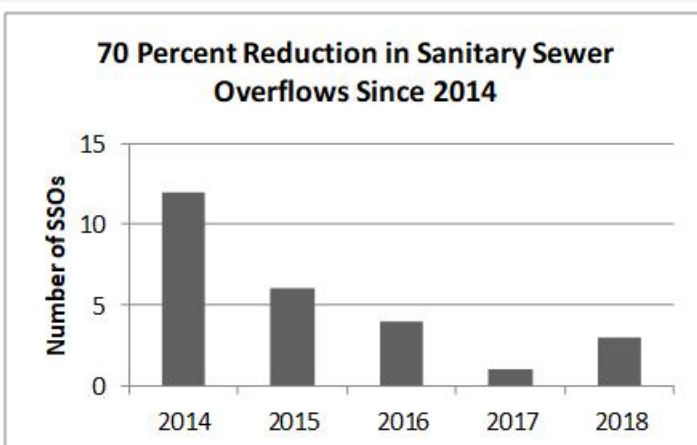
A unique fixed and volumetric charge is assigned to non-residential customers on a per EDU basis. Since indoor use is metered separately, the volumetric component is based on average annual use.

Why Sufficient Sewer Rates are Needed

The City safely collects and transports raw sewage through a system of pipes and pump stations. The sewage is sent to the Sausalito-Marín City Sanitary District interceptor.

Between 2014 and 2018, the City successfully reduced sanitary sewer overflows by 70 percent through a proactive maintenance and rehabilitation program. As the City's 80-year old system continues to age, additional repairs and replacements are needed for the City to continue to maintain compliance with Clean Water Act requirements.

Without the proposed update to current rates, the City does not have the money needed to continue essential sewer upgrades. The funds would come at the expense of other essential City services.



Proposed Annual Sewer Service Rates for Customers

Residential Bills

For residential customers, the rate shown below is charged on a per Equivalent Dwelling Unit basis, according to the unit rate assigned for each customer classification.

In addition, a volumetric charge is added based on the average winter water usage for the prior fiscal year across all customer classifications

Non-Residential (Industrial/Commercial) Bills

Non-residential customers are also assessed a fixed charge on a per EDU basis. In addition, indoor water use is metered separately from irrigation, allowing the volumetric charge to be calculated based on average annual water usage for the prior fiscal year.

Maximum Proposed Charge

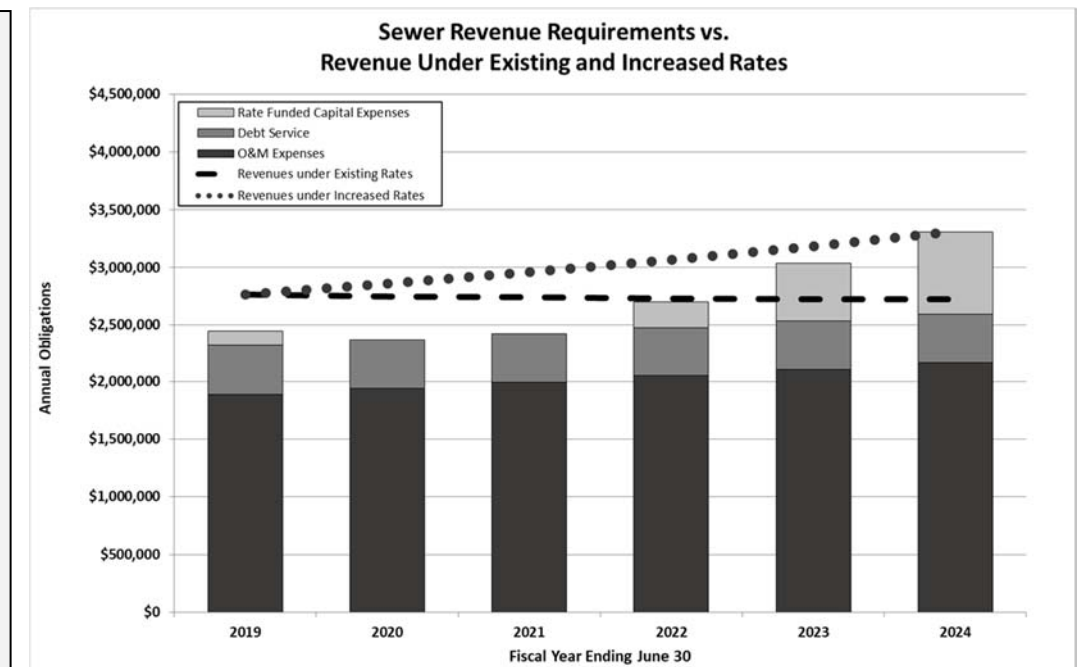
Absent a majority protest, the City Council can adopt charges up to, but no greater than the amounts shown below.

Customer Class	Current Rates	Proposed Sewer Rates				
		FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Projected Annual Increase in Rate Revenue		4.00%	4.00%	4.00%	4.00%	4.00%
Residential Customers						
<u>Fixed Charges (\$/Year/Dwelling Unit)</u>						
Single-Family	\$546.48	\$624.24	\$649.21	\$675.18	\$702.19	\$730.27
Single-Family Attached	\$391.75	\$339.22	\$352.79	\$366.91	\$381.58	\$396.84
Duplexes	\$420.99	\$339.26	\$352.83	\$366.95	\$381.62	\$396.89
Multi-Family	\$310.24	\$300.41	\$312.43	\$324.93	\$337.93	\$351.44
<u>Volumetric Charges (\$/ccf of Average Winter Water Use)</u>						
All Residential Customers	\$1.10	\$1.09	\$1.13	\$1.18	\$1.22	\$1.27
Commercial/Industrial Customers						
<u>Fixed Charges (\$/Year/Dwelling Unit)</u>						
All Commercial and Industrial	\$546.48	\$561.67	\$584.14	\$607.51	\$631.81	\$657.08
<u>Volumetric Charges (\$/ccf of Annual Water Use in Prior Calendar Year)</u>						
All Commercial and Industrial	\$1.10	\$1.09	\$1.13	\$1.18	\$1.22	\$1.27

Basis of Proposed Rates

The costs to manage and maintain the City's sewer collection system are shown in the adjacent chart.

Sewer management and maintenance costs include administration, engineering, operations, pumping, repairs, replacements, and debt service on the City's 2015 Sewer Revenue Bonds and 2011 SRF Loan.



SMCSD transports and treats this flow, and is conducting a parallel and separate rate assessment.

The SMCSD rate appears as a separate rate on your tax bill.