

NOTICE OF PUBLIC HEARING ON PROPOSED SEWER SERVICE CHARGES

JUNE 18, 2012 AT 7:30 P.M. CITY OF MILL VALLEY COUNCIL CHAMBERS 26 CORTE MADERA AVENUE, MILL VALLEY, CA

THE CITY OF MILL VALLEY GIVES NOTICE THAT:

- 1. Residents and businesses pay the City annual sewer service charges that are billed on the County tax rolls. Revenue from sewer service charges pays for operations, maintenance, and improvements to the City's sewer system, as well as for sewage treatment. The City is proposing to increase the revenue from its sewer service charges. The purpose of the proposed increase is to adequately fund the ongoing costs of providing sewer service to properties within the City of Mill Valley. The City has maintained its sewer service rates well below the average rate charged in Marin County until adjusted last year. The lack of adequate revenue in past years has limited the City's ability to undertake needed system maintenance and pipe replacement projects required to satisfy increased regulatory requirements and to achieve a greater degree of environmental care. The City's proposed revenue plan will utilize historically low interest rate financing together with increased user fees to provide the revenue stream necessary to fund system improvements and on-going operations in a cost-effective manner.
- 2. The City is also proposing to modify its existing sewer service rate structure. The City currently charges all single-family residential customers the same amount for their sewer service, regardless of household size, but charges all other customers based on their estimated wastewater flow (hundred cubic feet of estimated annual Marin Municipal Water District [MMWD] water usage). Under the revised rate structure, the City will begin to charge all sewer customers based on their estimated wastewater flow. The sewer service rate (dollars per hundred cubic feet) for each customer's class (e.g. single family residence, restaurant, or retail store) has been recently established based on the cost of service to treat each customer's distinct wastewater strength.
- 3. Table 1 of this notice shows the schedule of maximum rates that the City Council proposes to adopt for each customer class for fiscal years 2012/13 through 2016/17. The rate structure includes a 5% Rate Stabilization factor beginning in the third year. This factor will allow revenue needs to be met considering the year-to-year fluctuation of water consumption and wastewater production. Generally, the rates applied in a given year will not utilize the stabilization factor and will be less than the maximum rate listed in this notice.
- 4. The City has commissioned a written report regarding the City's proposed sewer service charges to be prepared and filed with the City Clerk. A copy of the written report will be available at City Hall no later than May 18, 2012.

Public Hearing:

The City Council will conduct a public hearing to consider adoption of the proposed sewer service charges on June 18, 2012, at 7:30 p.m. in the City Council Chambers located at 26 Corte Madera Avenue, Mill Valley. The City Council will hear and consider all oral and written testimony concerning the proposed sewer service charges.

Background:

Last year the City of Mill Valley raised its sewer service charges to reflect significant increases in costs such as wastewater treatment costs, inflation, improvement and replacement of aging infrastructure, and compliance with more stringent environmental regulations. The sewer service charges adopted last year imposed a fixed charge on each single-family residential customer, regardless of the amount of wastewater discharged by such customer. The sewer service charge adopted for single-family customers for fiscal year 2012/13 is \$677 per dwelling unit. This previously adopted sewer service charge will remain effective if the City Council does not adopt the proposed sewer service charges in this notice.

At its April 2, 2012 meeting, the City Council reviewed a staff proposal to revise its sewer service charges. The proposed charge for a single-family residential customer is based on the estimated volume and flow-composition of wastewater discharged by such customer, which means that a customer's charge will vary each year in proportion to each year's estimated wastewater flow. The proposed charges for all other customers simplify and update the current rate structure, which is already based on those customers' estimated wastewater flow.

Proposed Sewer Service Charges:

The City's proposed sewer service charge is an annual charge determined by multiplying a customer's estimated annual wastewater flow by a sewer service rate for the customer's class of wastewater flow-composition, as shown in Table 1. For example, the fiscal year 2012/13 sewer charge for a single-family home, with an estimated flow of 82 hundred cubic feet (HCF) is as follows:

82 HCF x \$7.82 per HCF = \$641.24

Single-family, Multi-family Residential and All Commercial Customers Except Bars, Hotels & Restaurants:

Each year the City will estimate wastewater flow based on winter water-use data provided by MMWD. (Winter water use is a proxy for wastewater discharge because irrigation use is lowest during this time of year.)

82 HCF was the average single-family residential flow using data from the winter of 2010/11. Two-thirds of Mill Valley, single-family customers use less than the average flow.

Commercial Customers: Bars, Hotels & Restaurants:

Each year wastewater flow will be estimated based on water use data for one summer and one winter billing period to account for seasonal business patterns, which has been the City's prior practice.

Minimum Charge:

The City will impose an annual minimum charge that assumes all customers produce at least 24 HCF of wastewater flow per year per parcel.

TABLE 1. PROPOSED MAXIMUM SEWER RATES

The proposed sewer rates for 2012/13 - 2016/17 are provided in the following table:

_	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
Residential Rates (\$/HCF)					
Single Family	\$7.82	\$8.84	\$9.81	\$10.59	\$11.55
Multi-Family	\$6.74	\$7.62	\$8.46	\$9.14	\$9.96
Non Residential Rates (\$/HCF)					
Store/Retail	\$7.35	\$8.30	\$9.21	\$9.95	\$10.85
Laundromat	\$6.15	\$6.95	\$7.72	\$8.34	\$9.09
Car Wash	\$5.26	\$5.95	\$6.60	\$7.13	\$7.77
Hospital/Convalescent	\$6.03	\$6.81	\$7.56	\$8.17	\$8.90
Professional Offices	\$5.90	\$6.67	\$7.40	\$7.99	\$8.71
Bar w/o Restaurant	\$6.51	\$7.35	\$8.16	\$8.82	\$9.61
Schools	\$6.47	\$7.32	\$8.12	\$8.77	\$9.56
Hotel w/o Dining	\$6.45	\$7.29	\$8.10	\$8.74	\$9.53
Laundry - Commercial	\$8.14	\$9.20	\$10.21	\$11.02	\$12.02
Repair Shop/Service Stn.	\$7.24	\$8.18	\$9.08	\$9.80	\$10.68
Restaurant/Bakery	\$12.63	\$14.27	\$15.84	\$17.10	\$18.64
Mkt w/grinder	\$12.71	\$14.36	\$15.94	\$17.22	\$18.77
Hotel w/Dining	\$10.16	\$11.48	\$12.74	\$13.76	\$15.00

HCF = hundred cubic feet or 748 gallons

Low-Income Household Information:

The City plans to continue its program to provide sewer rate credits to lower-income households. This program is modeled after PG&E's California Alternative Rates for Energy (CARE) Program. Please visit the PG&E CARE guidelines to find out if you qualify at:

http://www.pge.com/myhome/customerservice/financialassistance/care/eligibility/.

Questions?

If you have any questions regarding the proposed sewer service charges or need assistance determining the proposed annual sewer service charge amount for your parcel, please contact Jill Barnes in the Department of Public Works at 415-388-4033 x116. It may also be helpful to visit www.cityofmillvalley.org to review sewer-rate materials such as staff reports and a video recording of a recent sewer rate workshop. These materials are collected on the City website under "Sewer Rate Meeting Information and Documents."

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Majority Protest Proceedings:

If you oppose the proposed charges, you may submit a formal written protest at the public hearing or via postal mail or hand delivery to the City Clerk's office at 26 Corte Madera Avenue Mill Valley, California 94941. Written protests that are mailed or hand delivered to the City Clerk at City Hall before the public hearing must be received by the City Clerk by 4:30 PM on June 18, 2012. A formal written protest must be submitted in writing, clearly state opposition to the proposed charges, contain a description of the property (the parcel number is preferred and is printed above your mailing address on this notice) and include the original signature of the property owner (fax or e-mail is not acceptable). No more than one written protest per parcel will be counted in calculating a majority protest.

A majority protest to the proposed sewer service charges will exist if, at the end of the public hearing, the City Clerk has received written protests submitted by owners of a majority of the parcels subject to the proposed sewer service charges. A majority protest will result in the proposed sewer service charges not being adopted. Protests will be tabulated pursuant to procedures that have been adopted by the City Council. Information on these procedures is available online at www.cityofmillvalley.org, or a copy may be obtained by calling the City Clerk at (415) 388-4033 x102.



Department of Public Works City of Mill Valley 26 Corte Madera Ave Mill Valley, CA 94941

This notice is being mailed to all property owners on the City's sewer collection system based on Assessor's Parcel Number (APN). If you own more than one parcel, you may receive multiple notices.