



RESIDENTIAL NOTICE

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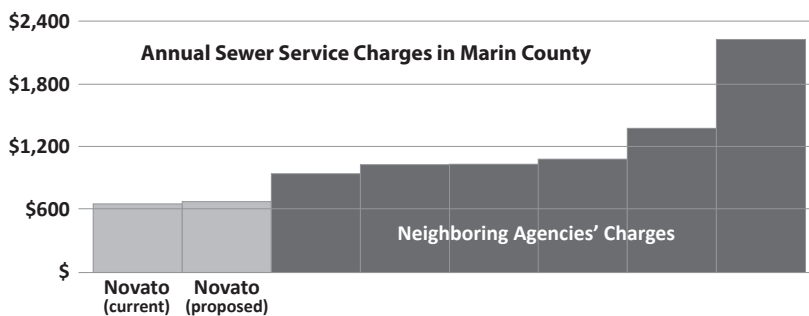
Sandeep Karkal P.E.

LEGAL COUNSEL

Rachel Hundley

Notice of Proposed Increases in the Sewer Service Charge, Changes to the Rate Structure, and Public Hearing

Novato Sanitary's Sewer Service Charges Are Among the Lowest in the County



The District has been proactive in controlling costs. As a result, we have among the lowest sanitary sewer service charges in the County. We expect they will remain among the lowest even if the proposed increases are approved.

NOTE: The District is considering changes to its rate structure and rates for all customers. A separate notice on non-residential rates has been sent to non-residential property owners. Copies are available on the District website or by contacting the District.

This annual bill comparison uses the District's 2021-22 Residential charge, proposed charges, and the latest information available for other Districts (a mix of 2021-22 and 2022-23 charges).

If You Have Questions, Comments, or Wish to Protest. By State law, any affected property owner or tenant may submit a written protest to the proposed sewer service charge increase. Protests may be mailed, faxed, emailed, or hand-delivered before or during the public hearing:

Hand deliver to the Public Hearing on May 9, 2022, at 5:30 p.m. Depending on the status of COVID regulations, the hearing may be held in person at 500 Davidson Street, Novato, CA 94945, or it may be held online. Protests may be dropped off at the office during the hearing even if the hearing is held online. Whether online or in-person, details about how to participate will be available by contacting the District or visiting its website at www.novatosan.com.

Write or Hand Deliver: Novato Sanitary District, 500 Davidson Street, Novato, CA 94945.

E-mail: info@novatosan.com or **fax:** (415) 898-2279.

Each protest must state that the identified property owner or tenant opposes the proposed increases; identify the parcel for which the protest is made (by assessor's parcel number or street address); identify whether the protester is a property owner or tenant; and include the name and signature of the protester(s). Only one protest will be counted per parcel. To be counted, protests must be received before the hearing ends. At the hearing (date, time, and location above), the Board of Directors will take public input, deliberate, and vote whether to raise sewer service charges to amounts no greater than those listed in this document. If there are valid protests representing a majority of properties, the Board cannot adopt the proposed rates.



Notice of Proposed Increases in the Sewer Service Charge, Changes to the Rate Structure, and Public Hearing For RESIDENTIAL Customers

Novato Sanitary District is developing a new, five-year schedule of proposed charges for each customer class. This will ensure continued fair distribution of sewer service charges and funding for quality sewer service.

Why a Sewer Service Charge Increase Is Needed. In recent years, the District has made many improvements to its treatment facilities, pump stations, and sewers. However, continued upgrades and maintenance are needed to safely provide quality sanitary sewer services that protect public health and the environment. The proposed increases will allow the District to continue this essential work by helping fund operations, maintenance, replacement of aging facilities, and other costs while also keeping up with inflation.

Cost of Service Changes for All Customer Classes. The District conducted an extensive study to determine the cost of serving each of its customer classes: Low-Use, Average-Use, and High-Use Residential customers, and Non-Residential customers. To address changes in the cost of service and ensure that each customer class continues paying their fair share of costs, the District is proposing a series of moderate rate adjustments. **For the Average-Use class of customers over the next five years, the increases average about 3% or \$21 per year per household. See details below.**

Fairness Principle & Quality Service. The charges were developed by an independent outside rate firm, which recommended the moderate increases described in this notice to maintain quality sanitary sewer services. The changes assure that each customer class pays its fair share of the costs of service.

Sewer Service Charges Are Based on Winter Water Use. Each residential customer is assigned a user class based on water usage during the winter months. Winter water usage generally reflects the amount of water used indoors and drained into the sanitary sewer system. Charges are based on three levels of use: HIGH-WATER USERS with 200% or more than the average winter water use; AVERAGE-WATER USERS with 26% to 199% of the average winter water use; and LOW-WATER USERS with 25% or less than the average winter water use. Note that over 87% of customers are in the Average tier, including individually non-metered (multi-unit) residential customers.

Proposed Residential Rate Increase

	Current	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026
LOW Water Use	\$395	\$431	\$444	\$457	\$471	\$485
AVERAGE Water Use	\$657	\$677	\$698	\$719	\$740	\$762
HIGH Water Use	\$1,181	1,210	1,247	\$1,284	\$1,323	\$1,362

If adopted, the new charges will be effective July 1, 2022, and first appear on the fall 2022 property tax bill under the description "SANI #6 – NOVATO."

Note: under Government Code Section 53759(d), there is a 120-day statute of limitation for any challenge to the new, increased, or extended fee or charge.

Low Income Sewer Rate Assistance Program (LISRAP). Low-income, single-family residential customers who enroll in the District's LISRAP program will continue to receive discounts based on enrollment in the PG&E CARES Program. Low-Water-Use customers in the LISRAP Program would receive a 15% discount and experience a sewer service charge increase of only about \$12 per year. All other single-family residential customers in the LISRAP program would continue to receive a 10% discount.