



Notice of Proposed Increases in the Sewer Service Charge, Changes to the Rate Structure, and Public Hearing For NON-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. The District has made many improvements to its facilities in recent years, such as upgrading 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: Residential customers and Non-Residential customers with low-strength, medium-strength and high-strength wastewater. In order 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 rate adjustments over the next five years as detailed in this document.

Fairness Principle & Quality Service. Non-residential customers pay sewer service charges based on their winter water use, inside floor area, and wastewater strength factors. 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. District sanitary sewer service charges are among the lowest in the County and are expected to remain among the lowest even if the proposed increases are passed. More information on our low rates is on the back page of this notice.

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.

Summary: Changes to Non-Residential bills will vary in the first year from moderate decreases to moderate increases.

As a result of the cost-of-service changes described above, some non-residential customers may experience decreases in their bill while others may experience moderate increases, depending on floor area, water usage, and sewer strength. The changes to the rates will assure that each customer pays their fair share relative to the cost of providing service. After the first-year's rate structure adjustments, all customers will experience a 3% increase each year for the next four years (from July 2023 to July 2027).



Use These Charts to Calculate Non-Residential Sewer Charges Under The Proposed Rates

To accurately reflect the cost of service, non-residential rates are comprised of three factors:

Square footage of the non-residential space reflects its capacity to generate wastewater, called the Flow Factor.

Water use in winter as measured by the water bill, reflecting the amount of wastewater generated.

Strength of the wastewater is based on the type of business, which reflects the cost to treat the wastewater.

1. Fixed Charge Per Square Foot

The floor area in square feet of different types of non-residential accounts is multiplied by a Flow Factor, which accounts for the estimated volume of wastewater associated with different commercial activities.

NOTE: The charge is the annual charge per square foot of floor area. The current base charge per square foot is \$0.270, although different flow factors may apply.

User Type	Flow Factor	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026
Base Charge/square foot	1.0000	\$0.179	\$0.184	\$0.190	\$0.196	\$0.202
Warehouse/mini-storage	0.0000	\$0	\$0	\$0	\$0	\$0
Offices						
Retail						
Public office buildings						
School classrooms/administration						
Churches						
Auto service stations	1.0000	\$0.179	\$0.184	\$0.190	\$0.196	\$0.202
Auditoriums theaters						
Gymnasium w/showers						
Hotels/motels, not incl. restaurant						
Meeting halls with kitchens						
Supermarkets						
Mortuaries						
Medical offices						
Veterinary offices	1.3017	\$0.233	\$0.239	\$0.247	\$0.255	\$0.263
Dental offices						
Hospitals						
Cafeterias/dining areas						
Restaurants/cafes						
Bakeries	2.0000	\$0.358	\$0.368	\$0.380	\$0.392	\$0.404
Delicatessens						
Ice cream/yogurt shops						
Laundry and laundromats	3.0000	\$0.537	\$0.552	\$0.570	\$0.588	\$0.606

2. Volumetric Charge

The variable Volumetric Charge per thousand gallons (TGAL) of water used for different non-residential users is shown below for fiscal years 2022-23 through 2026-27. It is calculated on the average water meter readings from December to April of the previous year. The current base charge is \$4.77 per TGAL although different strength factors may apply.

User Type	Strength Factor	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026
Base Charge/square foot	1.0000	\$7.36	\$7.58	\$7.81	\$8.04	\$8.28
Warehouse/mini-storage	0.0000	\$0	\$0	\$0	\$0	\$0
Offices						
Retail						
Public office buildings						
School classrooms/administration						
Churches						
Auto service stations						
Auditoriums theaters	1.0000	\$7.36	\$7.58	\$7.81	\$8.04	\$8.28
Gymnasium w/showers						
Hotels/motels, not incl. restaurant						
Medical offices						
Veterinary offices						
Dental offices						
Hospitals						
Laundry and laundromats	1.2052	\$8.87	\$9.14	\$9.41	\$9.69	\$9.98
Meeting halls with kitchens						
Cafeterias/dining areas						
Restaurants/cafes						
Supermarkets						
Bakeries	1.8424	\$13.56	\$13.97	\$14.39	\$14.82	\$15.26
Delicatessens						
Ice cream/yogurt shops						
Mortuaries						

3. The Total Annual Charge Formula

The charge for single-use buildings is determined as follows:

$$(\text{Sq. Footage of Building} \times \text{Sq. Footage Charge}) + (\text{Water Usage} \times \text{Water Use Charge}) = \text{Total Charge}$$

The charge for buildings with mixed, non-residential uses is a combination of the floor area and strength factor for each type of non-residential use and the total water consumption for the whole building. District staff can help with the math.

Sample Non-Residential Bills (Examples of Annual Bills For the Proposed Rates Beginning July 1, 2022

Strength	Size	Sq Ft	Water	Current	Proposed Bill
Low	Small	1,000	1,500	\$29.66	\$25.96
	Medium	4,000	8,000	\$128.18	\$118.55
	Large	20,000	25,000	\$596.32	\$482.33
Medium	Small	1,000	1,500	\$32.53	\$28.22
	Medium	2,000	8,000	\$98.48	\$100.79
	Large	5,000	21,000	\$252.87	\$260.85
High	Small	1,000	3,000	\$53.62	\$55.60
	Medium	10,000	11,000	\$339.12	\$298.33
	Large	30,000	36,000	\$1,048.48	\$935.66

Note: these are only examples. Each non-residential bill is calculated as described above. Water flow is in gallons per month.



NON-RESIDENTIAL NOTICE

This notice was mailed using a legally mandated list. As a result you may receive more than one copy. Please share copies with your tenants.

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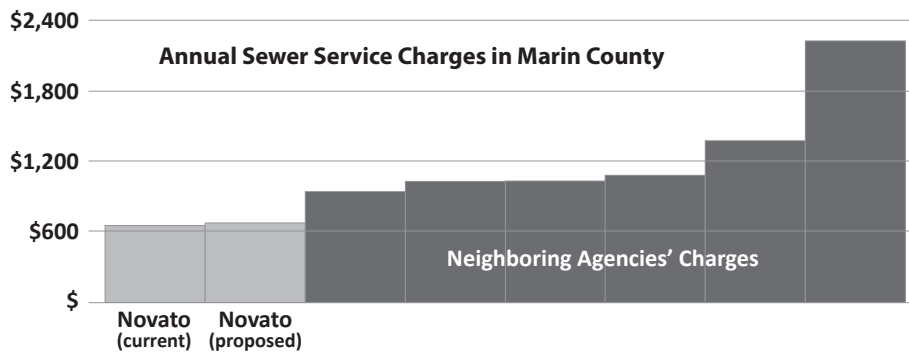
LEGAL COUNSEL

Rachel Hundley

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

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



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). This information is provided for illustrative purposes only.

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

Additional Information about the Proposed Changes

If adopted, the new charge will be effective July 1, 2022, and first appear in the fall 2022 property tax bill for most non-residential customers. Note that some non-residential customers receive bills by mail from the District. 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.