

ORDINANCE NO. 123

**AN ORDINANCE OF THE NOVATO SANITARY DISTRICT
ESTABLISHING SEWER SERVICE CHARGES
FOR FISCAL YEARS 2022-23, 2023-24, 2024-25, 2025-26, AND 2026-27**

WHEREAS, the Novato Sanitary District has previously developed and instituted a Sewer Service Charge program to finance the services and facilities furnished by the District; and

WHEREAS, Ordinance No. 111, adopted by the Board of Directors on August 6, 2007, established a methodology for calculating the charges and set sewer service charge rates and amounts through fiscal year 2009-2010; and

WHEREAS, in adopting Ordinance No. 111, the Board relied on various studies and documents, which are available for inspection at the District offices; and

WHEREAS, Section 23 of Ordinance No. 111 provides that the Board may modify rates and charges by adopting new tables from time to time where there is no modification of the methodology; and

WHEREAS, Ordinance No. 116, adopted by the Board of Directors on June 25, 2012, set the sewer service charge rates and amounts through fiscal year 2015-16; and

WHEREAS, Ordinance No. 120, adopted by the Board of Directors on June 13, 2016, set the sewer service charge rates and amounts through fiscal year 2020-21; and

WHEREAS, on April 12, 2021, at its Regular Meeting, the Board of Directors confirmed its intent of no increase to Sewer Service Charge (SSC) per Equivalent Dwelling Unit (EDU) levels for Fiscal Year (FY) 21-22 from the prior fiscal year, citing the impacts of the COVID-19 pandemic at that time; and

WHEREAS, on Monday, the 9th day of May, 2022, at the hour of 5:30 p.m., and via Zoom® teleconferencing under the provisions of Assembly Bill AB 361, the Board of Directors of the District heard and considered proposed sewer service charge increases for fiscal years 2022-2023 through 2026-2027, and the Secretary published a notice of said hearing once a week for two successive weeks with at least five days intervening between the respective publication dates, with the first publication being at least fourteen days prior to the date set for

said hearing, in the Marin Independent Journal, a newspaper of general circulation printed and published in the County; and

WHEREAS, the Board of Directors of the District has reviewed the current schedule of sewer service charge rates and amounts and determined certain adjustments are necessary to ensure sewer service charges continue to fund but not exceed the costs of providing sewer service and are allocated proportionally; and

WHEREAS, necessary adjustments include an increase to the residential Service Unit rate in the average usage tier in the amount of twenty dollars (\$20) in fiscal year 22-23; twenty one dollars (\$21.00) annually each of the fiscal years 2023-24; 2024-25; 2025-26; and twenty-two dollars (\$22) in fiscal year 2026-27; and a proportional increase to non-residential rates based on square footage and variable water use charges, as authorized by Section 53756 of the California Government Code; and

WHEREAS, in determining that the sewer service charges should be increased, the Board of Directors also considered the “2022 Sewer Rate Study” prepared by Hildebrand Consulting LLC and dated March 8, 2022; and

WHEREAS, in adopting this Ordinance, the Board of Directors finds that:

- a. Written notices of the proposed increases in sewer service charges were sent by first class U.S. mail to every owner of property connected in the District at least 45 days prior to the Public Hearing on the proposed increases conducted on May 9, 2022.
 - b. All proper protests submitted by property owners or occupants (one protest per parcel) against the proposed increases in the sewer service charges, including those provided in person or by U.S. mail or fax or e-mail, were considered and tallied at the public hearing conducted on May 9, 2022, and the District was not presented with protests by a majority of the owners of the identified parcels affected by this change.
 - c. Based on the draft budget, the amount of the charges imposed does not exceed the proportional cost of the service attributable to the properties receiving service and the charges are imposed only on those properties actually receiving service or for those which service is immediately available.
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- d. Adoption of this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the State CEQA Guidelines codified at 14 CCR §15273 because the Ordinance pertains to the adoption of charges necessary to maintain services within the District's existing service area.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Novato Sanitary District as follows:

Section 1. The foregoing recitals are true and correct and made a part of this Ordinance.

Section 2. Table 1A, Table 1, and Table 2 of Section 4 of that certain ordinance entitled "Ordinance No. 111, An Ordinance of the Novato Sanitary District "Repealing District Ordinance No. 42, and Prescribing Rates and Charges for Sewage Disposal Service and Providing Procedures and Penalties for its Enforcement", passed by the Board of Directors of the Novato Sanitary District on August 6, 2007, are hereby amended as set forth in Attachment A to this Ordinance. The examples in subdivisions (C) and (D) of Section 4 of Ordinance No. 111 illustrating the calculation of charges using prior rates and amounts are for clarification and do not affect the rates and amounts established by this Ordinance.

Section 3. The rates for residential customers in Table 1A of Attachment A reflect the inclusion of an annual collection fee of Two and 00/100 Dollars (\$2.00) per County Assessor's parcel billed. For each non-residential parcel whose service charges are collected on the Marin County tax roll, the rates of Tables 1 and 2 reflect an annual county collection fee of Two and 00/100 Dollars (\$2.00).

Section 4. Charges for users of the District's sewer system authorized by this Ordinance shall take effect on July 1 of each fiscal year in accordance with such procedures as may be required by law, and shall thereafter continue in effect until further action of the Board of Directors. To the extent this Ordinance No. 123, or the sewer service charges adopted herein, is challenged and set aside for any reason, Ordinance No. 120 and the preexisting fiscal year

2020-21 sewer service charges adopted therein shall be immediately restored and will be effective until further action of the Board of Directors.


Section 5. Except as provided above, all of the balance of said Ordinance No. 111 shall remain in full force and effect.

Section 6. Upon adoption, this ordinance shall be entered in the minutes of the Novato Sanitary District Board. The Secretary of the Board shall publish a summary of the ordinance prepared by the District Counsel one time in the Marin Independent Journal, a newspaper of general circulation published in the District, along with the names of the members of Board voting for and against and shall post a certified copy of the full text of this ordinance and the names of the members of the Board voting for and against at the District Office for one week following publication of the summary. This ordinance shall take effect on July 1, 2022.

PASSED AND ADOPTED this 9th day of May, 2022, by the Board of Directors of the Novato Sanitary District by the following vote:


AYES:	Members:	<u>Dillon-Knutson, Fvette, Mariani, Peters</u>
NOES:	Members:	<u>Long</u>
ABSENT:	Members:	<u>None</u>

SIGNED:



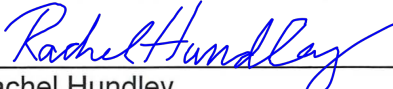
Timothy Fvette,
President of the Board of Directors
Novato Sanitary District

COUNTERSIGNED:



Sandeep Karkal,
Secretary, Novato Sanitary District

APPROVED AS TO FORM:



Rachel Hundley,
Counsel for the District

(See Attachment A, beginning next page) →

**ATTACHMENT A
 SEWER SERVICE CHARGE SCHEDULE FOR
 FISCAL YEARS 2022-23, 2023-24, 2024-25, 2025-26, 2026-27
 AND THEREAFTER UNTIL MODIFIED BY THE BOARD**

Table 1A – Residential Rates, annual*

	Current Charge	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
1 SU (Average Water Use)	\$657	\$677	\$698	\$719	\$740	\$762
Low Water Use	\$395	\$431	\$444	\$457	\$471	\$485
High Water use	\$1,181	\$1,210	\$1,247	\$1,284	\$1,323	\$1,362

*Rates apply to equivalent dwelling units including, but not limited to, single family residential homes, and each unit of multi-family residential buildings. Includes \$2 County of Marin charge for collection on tax rolls.

**Table 1: Non-Residential Rates
 Fixed Charge Per Square Foot (including flow factors)**

User Type	Charges					
	Floor Area Flow Factor	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Base Charge/square foot	1.0000	\$0.18	\$0.18	\$0.19	\$0.20	\$0.20
Warehouse/mini-storage	0.0000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Office Retail Public office buildings School classrooms/administration Churches	1.0000	\$0.18	\$0.18	\$0.19	\$0.20	\$0.20
Auto service stations Auditoriums, theaters Gymnasium w/showers Hotels/motels, not incl. restaurant Meeting halls with kitchens Supermarkets Mortuaries	1.3017	\$0.23	\$0.24	\$0.25	\$0.26	\$0.26
Medical offices Veterinary offices Dental offices Hospitals	2.0000	\$0.36	\$0.37	\$0.38	\$0.39	\$0.40
Cafeteria/dining area Restaurants/cafes Bakeries Delicatessens Ice cream/yogurt shops	3.0000	\$0.54	\$0.55	\$0.57	\$0.59	\$0.61
Laundries and laundromats						

Note: The current base charge is \$0.270 per sq ft, although different flow factors may apply.

**Table 2: Non-Residential Rates
 Variable Charge (water use and strength factors)**

User Type	Charge Per TGAL ⁽¹⁾					
	Strength Factor	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Base Charge/square foot	1.0000	\$7.36	\$7.58	\$7.81	\$8.04	\$8.28
Warehouse/mini-storage	0.0000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Office Retail Public office buildings School classrooms/administration Churches Auto service stations Auditoriums, theaters Gymnasium w/showers Hotels/motels, not incl. restaurants Medical offices Veterinary offices Dental offices Hospitals	1.0000	\$7.36	\$7.58	\$7.81	\$8.04	\$8.28
Laundries and laundromats Meeting halls with kitchens	1.2052	\$8.87	\$9.14	\$9.41	\$9.69	\$9.98
Cafeteria/dining area Restaurants/cafes Supermarkets Bakeries Delicatessens Ice cream/yogurt shops Mortuaries	1.8424	\$13.56	\$13.97	\$14.39	\$14.82	\$15.26

⁽¹⁾ TGAL = Thousand gallons. Charges based on historical winter water consumption.

Notes:

1. The current base charge is \$4.77 per TGAL, although different strength factors may apply.
2. The annual volume of water use in TGAL/year is calculated based on the average winter water use. (Winter bimonthly water use x 6 = annual volume of water use).

Notes for Tables 1 and 2: Warehouses, ministorage buildings and other storage buildings not connected to the sewers are not charged for sewer use.