

MT. VIEW SANITARY DISTRICT



FEBRUARY 2020

Notice of Public Hearing to Consider Increase in Sewer Service Charge

Wastewater infrastructure is essential to protect public health and the environment. Mt. View Sanitary District (MVSD), established in 1923, has been fulfilling this mission for nearly 100 years. Due to the ongoing and immediate needs to replace critical aging infrastructure and meet increasingly stringent regulations that require significant upgrades in equipment and technology, the MVSD Board of Directors will consider the adoption of a rate increase on annual sewer service charges and other rates and fees for sanitary sewer service.

The MVSD Board will vote on this rate increase following the Public Hearing on April 9.

PUBLIC HEARING

Thursday, April 9, 2020, 6:30 p.m.
Mt. View Sanitary District
Board Room
3800 Arthur Road
P.O. Box 2757
Martinez, CA 94553

Planning for the Future

Nearly nine years ago, MVSD completed a comprehensive infrastructure evaluation and began implementing a long-term Capital Improvement Program. The Capital Improvement Program prioritizes which parts of the treatment plant and collection system are expected to need repair or replacement, and when those projects are expected to occur. By addressing its infrastructure needs now, the District will be able to meet regulatory requirements, prepare for the future, and ensure sustainability. To meet these challenges, rate increases are necessary. The most recent Capital Improvement Program update may be found on the MVSD website at <https://mvsd.org/about-the-district/financial-information> and includes descriptions and photos of each capital project.

MVSD continues its responsible stewardship of public funds by controlling operating costs and investing in key capital improvement projects. These projects ensure that wastewater and its by-products continue to be collected, transported, treated, recycled and reused (when appropriate), and ultimately, disposed of properly.

By proactively maintaining its wastewater infrastructure, MVSD has extended the lifespan of its facilities and will continue to do so into the future.



Biotower media inspection.

Planning for the Future (Continued)

MVSD recently completed two major projects:

- Replacement of equipment and controls at the Biofilter and Biotower trickling filter units
- Restoration of treatment ponds in Moorhen Marsh

Some of the important upcoming projects in the next ten years include:

1. Replacement of equipment and controls at the ultraviolet disinfection system
2. Replacement and upgrade of the wastewater treatment plant electrical and control systems
3. Replacement of pumps and piping at the Biotower
4. Replacement of equipment and controls at the centrifuge biosolids dewatering system
5. Replacement and upgrade of equipment and eventual expansion of the headworks facility
6. Replacement and upgrade of equipment and controls at the biosolids digesters, and cleaning of digesters
7. Rehabilitation of the Biotower filter media and seismic upgrade to the Biofilter structure
8. Cleaning and televising of sewer collection system piping
9. Repair, rehabilitation, and replacement of sewer collection system piping and manholes
10. Conduct Master Plan studies to maintain an ongoing understanding of the state of the District's

infrastructure. These studies help MVSD to account for increasingly stringent regulatory requirements, and will become a reference point for capital planning, project prioritizing, annual budgeting, and rate setting in the future.

Planning for these critical and necessary improvements requires that MVSD maintain a sound financial position. As construction costs continue to rise faster in the Bay Area than anywhere else in the nation, and as regulatory requirements become more stringent, the cost of wastewater infrastructure continues to increase. Capital expenditures for MVSD have increased from an annual average of \$464,065 for 2011-2014 to an annual average of \$4,405,178 for 2016-2019.

To maintain its ability to provide its customers with the best possible service and to fully fund the Capital Improvement Program, MVSD will be requesting rate increases for Fiscal Year 2020-2021 through Fiscal Year 2024-2025. The proposed rate schedule information is contained in the chart below.

The combined impact of changes in customer characteristics and the annual increase in revenue requirements on unit costs and sewer service charges is shown in the table below. When the impact of changes in customer characteristics is combined with the impact of the increase in revenue requirements, the changes in customer bills will vary between customer classes.

PROPOSED RATE SCHEDULE

Customer	Current Sewer Service Charges		Proposed Sewer Service Charges			
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Class*	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Single Family Residential	\$615.60	\$802.20	\$874.44	\$953.16	\$1,038.96	\$1,132.44
Apartment/Mobile Home	\$530.16	\$642.60	\$700.44	\$763.44	\$832.20	\$907.08
Group 1 General Commercial	\$8.16	\$10.90	\$11.88	\$12.96	\$14.16	\$15.48
Group 1A Commercial	\$8.41	\$10.90	\$11.88	\$12.96	\$14.16	\$15.48
Group 2 Commercial (>600)	\$9.17	\$11.95	\$13.08	\$14.28	\$15.60	\$17.04
Group 3 Commercial (>1000)	\$11.52	\$15.00	\$16.32	\$17.76	\$19.32	\$21.00
Group 4 Commercial (>1200)	\$12.53	\$16.35	\$17.88	\$19.44	\$21.24	\$23.16
Group 5 Commercial (>1500)	\$14.38	\$18.75	\$20.40	\$22.20	\$24.24	\$26.40

	Current Unit Costs		Proposed Unit Costs			
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Flow per Million Gallons	\$6,778	\$8,832	\$9,627	\$10,493	\$11,438	\$12,467
BOD per Thousand Pounds	\$0.89	\$1.16	\$1.27	\$1.38	\$1.51	\$1.64
TSS per Thousand Pounds	\$0.97	\$1.27	\$1.38	\$1.51	\$1.64	\$1.79

*The commercial groups are determined based on Biochemical Oxygen Demand and Total Suspended Solids content of the sewer discharge (see District Code 7.8.5 @ https://mvsd.org/wp-content/uploads/2018/10/j_Chapter-7-Fees-Rates-and-Charges-10-11-18.pdf). Your commercial group identification remains the same as it is currently. Group 1A: Laundromat, dry cleaner, hospitals and clinics with grease interceptors.

Why are Rate Increases Needed Now?



Pile driving for the Moorhen Marsh boardwalk.

The primary cost driver for rate increases is the immediate need to replace, repair, and maintain aged infrastructure in a time of escalating construction costs. There are also imminent

regulatory drivers that increase operational costs now and will also require future additional treatment improvements.

- The State Toxicity Provisions, anticipated to be adopted summer 2020, increase the requirement for effluent chronic toxicity monitoring fourfold for MVSD and will establish numeric toxicity limits that trigger additional monitoring.
- The State Environmental Laboratory Accreditation Program proposed regulatory changes requiring increased record keeping and personnel time.
- The San Francisco Bay Regional Water Quality Control Board Nutrient Watershed Permit will require the implementation of additional nutrient removal technologies.

- Climate Change has prompted numerous California regulations that increase the cost of sewer collection and wastewater treatment such as:
 - o Assembly Bill (AB) 32, which requires a reduction in greenhouse gas emissions,
 - o Senate Bill (SB) 1383, which requires diversion of organic materials from landfills,
 - o AB 1482, AB 2800, SB 246, and SB 379, which requires climate adaptation and resiliency strategies for all new infrastructure.
- Federal and State regulatory agencies continue to establish directives for constituents of emerging concern including per- and polyfluoroalkyl substances (PFAS/PFOA), microplastics, heavy metals, pesticides, and pharmaceuticals that require continued treatment improvements.

The District remains committed to protecting public health and the environment and continues to offer additional services including partnering with Central Contra Costa Sanitary District to operate the Household Hazardous Waste Collection facility, providing our award-winning wetlands education program, and maintaining a used sharps collection station for our public.

Informational Open-House Public Meeting

What Does this Mean for You?

In 1996, California voters approved Proposition 218, also known as the "Right to Vote on Taxes Act". Proposition 218 amended the California Constitution to require special districts like Mt. View Sanitary District (District or MVSD) to provide notice to property owners of the opportunity to protest before increasing existing and future property related fees and charges such as the District's Sewer Service Charge. This is to inform you of proposed rate increases.

To learn more about the proposed rate increases and the District's plan for the necessary replacement and upgrade of its infrastructure, you are invited to attend an open house public meeting at MVSD.

INFORMATIONAL OPEN-HOUSE PUBLIC MEETING:

Wednesday, March 18, 2020
3:00 p.m. to 6:00 p.m. in the
MVSD Administration Building Board Room
3800 Arthur Road, Martinez CA

As set forth elsewhere in this Notice, the actual Public Hearing on April 9, 2020, will be held in the Board Room at the District Administration Office located at 3800 Arthur Road, Martinez, CA 94553. District Office Hours are 7:00 AM to 4:30 PM Monday through Thursday, and 7:00 AM to 3:30 PM Friday.

For the latest information from MVSD and on the proposed rate increase, please visit our website www.mvsd.org. Be sure to follow us on Facebook at <https://www.facebook.com/mtviewsd/>.

How to Protest the Proposed Rate Increase

All owners and tenants of property receiving sanitary sewer service from Mt. View Sanitary District are invited to attend the Public Hearing on April 9, 2020, and to comment on the proposed rate increase. Proposition 218 allows property owners to file a written protest before or during the public hearing. If written protests are presented by a majority of all the District's property owners, a rate increase will not be approved. Only one written protest per identified parcel or property will be counted for purposes of determining whether there is a majority protest.

Written protests must be received prior to the close of the Public Hearing on April 9 to be considered. The written protest must be signed by the property owner(s) and must include a description of the affected property, including address and/or Assessor's Parcel Number. If you were not identified as the owner of the property on the most recent Contra Costa County tax roll, include written evidence that you presently own the property.

WRITTEN PROTESTS CAN BE MAILED TO:

**MVSD Board Secretary
Mt. View Sanitary District
P.O. Box 2757
Martinez, CA 94553**

Or, written protests may be hand-delivered to Mt. View Sanitary District officials or staff at the Administration Office during its office hours on or before April 9, 2020, or up to the close of the Public Hearing on the night of the meeting, April 9, 2020.

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