



Approved:

Lilia M. Corona  
General Manager

# STAFF REPORT

**TO:** Mt. View Sanitary District Board of Directors

**FROM:** Lilia Corona, General Manager

**DATE:** May 4, 2023

**SUBJECT:** Continued Public Hearing to Consider Increase in Sewer Service Charge for Fiscal years 2023-2024 through 2025-2026

---

## RECOMMENDATION

1. Receive Report from Staff
2. Continued Public Hearing
  - a. Open Public Hearing
  - b. Receive Public Testimony
  - c. Close the Public Hearing
3. Determine whether a valid protest exists in accordance with California Constitution Article XIII. D. Sec. 6, (2).

And:

4. Adopt a motion approving the revised recommended 3-year Sewer Service Charge Schedule as amended in the FINAL 2023 SEWER SERVICE CHARGE STUDY dated March 2023.

5. Adopt Ordinance No. 2023-140, Promulgating General Regulation No. 140, Adopting and Establishing a 3-year Schedule of Sewer Service Charges for Fiscal Years 2023-2024 through 2025-2026.

Or Alternately (to 4 and 5):

6. Provide direction to the General Manager for an alternative approach.

## **DISCUSSION**

The Board approved Final 2023 Sewer Service Charges Study accurately represents the needed 5-year schedule of rates if MVSD is planning for a sustainable provision of sewer services into the future. In light of the surprise offer from Central San at the April 13, 2023, public hearing to fund a collaborative consolidation feasibility study (Study), I am revising my recommendation to the MVSD Board.

I met with Central San General Manager Roger Bailey on May 1, 2023. He confirmed that Central San would fund the Study. It will be a collaborative effort between the two districts with equal voice from each district and will begin after LAFCO concludes the Wastewater Municipal Service Review.

MVSD has since initiated a review of planned capital expenditures and is eliminating budget expenses, where possible, that were intended for prolonged sustainability. We are now focusing on ensuring the provision of services and protection of the public health and the environment for the next 3 years and will reevaluate rates and expenditures in consideration of the Study results. It is important to understand that a feasibility study may or may not result in a recommendation for consolidation. MVSD will suffer an increase in capital costs for postponed projects should the outcome of the feasibility study result in no consolidation.

However, in consideration of the outpouring from MVSD residents, current economic hardships, and the potential of consolidation, I am revising my recommendation to the Board to approve FY24 and FY25 at the proposed single-family rates of \$888 and \$972, respectively, as supported by the Final 2023 Sewer Service Charges Study and an increase by the District Inflation Index for FY26, as prescribed by Section 7.17.2 of the District Code.

**Subject:**Public Hearing to consider Rate Schedule

**Date:** May 4, 2023

**Page 3 of 4**

---

Customer Class	Billing Units	Prior FY21	Prior FY22	Current FY23	Recommended 3-Year Rate Plan		
					FY24	FY25	FY26
<b>Unit Costs</b>							
Flow	\$/million gal	\$7,409	\$8,150	\$8,965	\$9,771	\$10,651	N/A
BOD	\$/ 1000 lbs.	\$0.98	\$1.07	\$1.18	\$1.29	\$1.40	N/A
TSS	\$/1000 lbs.	\$1.06	\$1.17	\$1.29	\$1.40	\$1.53	N/A
<b>SSCs</b>							
	<i>rounding) &gt;</i>			10.00%	9.06%	9.46%	<i>Inflation Ind</i>
Residential	Annual	\$672.84	\$740.16	\$814.20	\$888	\$972	TBD
Apt/MH U	Annual	\$539.04	\$592.92	\$652.20	\$708	\$768	TBD
<b>Nonresidential</b>							
Group 1	\$ per HCF	\$9.20	\$10.08	\$11.04	\$12.05	\$13.15	TBD
Group 1	\$ per HCF	\$9.20	\$10.08	\$11.04	\$12.05	\$13.15	TBD
Group 2	\$ per HCF	\$10.00	\$11.04	\$12.12	\$13.20	\$14.40	TBD
Group 3	\$ per HCF	\$12.60	\$13.92	\$15.36	\$16.75	\$18.25	TBD
Group 4	\$ per HCF	\$13.70	\$15.12	\$16.68	\$18.20	\$19.85	TBD
Group 5	\$ per HCF	\$15.70	\$17.28	\$18.96	\$20.65	\$22.50	TBD
PMA's **	\$ per HCF	\$12.23	\$11.04	\$132.92	\$16.15	\$17.60	TBD
VA Clinic	\$ per HCF	\$9.20	\$10.08	\$11.04	\$12.05	\$13.15	TBD

Inflation Ind - Inflation Index according to District Code 7.17.2

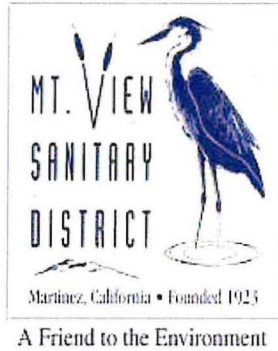
TBD - To be Determined.

My recommendation is that the Board commit to annually reviewing the need for any rate increase and to limiting increases to funding only the essential expenditures. In addition to the reexamination of all planned capital expenditures, MVSD staff have frozen a recently vacated position, canceled the 100<sup>th</sup> Anniversary Celebration planned for October, and limited travel and training.

**FISCAL IMPACT**

Fiscal Yr.	TABLE 4		
	% Rate Increase	Single Family Residence Annual Fee	Revenue (X 1000)
FY24	9.1%	\$ 888	\$ 10,320
FY25	9.5%	\$ 972	\$ 11,160
FY26	TBD	TBD	\$ TBD
<b>Total</b>			> \$ <b>22,480</b>

The schedule of charges proposed in the FINAL Rate Study was projected to generate \$10.32 million dollars in revenue from sewer service charges in FY 23-24 and \$60.73 million dollars over the five-year schedule (FY 23-24 through FY 27-28). The revised recommendation will provide \$22.48 million in FY24 & FY25, with FY26 to be determined by the District Inflation Index for FY26. The District will revisit rates after the completion of the Feasibility Consolidation Study.



# FINAL

## 2023 Sewer Service Charges Study

---

Prepared for  
Mt. View Sanitary District  
Martinez, California  
March 2023

This Page Intentionally Blank.

# Table of Contents

List of Figures .....	ii
List of Tables .....	ii
List of Abbreviations .....	ii
Executive Summary .....	ES-1
Projected Cash Flow .....	ES-1
Customer Wastewater Discharge Characteristics .....	ES-2
Recommended Sewer Service Charges .....	ES-3
1. Introduction.....	1-1
1.1 Wastewater Management System Description .....	1-1
1.2 Regulatory Requirements .....	1-2
1.3 Rate Setting Process.....	1-2
1.4 Financial and Parcel Data .....	1-2
1.5 Sewer Service Charges Approved in 2020.....	1-4
1.6 Private Meter Agreements.....	1-4
2. Summary of Users and Wastewater Discharge Characteristics .....	2-1
2.1 Customer Wastewater Discharge Characteristics .....	2-1
2.2 Number of Accounts .....	2-2
3. Revenue Required from Sewer Service Charges.....	3-1
3.1 Fund 3409 Projected Cash Flow.....	3-1
3.2 Capital Improvement Program .....	3-2
3.3 Debt Issuance and Service.....	3-3
3.4 Funds 3409, 3410, 3412 and 3415 Projected Cash Flow .....	3-4
4. Sewer Service Charges .....	4-1
4.1 Recommended Sewer Service Charges.....	4-1
4.2 Revenue from Sewer Service Charges .....	4-2
4.3 Single Family Monthly Bill Survey.....	4-2
5. Conclusions and Recommendations.....	5-1
5.1 Conclusions .....	5-1
5.2 Recommendations.....	5-1
6. Limitations .....	6-1
Appendix A: Funds Cash Flow Tables.....	A
Appendix B: Revenue from Sewer Service Charges Table .....	B

## List of Figures

Figure 1-1. Overview of Rate Setting Analytical Steps..... 1-2  
 Figure 3-1. Projected Capital Program Expenditures FY23 – FY42..... 3-2  
 Figure 3-2. Debt Service Cumulative Interest and Remaining Principal, FY20 – FY42..... 3-3  
 Figure 3-3. Fund Balances, Revenue and Expenditures, FY22 – FY28 ..... 3-4  
 Figure 4-1. Single Family Monthly Bill Survey ..... 4-2

## List of Tables

Table ES-1. Fund Balances, Revenue and Expenditures for FY24 – FY28..... ES-1  
 Table ES-2. Changes in Customer Wastewater Discharge Characteristics FY18 – FY22 ..... ES-2  
 Table ES-3. Current and Recommended Unit Costs and Sewer Service Charges ..... ES-3  
 Table 1-1. Adopted Sewer Service Charges FY20 – FY 23 ..... 1-4  
 Table 2-1. Changes in Wastewater Discharge Characteristics FY18 – FY22 ..... 2-1  
 Table 2-2. Residential and Nonresidential Customer Classes, Groups and Wastewater Strength..... 2-2  
 Table 3-1. Fund 3409 Projected Cash Flow FY22 – FY28..... 3-1  
 Table 3-2. Projected Capital Program Expenditures FY23 – FY42..... 3-2  
 Table 3-3. Loan Agreements Payments FY20 – FY42..... 3-3  
 Table 3-4. Funds 3409, 3410, 3412 and 3415 Projected Cash Flow Summary..... 3-4  
 Table 4-1. Current and Recommended Unit Costs and Sewer Service Charges ..... 4-1  
 Table 4-2. Revenue from Current and Recommended Sewer Service Charges ..... 4-2

## List of Abbreviations

BOD	Biochemical Oxygen Demand	NPDES	National Pollutant Discharge Elimination System
CCCSD	Central Contra Costa Sanitary District	O&M	Operation and maintenance
CIP	Capital Improvement Program	PMA	Private Meter Agreement
Code	Mt. View Sanitary District Code	SOI	Sphere of Influence
District	Mt. View Sanitary District	SSC	Sewer Service Charges
FRP	Facilities Rehabilitation Program	TSS	Total Suspended Solids
FY	Fiscal year (July 1 to June 30)		
FY24	July 1, 2023 to June 30, 2024		
gpd	Gallons per Day		
HCF	Hundred Cubic Feet (~ 748.1 gallons)		
MVSD	Mt. View Sanitary District		



# Executive Summary

In February 2022 the Mt. View Sanitary District (MVSD or District) contracted with Municipal Financial Services to evaluate sewer service charges and recommend a revised schedule of Sewer Service Charges (SSCs). Sewer Service Charges are intended to recover revenues sufficient to adequately fund sewer utility operations, maintenance, and capital replacement expenditures, meet debt service obligations, keep rates as competitive as possible and maintain a prudent level of reserves.

## Projected Cash Flow

Beginning and ending fund balances, expenditures and revenues for the next five fiscal years, FY24 – FY28, are summarized in the table below.

Sewer Service Charges recommended for FY24 – FY28 are based on the expenditures and transfers summarized in the table. FY23 revenue from SSCs is projected to be approximately \$8,550,000. Based on recommended SSC increases that average 9.1 percent per year, revenue from SSCs will increase by approximately \$13,000,000 during the five-year period.

Projected capital expenditures for FY24 – FY28 are based on the annual projected capital expenditures provided by the District for minor capital expenditures (\$4,100,000) and major capital expenditures (\$51,500,000) from the District's 20-year plan. Major capital projects from the 20-year plan are funded at 80 percent of the planned expenditures. For example, FY25 capital expenditures of approximately \$6,400,000 in the 20-year plan are funded at approximately \$5,100,000. The total difference for FY24 – FY28 is approximately \$4,700,000. Annual debt service for the 2018 loan and 2021 loan totals approximately \$847,000. Both loans have 20-year maturities.

**Table ES-1. Fund Balances, Revenue and Expenditures for FY24 – FY28**

Item, \$ millions	3409	3410	3412	3415	Total	% of Total
Beginning Balances, July 1, 2023	3.9	0.7	6.9	0.0	11.5	
<b>Revenues</b>						
Sewer Service Charges	55.8	0.0	0.0	0.0	55.8	91.9%
Ad Valorem Taxes	2.2	0.0	0.0	0.0	2.2	3.6%
Interest	0.1	0.03	0.1	0.0	0.3	0.5%
Other	2.2	0.0	0.2	0.0	2.5	4.0%
<b>Total Revenues</b>	<b>60.3</b>	<b>0.03</b>	<b>0.3</b>	<b>0.0</b>	<b>60.7</b>	<b>100%</b>
<b>Expenditures</b>						
Operations & Maintenance	41.4	0.0	0.0	0.0	41.4	62%
Capital Projects	0.0	2.0	18.7	0.0	20.7	31%
Debt Service	0.0	0.0	0.0	4.2	4.2	6%
<b>Total Expenditures</b>	<b>41.4</b>	<b>2.0</b>	<b>18.7</b>	<b>4.2</b>	<b>66.3</b>	<b>100%</b>
Interfund Transfers	(17.9)	2.2	11.5	4.2	0.0	
Ending Balances, July 1, 2028	4.9	0.9	0.1	0.0	5.9	
Ending Balance Reserve Target, July 1, 2028	5.3	1.0	1.5		7.8	

Total fund balances are projected to decrease from \$11,500,000 to \$5,900,000. Total FY28 ending balances of \$5,900,000 are approximately \$1,900,000 below the target level of \$7,800,000. Ending balances for the following year, FY29, are projected to exceed target levels.

## Customer Wastewater Discharge Characteristics

As part of the 2017 Study, customer characteristics for Flow, BOD and TSS were evaluated to ensure that those characteristics approximately represent the volume of wastewater and pounds of conventional pollutants (BOD and TSS) entering the District’s Wastewater Treatment Plant and represent the approximate amount of volume and pounds of BOD and TSS generated by each customer or customer class connected to the District wastewater system. Changes in Flow and BOD/TSS concentrations for Apartments/Mobile Homes and General Commercial customer classes were implemented over a five-year period – from FY18 through FY22. Changes to customer characteristics are now fully incorporated into the rates. Changes in flow and strength adopted as part of the 2017 Study are listed in the table below. Text in red color indicates values that are changed from the prior year.

Table ES-2. Changes in Customer Wastewater Discharge Characteristics FY18 – FY22					
Rate Structure Feature	Adopted Flows and BOD/TSS				
	FY18	FY19	FY20	FY21	FY22
<b>SINGLE FAMILY FLOW AND BOD/TSS CONCENTRATIONS</b>					
Residential Average Daily Flow (gpd)	150	150	150	150	150
Residential Average BOD/TSS (mg/L)	287	287	287	287	287
<b>APARTMENT/MOBILE HOME UNITS FLOW AND BOD/TSS CONCENTRATIONS</b>					
Apartment Units Average Daily Flow (gpd)	143	138	129	120	113
<i>Percent of Residential Flow</i>	95%	92%	86%	80%	75%
Apartment Units Average BOD/TSS (mg/L)	287	287	287	287	287
<b>COMMERCIAL GROUP 1 BOD/TSS CONCENTRATIONS</b>					
General Commercial Average Daily Flow (gpd)	varies	varies	varies	varies	varies
General Commercial Average BOD/TSS (mg/L)	250	259	268	277	287
<i>Percent of Residential BOD/TSS</i>	87%	90%	93%	97%	100%

*Note: Text in red color indicates values changed from the prior year.*

## Recommended Sewer Service Charges

Recommended sewer service charges are shown in the table below. Note that except for about 20 accounts, sewer service charges are collected on the Contra Costa County tax roll. Charges not collected on the tax roll are billed directly to customers by the District.

Table ES-3. Current and Recommended Unit Costs and Sewer Service Charges								
Customer Class	Billing Units	Current	Recommended Five-Year Rate Plan					
		FY23	FY24	FY25	FY26	FY27	FY28	
<b>Unit Costs</b>								
Flow	\$ per million gallons	\$8,965	\$9,771	\$10,651	\$11,609	\$12,654	\$13,793	
BOD	\$ per 1000 pounds	\$1.18	\$1.29	\$1.40	\$1.53	\$1.67	\$1.82	
TSS	\$ per 1000 pounds	\$1.29	\$1.40	\$1.53	\$1.67	\$1.82	\$1.98	
<b>SSCs</b>		<i>% incr. &gt;</i>	<i>10.0%</i>	<i>9.1%</i>	<i>9.5%</i>	<i>8.6%</i>	<i>9.1%</i>	<i>9.4%</i>
Residential *	Annual	\$814.20	\$888	\$972	\$1,056	\$1,152	\$1,260	
Apt/MH Units	Annual	\$652.20	\$708	\$768	\$840	\$912	\$996	
<b>Nonresidential</b>								
Group 1	\$ per HCF	\$11.04	\$12.05	\$13.15	\$14.35	\$15.65	\$17.05	
Group 1A	\$ per HCF	\$11.04	\$12.05	\$13.15	\$14.35	\$15.65	\$17.05	
Group 2	\$ per HCF	\$12.12	\$13.20	\$14.40	\$15.70	\$17.10	\$18.65	
Group 3	\$ per HCF	\$15.36	\$16.75	\$18.25	\$19.90	\$21.70	\$23.65	
Group 4	\$ per HCF	\$16.68	\$18.20	\$19.85	\$21.65	\$23.60	\$25.70	
Group 5	\$ per HCF	\$18.96	\$20.65	\$22.50	\$24.55	\$26.75	\$29.15	
PMA's **	\$ per HCF	\$14.80	\$16.15	\$17.60	\$19.20	\$20.95	\$22.85	
VA Clinic	\$ per HCF	\$11.04	\$12.05	\$13.15	\$14.35	\$15.65	\$17.05	
* Recommended and Forecast SSCs for Residential and Apt/MH are rounded to the nearest \$12. Recommended and Forecast SSCs based on HCF are rounded to the nearest \$0.05.								
** The SSCs for accounts with PMAs (Private Meter Agreements) are the average for the class.								

This Page Intentionally Blank.

## Section 1

# Introduction

Sewer Service Charges are intended to recover revenues sufficient to adequately fund sewer utility operations, maintenance, and capital replacement expenditures, meet debt service obligations, keep rates as competitive as possible and maintain a prudent level of reserves.

## 1.1 Wastewater Management System Description

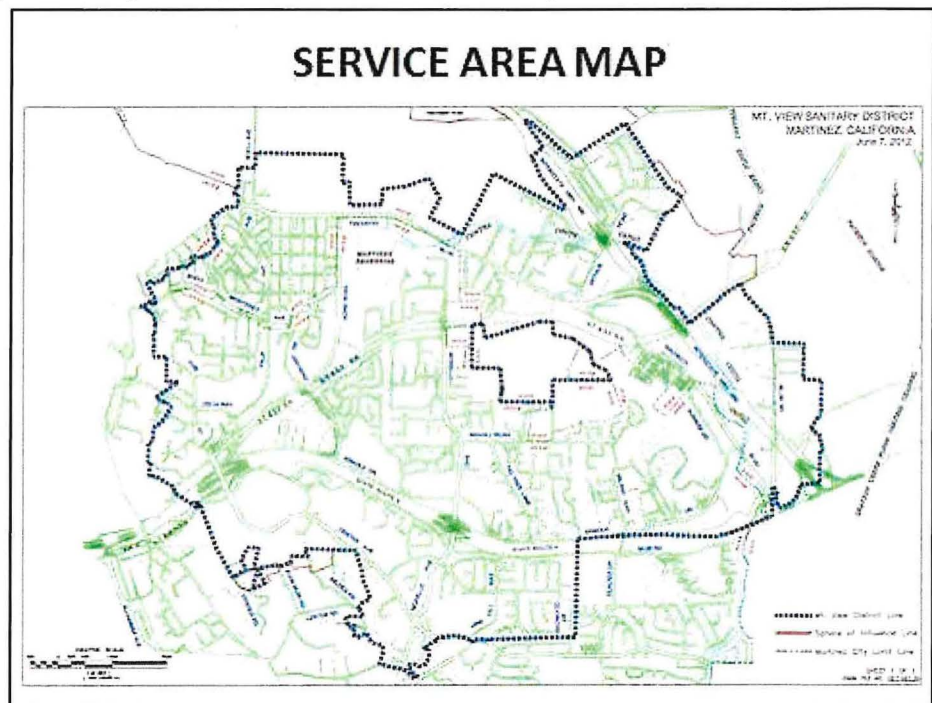
MVSD is an independent district, formed in 1923 pursuant to the Sanitary District Act of 1923 (Health & Safety Code §6400 et seq.). MVSD serves an estimated population of 22,000 residents consisting of approximately 7,912 residential and 314 commercial, industrial and institutional sewer connections. The District's service area is approximately 4.7 square miles. The District's sphere of influence (SOI) encompasses an

additional 1.6 square miles and primarily includes an area of 1.46 square miles of industrially zoned land to the north of the District's boundary as well as an island within the center of the District of 0.14 square miles that is in agricultural use. The SOI area to the north of the District is designated as heavy industrial to the west of I-680 and open space and parks and recreation to the east of I-680.

The District's wastewater collection system is located in the rolling hills in and surrounding Martinez and serves three zones or watersheds. The collection system includes four pumping stations and 73 miles of sewer pipelines ranging in diameter from 6 to 24 inches.

MVSD provides wastewater collection, treatment, and disposal services for the northeasterly portion of the City of Martinez and adjacent unincorporated lands to the northeast. The plant receives approximately 1.45 million gallons per day during dry weather.

The District collaborates with the Central Contra Costa Sanitary District (CCCSD) to provide a permanent Household Hazardous Waste Collection facility and disposal services for the central portion of the county. MVSD has a franchise agreement with Allied Waste (parent company to Pleasant Hill Bayshore Disposal) for Allied Waste to provide trash collection, recycling, and disposal services within the unincorporated area of MVSD's boundaries. The effluent is comprised of approximately 90% residential and 10% small business waste.

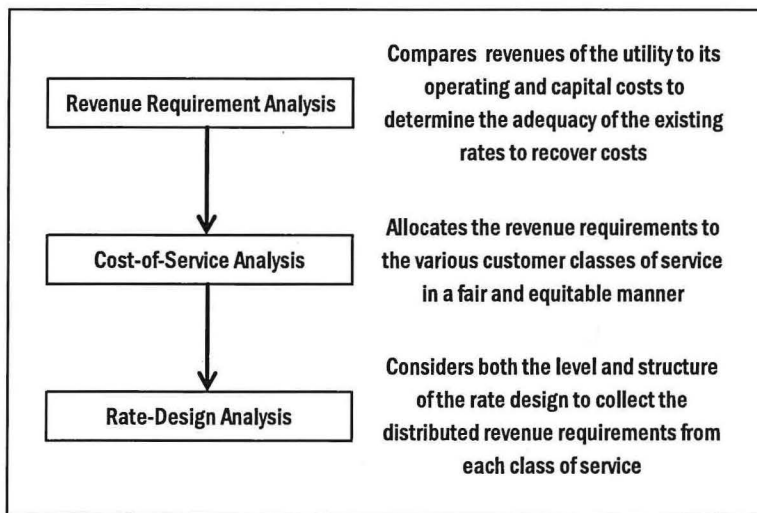


## 1.2 Regulatory Requirements

The updated Sewer Service Charges (SSCs) recommended in this study will fulfill the requirements found in the *Revenue Program Guidelines* published by the California Environmental Protection Agency's State Water Resource Control Board from its Policy for Implementing the State Revolving Fund for Construction of Wastewater Treatment Facilities.

## 1.3 Rate Setting Process

Sewer rate studies classically have three categories of technical analysis – the development of revenue required from rates, the allocation of costs among functional cost categories (cost-of-service analysis) and the design of a rate structure. An overview of the rate-setting analytical steps is shown in Figure 1-1.



The District previously completed a sewer rate study in 2017 (2017 Study). The study included a revenue analysis, cost-of-service analysis and rate-design analysis.

The current rate study includes an updated revenue requirement analysis. Rate-design changes and cost-of-service allocation adjustments recommended in the 2017 Study are now fully incorporated into the current and recommended rate structures.

Figure 1-1. Overview of Rate Setting Analytical Steps

## 1.4 Financial and Parcel Data

Information and data for the development of wastewater rates include a number of documents provided by the District. The list of documents, and the key information and data from each used in this study, are summarized below.

### ***Mt. View Sanitary District 2022-23 Fiscal Year Budget***

MVSD operates under a fiscal year budget cycle beginning July 1 and ending June 30. The District's Budget is balanced and consistent in its commitment to provide for the long-term continued provision of services to the District's ratepayers.

### ***Mt. View Sanitary District Financial Statements***

The Financial Statements provide discussion and analysis of District financial performance and financial activities for a fiscal year ended June 30. The District's financial statements present a balance sheet; statement of revenues, expenses and changes in net position; and statement of cash flows.

### ***Mt. View Sanitary District, District Financial Reserves Policy, No. 3125***

The District Financial Reserves Policy sets policy to enable realistic long-term planning, to assist with effective development of annual budgets, and to promote clear communications with the general public and District.

### ***Mt. View Sanitary District Capital Project Expenditure Program***

Capital expenditures are from the District's "10-year CIP Update" spreadsheet provided on June 16, 2022. The document includes capital expenditure estimates for FY23 – FY42.

### ***2018 Installment Sales Agreement #18-015***

The District and Municipal Finance Corporation entered into an Installment Sale Agreement on October 1, 2018, to affect the issuance of debt and acquisition of \$6,000,000 in funds by the District to pay for capital projects defined in the Installment Sale Agreement.<sup>1</sup> Installment payments for the Series 2018 Debt Agreement are \$449,344.52 due every October from 2019 through 2038 (20 years). Covenants of the District in the Series 2018 Debt Agreement require the District to maintain rates and charges for the Sewer System at a level that yields "Net Revenues" (all revenues net of operation and maintenance expenses) at least greater or equal to 115 percent of the debt service installment payments for a fiscal year.

### ***2021 Installment Purchase Contract***

On June 1, 2021, the District entered into an arrangement with Municipal Finance Corporation in the form of an installment purchase agreement to finance the acquisition, construction and installation of certain additions, betterments, extensions or improvements to the District sewer system. The agreement, fully funded in June 2021 and maturing in June 2041, calls for MFC to provide an advance payment of \$6,000,000 to the District in exchange for a series of twenty (40) semi-annual principal and interest installment payments. Interest accrues annually at a fixed rate of 2.90% on the unpaid principal. Title to the components of the 2021 Project immediately and automatically vest in the District upon their acquisition and construction. Covenants of the District in the Series 2018 Debt Agreement require the District to maintain rates and charges for the Sewer System at a level that yields "Net Revenues" (all revenues net of operation and maintenance expenses) at least greater or equal to 115 percent of the debt service installment payments for a fiscal year.

### ***Parcel Billing Data***

Parcel billing data is from the Mt. View Sanitary District 2022-23 Fiscal Year Sewer Service Charge Report and an extract from the District GIS (Geographic Information System) data base.

### ***Evaluation of Sewer Service Charges***

Current sewer service charges were based on recommendations presented in a report dated April 9, 2020, titled, "Revised Final 2020 Sewer Service Charges Study." The recommended charges were revised by direction of the Board of Directors in their June 11, 2020, meeting.

---

<sup>1</sup> Municipal Finance Corporation and Municipal Financial Services have no affiliations or relations with each other. The similarity in names is a coincidence.

## 1.5 Sewer Service Charges Approved in 2020

During June 2020, the District's Board of Directors adopted Ordinance No. 2020-129, *Promulgating General Regulation No. 129 Adopting and Establishing a 3-year Schedule of Charges and Fees for Fiscal Years 2020-2021 through 2022-2023*. A list of prior (FY20) and FY21, FY22 and FY23 SSCs approved by the Board are shown in the table below.

**Table 1-1. Adopted Sewer Service Charges FY20 – FY 23**

Customer Class	Unit	Prior	Approved in June 2020			Percent Increase		
		FY20 Rates	FY21 Rates	FY22 Rates	FY23 Rates	FY21	FY22	FY23
Residential	Annual	\$615.60	\$672.84	\$740.16	\$814.20	9%	10%	10%
Apt/MH Units	Annual	\$530.16	\$539.04	\$592.92	\$652.20	2%	10%	10%
Group 1	\$ per HCF	\$8.16	\$9.20	\$10.08	\$11.04	13%	10%	10%
Group 1A	\$ per HCF	\$8.41	\$9.20	\$10.08	\$11.04	9%	10%	10%
Group 2	\$ per HCF	\$9.17	\$10.00	\$11.04	\$12.12	9%	10%	10%
Group 3	\$ per HCF	\$11.52	\$12.60	\$13.92	\$15.36	9%	10%	10%
Group 4	\$ per HCF	\$12.53	\$13.70	\$15.12	\$16.68	9%	10%	10%
Group 5	\$ per HCF	\$14.38	\$15.70	\$17.28	\$18.96	9%	10%	10%

## 1.6 Private Meter Agreements

Customers with Private Meter Agreements (PMAs) are charged based upon wastewater flows estimates for each wastewater discharge point source multiplied by the corresponding Sewer Service Charge for that source. Section 7.2.5.4 from the District Code that describes PMAs is included below.

**7.2.5.4 Private Meter Agreement.** When multiple non-residential establishments with different strength sewage are served by a single public potable water meter, the Owner may install at the Owner's expense, a submeter or meters of a type and at a location(s) approved by the District. Private meters shall be installed in such a manner as to clearly differentiate between or among the quantities discharged by each establishment according to strength of sewage and Sewer Service Charge rate. Such meter(s) shall be tested for accuracy at the expense of the User when deemed necessary by the District Manager. (Ord. No. 2013-111)

A Private Meter Agreement shall be entered into by property owner with the District in a form approved by the District Manager. The initial cost and minimum annual charge for development and annual administration of a Private Meter Agreement shall be the actual costs incurred by the District. The District's annual charge to administer Private Meter Agreements shall not be less than the amount shown in Table 7-1. (Ord. No. 2010-102). The form of the agreement shall be prescribed by the District Manager. The Owner shall pay all costs required for the preparation and administration of the agreement and for reading, recording and submitting sub-meter readings in a form and frequency required by the District Manager. The Private Meter Agreement shall be recorded in the office of the County Recorder. (Ord. No. 2013-111).



## Section 2

# Summary of Users and Wastewater Discharge Characteristics

The purpose of this section is to summarize the identification of residential and commercial users and their corresponding wastewater characteristics in terms of wastewater flow and wastewater strength.

## 2.1 Customer Wastewater Discharge Characteristics

As part of the 2017 Study, customer characteristics for Flow, BOD and TSS were evaluated to ensure that those characteristics approximately represent the volume of wastewater and pounds of conventional pollutants (BOD and TSS) entering the District's Wastewater Treatment Plant and represent the approximate amount of volume and pounds of BOD and TSS generated by each customer or customer class connected to the District's wastewater system.

Changes in Flow and BOD/TSS concentrations for Apartments/Mobile Homes and General Commercial accounts were to be implemented over a five-year period – from FY18 through FY22. As a result of the changes in flow and strength over time, the adopted sewer service charges vary from those developed for other customer classes with flow and strength characteristics that do not vary over those years.

Changes in flow and strength adopted as part of the 2017 Study are listed in the table below. Text in red color indicates values that are changed from the prior year. Changes to customer characteristics are now fully incorporated into the rates.

Table 2-1. Changes in Wastewater Discharge Characteristics FY18 – FY22

Rate Structure Feature	Adopted Flows and BOD/TSS				
	FY18	FY19	FY20	FY21	FY22
<b>SINGLE FAMILY FLOW AND BOD/TSS CONCENTRATIONS</b>					
Residential Average Daily Flow (gpd)	150	150	150	150	150
Residential Average BOD/TSS (mg/L)	287	287	287	287	287
<b>APARTMENT/MOBILE HOME UNITS FLOW AND BOD/TSS CONCENTRATIONS</b>					
Apartment Units Average Daily Flow (gpd)	143	138	129	120	113
Percent of Residential Flow	95%	92%	86%	80%	75%
Apartment Units Average BOD/TSS (mg/L)	287	287	287	287	287
<b>COMMERCIAL GROUP 1 BOD/TSS CONCENTRATIONS</b>					
General Commercial Average Daily Flow (gpd)	varies	varies	varies	varies	varies
General Commercial Average BOD/TSS (mg/L)	250	259	268	277	287
Percent of Residential BOD/TSS	87%	90%	93%	97%	100%

Note: Text in red color indicates values changed from the prior year.

## 2.2 Number of Accounts

Sewer Service Charges are developed for two residential customer classes and five nonresidential customer classes.

**Residential.** The residential customer class was changed in 2017 to separate Single Family accounts from Apartments and Mobile Homes accounts due to their significantly different wastewater discharge flows.

**Nonresidential.** Nonresidential customer classes were changed in 2017 to aggregate the 18 nonresidential customer classes into five customer classes. The classes were based on the combined strengths of BOD and TSS (as measured in mg/L).

The approximate number of accounts in each customer class for FY22 are summarized in the table below. The number of residential accounts is increased by 30 in FY24 and 30 in FY25 for planned occupancy in the *Tradition of Meadows* development.

**Table 2-2. Residential and Nonresidential Customer Classes, Groups and Wastewater Strength**

Customer Class	Customer Class Description	Approximate Number of Accounts	Wastewater Discharge Characteristics			
			BOD mg/L	TSS mg/L	BOD + TSS, mg/L	BOD + TSS Range for Customer Class
Residential	Residential Dwelling Unit	6,580	287	287	574	0 to 600
	Apartments and Mobile Homes	2,314	287	287	574	0 to 600
Commercial	Churches, Car wash,					
Group 1	General commercial/office, Medical/dental, Public Agency, Schools	270	287	287	574	0 to 600
Group 1A	Hospital/nursing/clinics - I, Laundromats, Wheeled vehicle temp res/office	3	300	275	575	
Group 2	Café/limited on-site cooking, Hospital/nursing/clinics	11	350	350	700	601 to 1000
Group 3	Café/Fast Food-I-NG, Markets/Fast Food-I-NG, Restaurants/Fast Food-I-NG	12	600	500	1100	1001 to 1200
Group 4	Café/Fast Food-NI-NG	9	800	480	1280	1201 to 1500
Group 5	Markets/Fast Food-NI-NG, Restaurants/Fast Food-NI-NG	1	1000	600	1600	1501 to 1800

*I=Interceptor; NI-No Interceptor; NG-No Food Grinder*

## Section 3

# Revenue Required from Sewer Service Charges

Sewer Service Charges must adequately fund sewer utility operations, capital expenditures, maintenance of reserves, and bonded debt service payments related to the provision of sewer service. The revenue required from Sewer Service Charges is developed in this section.

Operating and maintenance expenditures and revenues are managed under Fund 3409. The District's program for funding capital improvement is administered under two separate funds, the Facilities Rehabilitation Program (FRP) typically consists of smaller and/or recurring annual capital expenditures and the Capital Improvement Program (CIP) which typically consists of larger capital projects. The FRP, which is managed under fund 3410, is funded primarily with *Ad Valorem* tax revenue. The CIP, which is managed under fund 3412, is funded with Connection Fee and Sewer Service Charge revenues. Fund 3415 is used to manage cash flow related to loan disbursements and payments.

### 3.1 Fund 3409 Projected Cash Flow

Operating and maintenance expenditures and revenues from Sewer Service Charges are accounted for in Fund 3409. Projected operating and maintenance expenditures for FY22 through FY28 are summarized in the table below.

Table 3-1. Fund 3409 Projected Cash Flow FY22 - FY28

	Estimate	Budget	Projected				
	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Beginning Fund Balance	5,754,464	6,129,200	3,853,700	4,127,400	4,799,300	4,921,100	5,243,300
Revenues		% inc SSC >	9.0%	9.0%	9.0%	9.0%	9.0%
Sewer Service Charges	7,622,000	8,374,200	9,127,900	9,949,400	10,844,800	11,820,800	12,884,700
Sewer Service Charges - VA Clinic	159,800	175,780	191,600	208,800	227,600	248,100	270,400
Ad Valorem Taxes	452,480	437,132	437,100	437,100	437,100	437,100	437,100
Connection Fees	36,500	37,595	37,600	37,600	37,600	37,600	37,600
Rents & Leases	190,296	196,005	196,000	196,000	196,000	196,000	196,000
Permits, Inspections & Fees	143,404	147,706	147,700	147,700	147,700	147,700	147,700
Interest on LAIF	4,536	28,200	25,000	26,800	31,200	32,000	34,100
Other Revenues	62,778	64,661	64,700	64,700	64,700	64,700	64,700
Total Revenues	8,671,793	9,461,279	10,227,600	11,068,100	11,986,700	12,984,000	14,072,300
Expenditures		Annual % inc >	6.0%	6.0%	6.0%	6.0%	4.0%
Salaries & Benefits	3,836,692	4,345,834	4,606,600	4,883,000	5,176,000	5,486,600	5,706,100
Insurance	208,809	257,570	273,000	289,400	306,800	325,200	338,200
Collections	171,314	171,160	181,400	192,300	203,800	216,000	224,600
Treatment Plant	815,768	887,950	941,200	997,700	1,057,600	1,121,100	1,165,900
Marsh	80,005	111,700	118,400	125,500	133,000	141,000	146,600
Admin & General	910,262	1,073,100	1,137,500	1,205,800	1,278,100	1,354,800	1,409,000
Lab	80,860	105,550	111,900	118,600	125,700	133,200	138,500
Total Expenditures	6,103,710	6,952,864	7,370,000	7,812,300	8,281,000	8,777,900	9,128,900
Transfers In/Out							
Transfer Out - 3410 (Ad Valorem)	(421,097)	(437,132)	(437,100)	(437,100)	(437,100)	(437,100)	(437,100)
Transfer Out - 3410 (Expenses)	(8,874)	-	-	-	-	-	-
Transfer Out - 3412 (Capital)	-	(3,500,000)	(1,300,000)	(1,300,000)	(2,300,000)	(2,600,000)	(4,000,000)
Transfer Out - 3415 (2018 Note)	(449,345)	(449,300)	(449,300)	(449,300)	(449,300)	(449,300)	(449,300)
Transfer Out - 3415 (2021 Note)	(397,458)	(397,500)	(397,500)	(397,500)	(397,500)	(397,500)	(397,500)
Total Transfers	(1,276,774)	(4,783,932)	(2,583,900)	(2,583,900)	(3,583,900)	(3,883,900)	(5,283,900)
Ending Fund Balance	7,045,773	3,853,682	4,127,400	4,799,300	4,921,100	5,243,300	4,902,800

### 3.2 Capital Improvement Program

The District has three funds related to capital project revenues and expenditures. Small capital projects that do not involve design and engineering such as smaller, recurring capital expenditures, equipment repair and replacement, and maintenance projects, are under Fund 3410. Projects identified in the District Capital Improvement Program (CIP) are managed under Fund 3412 and encompasses larger, long-term projects and studies related to repairs / improvements to, or rehabilitation / replacement of the District's core capital assets.

Fund 3410 is funded with *Ad Valorem* tax revenue. Fund 3412 is funded with Connection Fee and Sewer Service Charge revenues, capacity charge revenues and loan disbursements. Fund 3415 tracks disbursements from loans, transfers from Fund 3409 and transfers to Fund 3412, and principal and interest components of the loan payments.

The following table and figure summarize the categories of capital program projects projected for FY23 – FY42 (20 years): 1) collection system and pump station (Collections); 2) wastewater treatment plant (Plant); 3) marsh-related (Marsh); and 4) strategic initiative (Stratlnit).

**Table 3-2. Projected Capital Program Expenditures FY23 – FY42**

Category	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41	FY42	Total
Collections	986	1,157	2,369	3,304	320	4,152	238	3,422	1,645	2,024	264	2,035	3,022	1,979	250	2,028	2,179	202	285	4,796	36,657
Plant	3,062	603	3,943	2,055	2,877	660	10,692	2,319	2,128	145	1,848	239	3,283	893	4,632	3,526	1,213	251	1,449	1,338	47,156
Marsh	0	0	0	100	230	1,307	1,225	0	0	0	0	0	0	0	0	0	165	1,225	0	0	4,252
Stratlnit	224	105	75	75	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	529
Total, rounded	4,270	1,870	6,390	5,530	3,480	6,120	12,160	5,740	3,770	2,170	2,110	2,270	6,310	2,870	4,880	5,550	3,560	1,680	1,730	6,130	88,590
Cumulative	4,270	6,140	12,530	18,060	21,540	27,660	39,820	45,560	49,330	51,500	53,610	55,880	62,190	65,060	69,940	75,490	79,050	80,730	82,460	88,590	
% of Total	4.8%	6.9%	14.1%	20.4%	24.3%	31.2%	44.9%	51.4%	55.7%	58.1%	60.5%	63.1%	70.2%	73.4%	78.9%	85.2%	89.2%	91.1%	93.1%	100.0%	

Source: "CIP SCHEDULE COST MASTER FILE.xlsx" from Chris Elliot on 6/16/2022 Legend: "Stratlnit" = Strategic Initiative

The majority of capital expenditures are in the first ten years, FY23 – FY32. In the first five years expenditures are approximately \$21.5 million (24% of the total). In the second five years expenditures are approximately \$30.0 million (34% of the total).

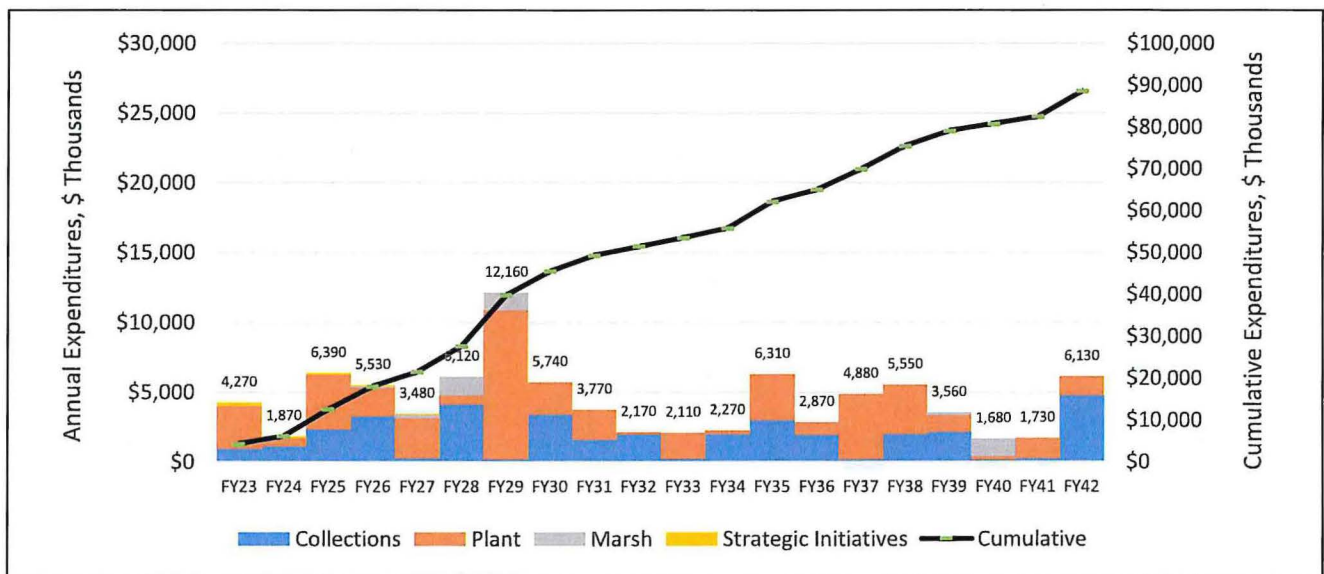


Figure 3-1. Projected Capital Program Expenditures FY23 – FY42

Capital projects from the 20-year plan are funded with revenue from SSCs at 80 percent of the planned expenditures shown in the table and figure. For example, FY25 capital expenditures of approximately \$6,400,000 in the 20-year plan are funded at approximately \$5,100,000. The total difference for FY24 – FY28 is approximately \$4,700,000. Funding for the \$10,692,000 Switchgear & Standby Generator Replacement project in FY29 (the fiscal year following the proposed rate plan) is not expected to be funded from SSC revenues.

### 3.3 Debt Issuance and Service

In late 2018, the District issued \$6,000,000 in debt to pay for capital projects related to the Phase B - Moorhen Marsh Western Pond Turtle Habitat Enhancement Project; Biotower and Biofilter Rotating Equipment Replacement; UV Disinfection Replacement Project; 2019 Sewage Collection System Project; and the 2019-2020 Plant Electrical Systems Upgrades. Installment payments for the Series 2018 Installment Sales Agreement are \$449,344.52 due every October from 2019 – 2038 (20 years).

In late 2021, the District issued \$6,000,000 in debt to pay for capital projects related to replacement of the UV disinfection system, the sludge dewatering centrifuge replacement, the headworks automatic screening replacement at the District’s wastewater treatment plant and various upgrades and replacements to the District’s collection system. Installment payments for the Series 2021 Installment Purchase Contract are \$397,458 per year from 2022 – 2041 (20 years). Payments for both loans are summarized in the following table and figure.

**Table 3-3. Loan Agreements Payments FY20 – FY42**

	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41	FY42		
<b>2018 Note</b>																									
Pymt #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20			<i>Total</i>		
Interest	252	244	235	226	217	207	197	186	175	164	152	139	126	112	98	84	68	52	35	18			2,987	33%	
Principal	197	206	214	223	233	242	253	263	274	286	298	310	323	337	351	366	381	397	414	431			6,000	67%	
<b>Total</b>	<b>449</b>	<b>449</b>	<b>449</b>	<b>449</b>	<b>449</b>	<b>449</b>	<b>449</b>	<b>449</b>	<b>449</b>	<b>449</b>	<b>449</b>	<b>449</b>	<b>449</b>	<b>449</b>	<b>449</b>	<b>449</b>	<b>449</b>	<b>449</b>	<b>449</b>	<b>449</b>	<b>449</b>	<b>449</b>	<b>8,987</b>	<b>100%</b>	
<b>2021 Note</b>																									
Pymt #			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	<i>Total</i>		
Interest			172	166	159	152	145	138	130	122	114	106	97	88	79	70	61	51	41	30	20	8	1,949	25%	
Principal			225	232	238	245	253	260	268	275	283	292	300	309	318	327	337	347	357	367	378	389	6,000	75%	
<b>Total</b>			<b>397,458</b>	<b>397</b>	<b>397</b>	<b>397</b>	<b>397</b>	<b>397</b>	<b>397</b>	<b>397</b>	<b>397</b>	<b>397</b>	<b>397</b>	<b>397</b>	<b>397</b>	<b>397</b>	<b>397</b>	<b>397</b>	<b>397</b>	<b>397</b>	<b>397</b>	<b>397</b>	<b>7,949</b>	<b>100%</b>	
<b>Total</b>																							<i>Total</i>		
Interest	252	244	407	392	376	359	342	324	305	286	266	245	223	201	178	154	129	103	76	48	20	8	4,936	29%	
Principal	197	206	439	455	471	488	505	523	542	561	581	602	624	646	669	693	718	744	771	798	378	389	12,000	71%	
<b>Total</b>	<b>449</b>	<b>449</b>	<b>847</b>	<b>847</b>	<b>847</b>	<b>847</b>	<b>847</b>	<b>847</b>	<b>847</b>	<b>847</b>	<b>847</b>	<b>847</b>	<b>847</b>	<b>847</b>	<b>847</b>	<b>847</b>	<b>847</b>	<b>847</b>	<b>847</b>	<b>847</b>	<b>847</b>	<b>397</b>	<b>397</b>	<b>16,936</b>	<b>100%</b>
Cumulative Interest	0	252	496	903	1,295	1,671	2,030	2,371	2,695	3,000	3,286	3,551	3,796	4,019	4,220	4,398	4,552	4,681	4,784	4,860	4,908	4,928	4,936		
Remaining Principal	12,000	11,803	11,597	11,158	10,703	10,232	9,744	9,239	8,716	8,174	7,613	7,031	6,429	5,806	5,160	4,491	3,798	3,080	2,336	1,565	767	389	0		

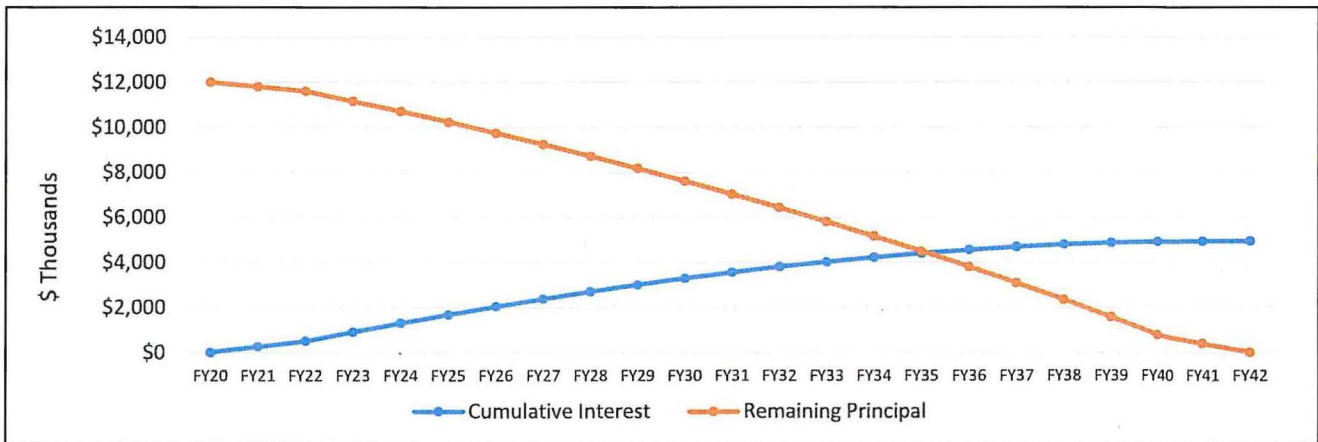


Figure 3-2. Debt Service Cumulative Interest and Remaining Principal, FY20 – FY42

### 3.4 Funds 3409, 3410, 3412 and 3415 Projected Cash Flow

Beginning and ending fund balances, expenditures and revenues for FY22 – FY28, are summarized in the table below. Detailed data for each fund is included in Appendix A, Table A-1, Fund 3409; Table A-2, Fund 3410; Table A-3, Fund 3412; Table A-4, Fund 3415; and Table A-5, All Funds Summary.

	Prior	Current	Based on Annual 9% Increase in SSC				
	FY22	FY23	FY24	FY25	FY26	FY27	FY28
<b>Total Beginning Fund Balances, July 1</b>	14,029,957	13,223,200	11,464,600	11,698,497	8,705,294	6,812,891	7,045,388
<b>Revenues</b>							
Fund 3409	8,671,793	9,461,279	10,227,600	11,068,100	11,986,700	12,984,000	14,072,300
Fund 3410	493	2,900	4,500	4,900	5,300	5,600	5,900
Fund 3412	26,051	338,668	89,500	88,900	64,700	51,300	50,400
Fund 3415	8,215	27,200	0	0	0	0	0
<b>Total Revenues</b>	8,706,552	9,830,047	10,321,600	11,161,900	12,056,700	13,040,900	14,128,600
<b>Expenditures</b>							
Fund 3409	6,103,710	6,952,864	7,370,000	7,812,300	8,281,000	8,777,900	9,128,900
Fund 3410	180,481	371,250	378,700	386,200	393,900	401,900	409,900
Fund 3412	958,203	3,417,600	1,492,000	5,109,600	4,427,200	2,781,600	4,895,200
Fund 3415	846,857	847,003	847,003	847,003	847,003	847,003	847,003
<b>Total Expenditures</b>	8,089,251	11,588,717	10,087,703	14,155,103	13,949,103	12,808,403	15,281,003
<b>Net Transfers, In/(Out)</b>							
Fund 3409	(1,276,774)	(4,783,932)	(2,583,900)	(2,583,900)	(3,583,900)	(3,883,900)	(5,283,900)
Fund 3410	429,971	437,132	437,100	437,100	437,100	437,100	437,100
Fund 3412	0	9,440,000	1,300,000	1,300,000	2,300,000	2,600,000	4,000,000
Fund 3415	846,803	(5,093,200)	846,800	846,800	846,800	846,800	846,800
<b>Total Net Transfers</b>	0	0	0	0	0	0	0
<b>Ending Fund Balance</b>							
Fund 3409	7,045,773	3,853,682	4,127,400	4,799,300	4,921,100	5,243,300	4,902,800
Fund 3410	772,525	693,782	756,700	812,500	861,000	901,800	934,900
Fund 3412	840,060	6,914,468	6,812,000	3,091,300	1,028,800	898,500	53,700
Fund 3415	5,988,901	2,597	2,397	2,194	1,991	1,788	1,586
<b>Total Ending Fund Balance, June 30</b>	14,647,258	11,464,529	11,698,497	8,705,294	6,812,891	7,045,388	5,892,986

Fund balances, expenditures and revenues for FY22 – FY28 are summarized in the figure below.

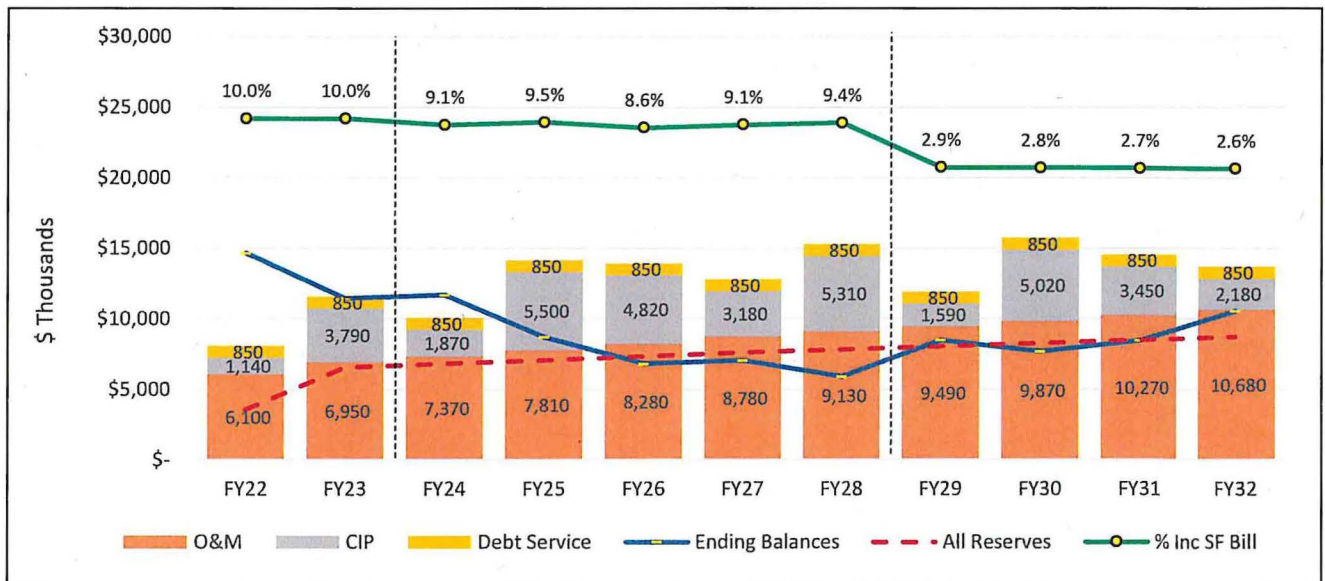


Figure 3-3. Fund Balances, Revenue and Expenditures, FY22 – FY28

## Section 4

# Sewer Service Charges

The District's current and recommended sewer service charges and unit costs for Flow, BOD and TSS, are summarized in this section. Revenues from recommended sewer service charges is also summarized.

### 4.1 Recommended Sewer Service Charges

Recommended sewer service charges are shown in the table below. Note that except for about 20 accounts, sewer service charges are collected on the Contra Costa County tax roll. Charges not collected on the tax roll are billed directly by the District to customers.

**Table 4-1. Current and Recommended Unit Costs and Sewer Service Charges**

Customer Class	Billing Units	Current FY23	Recommended Five-Year Rate Plan					
			FY24	FY25	FY26	FY27	FY28	
<b>Unit Costs</b>								
Flow	\$ per million gallons	\$8,965	\$9,771	\$10,651	\$11,609	\$12,654	\$13,793	
BOD	\$ per 1000 pounds	\$1.18	\$1.29	\$1.40	\$1.53	\$1.67	\$1.82	
TSS	\$ per 1000 pounds	\$1.29	\$1.40	\$1.53	\$1.67	\$1.82	\$1.98	
<b>SSCs</b>		<i>% incr. &gt;</i>	<i>10.0%</i>	<i>9.1%</i>	<i>9.5%</i>	<i>8.6%</i>	<i>9.1%</i>	<i>9.4%</i>
Residential *	Annual	\$814.20	\$888	\$972	\$1,056	\$1,152	\$1,260	
Apt/MH Units	Annual	\$652.20	\$708	\$768	\$840	\$912	\$996	
<b>Nonresidential</b>								
Group 1	\$ per HCF	\$11.04	\$12.05	\$13.15	\$14.35	\$15.65	\$17.05	
Group 1A	\$ per HCF	\$11.04	\$12.05	\$13.15	\$14.35	\$15.65	\$17.05	
Group 2	\$ per HCF	\$12.12	\$13.20	\$14.40	\$15.70	\$17.10	\$18.65	
Group 3	\$ per HCF	\$15.36	\$16.75	\$18.25	\$19.90	\$21.70	\$23.65	
Group 4	\$ per HCF	\$16.68	\$18.20	\$19.85	\$21.65	\$23.60	\$25.70	
Group 5	\$ per HCF	\$18.96	\$20.65	\$22.50	\$24.55	\$26.75	\$29.15	
PMA's **	\$ per HCF	\$14.80	\$16.15	\$17.60	\$19.20	\$20.95	\$22.85	
VA Clinic	\$ per HCF	\$11.04	\$12.05	\$13.15	\$14.35	\$15.65	\$17.05	
* Recommended and Forecast SSCs for Residential and Apt/MH are rounded to the nearest \$12. Recommended and Forecast SSCs based on HCF are rounded to the nearest \$0.05.								
** The SSCs for accounts with PMA's (Private Meter Agreements) are the average for the class.								

## 4.2 Revenue from Sewer Service Charges

Revenue from current and recommended Sewer Service Charges is summarized in the table below. Detailed calculation of revenues for each year are shown in Appendix B, Table B-1.

Customer Class	Current	Recommended Five-Year Rate Plan					FY24 - FY28	% of
	FY23	FY24	FY25	FY26	FY27	FY28	Total	Total
Residential	\$5,360,000	\$5,870,000	\$6,450,000	\$7,010,000	\$7,650,000	\$8,370,000	\$35,350,000	63%
Apt/MH Units	\$1,510,000	\$1,640,000	\$1,780,000	\$1,940,000	\$2,110,000	\$2,300,000	\$9,770,000	17%
<b>Nonresidential</b>								
Group 1	\$820,000	\$890,000	\$970,000	\$1,060,000	\$1,160,000	\$1,260,000	\$5,340,000	9.5%
Group 1A	\$50,000	\$60,000	\$60,000	\$70,000	\$80,000	\$80,000	\$350,000	0.6%
Group 2	\$110,000	\$120,000	\$130,000	\$150,000	\$160,000	\$170,000	\$730,000	1.3%
Group 3	\$130,000	\$140,000	\$150,000	\$170,000	\$180,000	\$200,000	\$840,000	1.5%
Group 4	\$70,000	\$80,000	\$80,000	\$90,000	\$100,000	\$110,000	\$460,000	0.8%
Group 5	\$20,000	\$20,000	\$30,000	\$30,000	\$30,000	\$30,000	\$140,000	0.3%
PMA's	\$280,000	\$300,000	\$330,000	\$360,000	\$400,000	\$430,000	\$1,820,000	3.3%
VA Clinic	\$170,000	\$190,000	\$210,000	\$230,000	\$250,000	\$270,000	\$1,150,000	2.1%
<b>Total</b>	<b>\$8,520,000</b>	<b>\$9,310,000</b>	<b>\$10,190,000</b>	<b>\$11,110,000</b>	<b>\$12,120,000</b>	<b>\$13,220,000</b>	<b>\$55,950,000</b>	<b>100%</b>

## 4.3 Single Family Monthly Bill Survey

The District's current (FY23) and recommended (FY24) Sewer Service Charges were compared to the sewer service charges of seven other agencies. The comparison is for single family dwelling units. Results of the survey are shown in Figure 4-1.

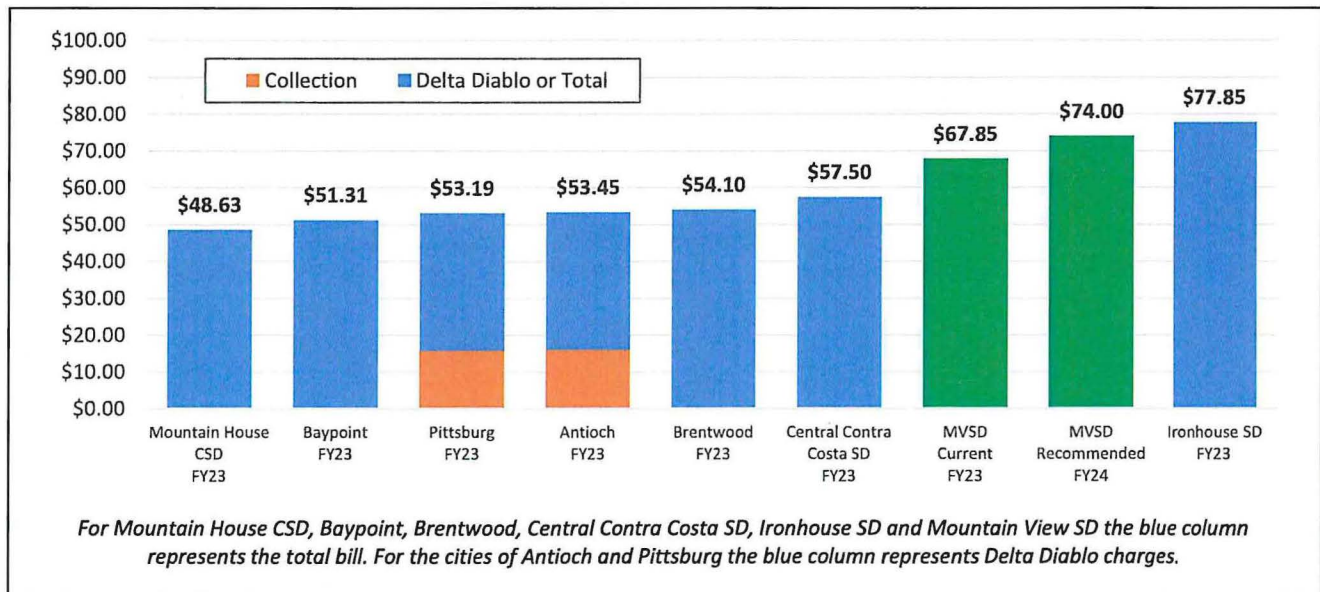


Figure 4-1. Single Family Monthly Bill Survey



## Section 5

# Conclusions and Recommendations

## 5.1 Conclusions

Based on our evaluation of the District's sewer service charges we have drawn the following conclusions:

- The District's Operating projected expenditures for FY24 – FY28 are approximately \$41.4 million.
- The District's projected capital expenditures for FY24 – FY28 are approximately \$20.7 million.
- The District's projected debt service expenditures for FY24 – FY28 are approximately \$4.2 million.
- The District's projected total expenditures for FY24 – FY28 are approximately \$66.3 million.
- The District's revenues, without an increase in Sewer Service Charges for FY24 – FY28, would be approximately \$42.7 million.
- The District's total expenditures for FY24 – FY28 would exceed revenues from SSCs by approximately \$23.5 million without an increase in Sewer Service Charges.
- During FY24 – FY28, the District must collect approximately \$13.0 million of additional revenue from Sewer Service Charges, use approximately \$5.6 million of fund balance, and collect approximately \$4.9 million in other revenues to meet capital and operating expenditures, maintain a prudent level of reserves and meet debt service obligations.

## 5.2 Recommendations

The following recommendations are offered to ensure the financial viability and flexibility of the wastewater fund:

**Recommendation 1.** Adopt and implement the Sewer Service Charges recommended for FY24 – FY28.

**Recommendation 2.** Update cash flow projections in the event of a significant change to any expenditure or revenue assumption.

This Page Intentionally Blank.



## Section 6

# Limitations

This document was prepared solely for the Mt. View Sanitary District in accordance with professional standards at the time the services were performed and in accordance with Task Order No. 1 to Contract 22-0005 between Mt. View Sanitary District and Municipal Financial Services. This document is governed by the specific scope of work authorized by Mt. View Sanitary District; it is not intended to be relied upon by any other party. We have relied on information or instructions provided by Mt. View Sanitary District and, unless otherwise expressly indicated, have made no independent investigation as to the validity, completeness, or accuracy of such information.

**This Page Intentionally Blank.**

## **Appendix A: Funds Cash Flow Tables**

---

**This Page Intentionally Blank.**

Table A-1  
Fund 3409 Cash Flow

	Estimate FY22	Budget FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Beginning Fund Balance	5,754,464	6,129,200	3,853,700	4,127,400	4,799,300	4,921,100	5,243,300	4,902,800	5,589,600	5,807,500	6,350,600
Revenues		% inc SSC >	9.0%	9.0%	9.0%	9.0%	9.0%	3.0%	3.0%	3.0%	3.0%
Sewer Service Charges	7,622,000	8,374,200	9,127,900	9,949,400	10,844,800	11,820,800	12,884,700	13,271,200	13,669,300	14,079,400	14,501,800
Sewer Service Charges - VA Clinic	159,800	175,780	191,600	208,800	227,600	248,100	270,400	278,500	286,900	295,500	304,400
Ad Valorem Taxes	452,480	437,132	437,100	437,100	437,100	437,100	437,100	437,100	437,100	437,100	437,100
Connection Fees	36,500	37,595	37,600	37,600	37,600	37,600	37,600	37,600	37,600	37,600	37,600
Rents & Leases	190,296	196,005	196,000	196,000	196,000	196,000	196,000	196,000	196,000	196,000	196,000
Permits, Inspections & Fees	143,404	147,706	147,700	147,700	147,700	147,700	147,700	147,700	147,700	147,700	147,700
Interest on LAIF	4,536	28,200	25,000	26,800	31,200	32,000	34,100	31,900	36,300	37,700	41,300
Other Revenues	62,778	64,661	64,700	64,700	64,700	64,700	64,700	64,700	64,700	64,700	64,700
Total Revenues	8,671,793	9,461,279	10,227,600	11,068,100	11,986,700	12,984,000	14,072,300	14,464,700	14,875,600	15,295,700	15,730,600
Expenditures		Annual % inc >	6.0%	6.0%	6.0%	6.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Salaries & Benefits	3,836,692	4,345,834	4,606,600	4,883,000	5,176,000	5,486,600	5,706,100	5,934,300	6,171,700	6,418,600	6,675,300
Insurance	208,809	257,570	273,000	289,400	306,800	325,200	338,200	351,700	365,800	380,400	395,600
Collections	171,314	171,160	181,400	192,300	203,800	216,000	224,600	233,600	242,900	252,600	262,700
Treatment Plant	815,768	887,950	941,200	997,700	1,057,600	1,121,100	1,165,900	1,212,500	1,261,000	1,311,400	1,363,900
Marsh	80,005	111,700	118,400	125,500	133,000	141,000	146,600	152,500	158,600	164,900	171,500
Admin & General	910,262	1,073,100	1,137,500	1,205,800	1,278,100	1,354,800	1,409,000	1,465,400	1,524,000	1,585,000	1,648,400
Lab	80,860	105,550	111,900	118,600	125,700	133,200	138,500	144,000	149,800	155,800	162,000
Total Expenditures	6,103,710	6,952,864	7,370,000	7,812,300	8,281,000	8,777,900	9,128,900	9,494,000	9,873,800	10,268,700	10,679,400
Transfers In/Out											
Transfer Out - 3410 (Ad Valorem)	(421,097)	(437,132)	(437,100)	(437,100)	(437,100)	(437,100)	(437,100)	(437,100)	(437,100)	(437,100)	(437,100)
Transfer Out - 3410 (Expenses)	(8,874)	-	-	-	-	-	-	-	-	-	-
Transfer Out - 3412 (Capital)	-	(3,500,000)	(1,300,000)	(1,300,000)	(2,300,000)	(2,600,000)	(4,000,000)	(3,000,000)	(3,500,000)	(3,200,000)	(3,700,000)
Transfer Out - 3415 (2018 Note)	(449,345)	(449,300)	(449,300)	(449,300)	(449,300)	(449,300)	(449,300)	(449,300)	(449,300)	(449,300)	(449,300)
Transfer Out - 3415 (2021 Note )	(397,458)	(397,500)	(397,500)	(397,500)	(397,500)	(397,500)	(397,500)	(397,500)	(397,500)	(397,500)	(397,500)
Total Transfers	(1,276,774)	(4,783,932)	(2,583,900)	(2,583,900)	(3,583,900)	(3,883,900)	(5,283,900)	(4,283,900)	(4,783,900)	(4,483,900)	(4,983,900)
Ending Fund Balance	7,045,773	3,853,682	4,127,400	4,799,300	4,921,100	5,243,300	4,902,800	5,589,600	5,807,500	6,350,600	6,417,900

Source: Values for FY22 and FY23 are from "MVSD FY22-23 FINAL Budget Book\_06.09.22.xlsx" provided by Denise Gray on 6/16/2022. The FY23 Beginning Fund Balance is changed from the Budget Book value to the value shown in the "MVSD Final Financial Statement Report FY2022", Combining Statement of Net Position, page 49. All values for FY24 and onward are estimated as part of the study.

Table A-2  
Fund 3410 Cash Flow

	Estimate FY22	Budget FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Beginning Fund Balance	522,542	625,000	693,800	756,700	812,500	861,000	901,800	934,900	960,100	977,000	985,700
<b>Revenues</b>											
Interest on LAIF	493	2,900	4,500	4,900	5,300	5,600	5,900	6,100	6,200	6,400	6,400
Total Revenues	493	2,900	4,500	4,900	5,300	5,600	5,900	6,100	6,200	6,400	6,400
<b>Expenditures</b>											
		% inc Exp >	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Collections	-	150,000	153,000	156,100	159,200	162,400	165,600	168,900	172,300	175,700	179,200
Treatment Plant	131,048	56,000	57,100	58,200	59,400	60,600	61,800	63,000	64,300	65,600	66,900
Marsh	-	50,000	51,000	52,000	53,000	54,100	55,200	56,300	57,400	58,500	59,700
Admin & General	31,009	65,250	66,600	67,900	69,300	70,700	72,100	73,500	75,000	76,500	78,000
Lab	18,425	50,000	51,000	52,000	53,000	54,100	55,200	56,300	57,400	58,500	59,700
Total Expenditures	180,481	371,250	378,700	386,200	393,900	401,900	409,900	418,000	426,400	434,800	443,500
<b>Transfers In/Out</b>											
Transfer In - 3409 (Ad Valorem)	421,097	437,132	437,100	437,100	437,100	437,100	437,100	437,100	437,100	437,100	437,100
Transfer In - 3409 (Expenses)	8,874	-	-	-	-	-	-	-	-	-	-
Total Transfers	429,971	437,132	437,100	437,100	437,100	437,100	437,100	437,100	437,100	437,100	437,100
Ending Fund Balance	772,525	693,782	756,700	812,500	861,000	901,800	934,900	960,100	977,000	985,700	985,700

Source: Values for FY22 and FY23 are from "MVSD FY22-23 FINAL Budget Book\_06.09.22.xlsx" provided by Denise Gray on 6/16/2022. The FY23 Beginning Fund Balance is changed from the Budget Book value to the value shown in the "MVSD Final Financial Statement Report FY2022", Combining Statement of Net Position, page 49. All values for FY24 and onward are estimated as part of the study.



Table A-3  
Fund 3412 Cash Flow

	Estimate FY22	Budget FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Beginning Fund Balance	1,772,212	553,400	6,914,500	6,812,000	3,091,300	1,028,800	898,500	53,700	1,928,200	892,500	1,124,500
<b>Revenues</b>											
Permits & Inspections	-	20,853	20,900	20,900	20,900	20,900	20,900	20,900	20,900	20,900	20,900
Capacity Fees	23,668	315,315	23,700	23,700	23,700	23,700	23,700	23,700	23,700	23,700	23,700
Interest on LAIF	2,383	2,500	44,900	44,300	20,100	6,700	5,800	300	12,500	5,800	7,300
Grant Disbursement	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>26,051</b>	<b>338,668</b>	<b>89,500</b>	<b>88,900</b>	<b>64,700</b>	<b>51,300</b>	<b>50,400</b>	<b>44,900</b>	<b>57,100</b>	<b>50,400</b>	<b>51,900</b>
<b>Expenditures</b>											
Collections	479,524	788,800	925,600	1,895,200	2,643,200	256,000	3,321,600	190,400	2,737,600	1,316,000	1,619,200
Treatment Plant	422,628	2,449,600	482,400	3,154,400	1,644,000	2,301,600	528,000	-	1,855,200	1,702,400	116,000
Marsh	21,966	-	-	-	80,000	184,000	1,045,600	980,000	-	-	-
Strategic Initiatives	34,085	179,200	84,000	60,000	60,000	40,000	-	-	-	-	-
Lab	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>958,203</b>	<b>3,417,600</b>	<b>1,492,000</b>	<b>5,109,600</b>	<b>4,427,200</b>	<b>2,781,600</b>	<b>4,895,200</b>	<b>1,170,400</b>	<b>4,592,800</b>	<b>3,018,400</b>	<b>1,735,200</b>
<b>Transfers In/Out</b>											
Transfer In - 3415 (2021 IPC)	-	5,940,000	-	-	-	-	-	-	-	-	-
Transfer In - 3409 (Capital)	-	3,500,000	1,300,000	1,300,000	2,300,000	2,600,000	4,000,000	3,000,000	3,500,000	3,200,000	3,700,000
<b>Total Transfers</b>	<b>-</b>	<b>9,440,000</b>	<b>1,300,000</b>	<b>1,300,000</b>	<b>2,300,000</b>	<b>2,600,000</b>	<b>4,000,000</b>	<b>3,000,000</b>	<b>3,500,000</b>	<b>3,200,000</b>	<b>3,700,000</b>
Ending Fund Balance	840,060	6,914,468	6,812,000	3,091,300	1,028,800	898,500	53,700	1,928,200	892,500	1,124,500	3,141,200

Source: Values for FY22 and FY23 are from "MVSD FY22-23 FINAL Budget Book\_06.09.22.xlsx" provided by Denise Gray on 6/16/2022. The FY23 Beginning Fund Balance is changed from the Budget Book value to the value shown in the "MVSD Final Financial Statement Report FY2022", Combining Statement of Net Position, page 49. All values for FY24 and onward are estimated as part of the study.

Table A-4  
Fund 3415 Cash Flow

	Estimate FY22	Budget FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Beginning Fund Balance	5,980,740	5,915,600	2,600	2,397	2,194	1,991	1,788	1,586	1,383	1,180	977
<b>Revenues</b>											
Interest on LAIF	8,215	27,200	-	-	-	-	-	-	-	-	-
Total Revenues	8,215	27,200	-	-	-	-	-	-	-	-	-
<b>Expenditures</b>											
County Professional Services	54	200	200	200	200	200	200	200	200	200	200
Interest on 2018 Note	235,075	226,076	216,698	206,927	196,746	186,137	175,082	163,563	151,560	139,053	126,021
Principal on 2018 Note	214,270	223,269	232,646	242,417	252,599	263,208	274,263	285,782	297,785	310,292	323,324
Interest on 2022 Note	172,368	165,793	159,025	152,060	144,892	137,514	129,921	122,105	114,062	105,783	97,263
Principal on 2022 Note	225,090	231,666	238,433	245,398	252,567	259,944	267,538	275,353	283,397	291,675	300,196
Total Expenditures	846,857	847,003	847,003	847,003	847,003	847,003	847,003	847,003	847,003	847,003	847,003
<b>Transfers In/Out</b>											
Transfer In - 3409 (2018 Note)	449,345	449,300	449,300	449,300	449,300	449,300	449,300	449,300	449,300	449,300	449,300
Transfer In - 3409 (2021 Note)	397,458	397,500	397,500	397,500	397,500	397,500	397,500	397,500	397,500	397,500	397,500
Transfer Out - 3412 (2021-2022 Projects)	-	(5,940,000)	-	-	-	-	-	-	-	-	-
Total Transfers	846,803	(5,093,200)	846,800	846,800	846,800	846,800	846,800	846,800	846,800	846,800	846,800
Ending Fund Balance	5,988,901	2,597	2,397	2,194	1,991	1,788	1,586	1,383	1,180	977	774

Source: Values for FY22 and FY23 are from "MVSD FY22-23 FINAL Budget Book\_06.09.22.xlsx" provided by Denise Gray on 6/16/2022. The FY23 Beginning Fund Balance is changed from the Budget Book value to the value shown in the "MVSD Final Financial Statement Report FY2022", Combining Statement of Net Position, page 49. All values for FY24 and onward are estimated as part of the study.

Table A-5  
Fund 3409, 3410, 3412 and 3415 Cash Flow Summary

	Prior	Current	Based on Annual 9% Increase in SSC					Next Four Years Based on Annual 3% Increase in SSC				
	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	
<b>Total Beginning Fund Balances, July 1</b>	14,029,957	13,223,200	11,464,600	11,698,497	8,705,294	6,812,891	7,045,388	5,892,986	8,479,283	7,678,180	8,461,777	
<b>Revenues</b>												
Fund 3409	8,671,793	9,461,279	10,227,600	11,068,100	11,986,700	12,984,000	14,072,300	14,464,700	14,875,600	15,295,700	15,730,600	
Fund 3410	493	2,900	4,500	4,900	5,300	5,600	5,900	6,100	6,200	6,400	6,400	
Fund 3412	26,051	338,668	89,500	88,900	64,700	51,300	50,400	44,900	57,100	50,400	51,900	
Fund 3415	8,215	27,200	0	0	0	0	0	0	0	0	0	
<b>Total Revenues</b>	8,706,552	9,830,047	10,321,600	11,161,900	12,056,700	13,040,900	14,128,600	14,515,700	14,938,900	15,352,500	15,788,900	
<b>Expenditures</b>												
Fund 3409	6,103,710	6,952,864	7,370,000	7,812,300	8,281,000	8,777,900	9,128,900	9,494,000	9,873,800	10,268,700	10,679,400	
Fund 3410	180,481	371,250	378,700	386,200	393,900	401,900	409,900	418,000	426,400	434,800	443,500	
Fund 3412	958,203	3,417,600	1,492,000	5,109,600	4,427,200	2,781,600	4,895,200	1,170,400	4,592,800	3,018,400	1,735,200	
Fund 3415	846,857	847,003	847,003	847,003	847,003	847,003	847,003	847,003	847,003	847,003	847,003	
<b>Total Expenditures</b>	8,089,251	11,588,717	10,087,703	14,155,103	13,949,103	12,808,403	15,281,003	11,929,403	15,740,003	14,568,903	13,705,103	
<b>Net Transfers, In/(Out)</b>												
Fund 3409	(1,276,774)	(4,783,932)	(2,583,900)	(2,583,900)	(3,583,900)	(3,883,900)	(5,283,900)	(4,283,900)	(4,783,900)	(4,483,900)	(4,983,900)	
Fund 3410	429,971	437,132	437,100	437,100	437,100	437,100	437,100	437,100	437,100	437,100	437,100	
Fund 3412	0	9,440,000	1,300,000	1,300,000	2,300,000	2,600,000	4,000,000	3,000,000	3,500,000	3,200,000	3,700,000	
Fund 3415	846,803	(5,093,200)	846,800	846,800	846,800	846,800	846,800	846,800	846,800	846,800	846,800	
<b>Total Net Transfers</b>	0	0	0	0	0	0	0	0	0	0	0	
<b>Ending Fund Balance</b>												
Fund 3409	7,045,773	3,853,682	4,127,400	4,799,300	4,921,100	5,243,300	4,902,800	5,589,600	5,807,500	6,350,600	6,417,900	
Fund 3410	772,525	693,782	756,700	812,500	861,000	901,800	934,900	960,100	977,000	985,700	985,700	
Fund 3412	840,060	6,914,468	6,812,000	3,091,300	1,028,800	898,500	53,700	1,928,200	892,500	1,124,500	3,141,200	
Fund 3415	5,988,901	2,597	2,397	2,194	1,991	1,788	1,586	1,383	1,180	977	774	
<b>Total Ending Fund Balance, June 30</b>	14,647,258	11,464,529	11,698,497	8,705,294	6,812,891	7,045,388	5,892,986	8,479,283	7,678,180	8,461,777	10,545,574	

**This Page Intentionally Blank.**

## Appendix A: Funds Cash Flow Tables

---

**This Page Intentionally Blank.**

Table B-1  
Current and Recommended SSCs and Revenue from SSCs

Customer Class	Billing Units	Current FY23	Recommended Five-Year Rate Plan				
			FY24	FY25	FY26	FY27	FY28
<b>Unit Costs</b>							
Flow	\$ per million gallons	\$8,965	\$9,771	\$10,651	\$11,609	\$12,654	\$13,793
BOD	\$ per 1000 pounds	\$1.18	\$1.29	\$1.40	\$1.53	\$1.67	\$1.82
TSS	\$ per 1000 pounds	\$1.29	\$1.40	\$1.53	\$1.67	\$1.82	\$1.98
<b>SSCs</b>							
	% incr. >	10.0%	9.1%	9.5%	8.6%	9.1%	9.4%
Residential *	Annual	\$814.20	\$888	\$972	\$1,056	\$1,152	\$1,260
Apt/MH Units	Annual	\$652.20	\$708	\$768	\$840	\$912	\$996
<b>Nonresidential</b>							
Group 1	\$ per HCF	\$11.04	\$12.05	\$13.15	\$14.35	\$15.65	\$17.05
Group 1A	\$ per HCF	\$11.04	\$12.05	\$13.15	\$14.35	\$15.65	\$17.05
Group 2	\$ per HCF	\$12.12	\$13.20	\$14.40	\$15.70	\$17.10	\$18.65
Group 3	\$ per HCF	\$15.36	\$16.75	\$18.25	\$19.90	\$21.70	\$23.65
Group 4	\$ per HCF	\$16.68	\$18.20	\$19.85	\$21.65	\$23.60	\$25.70
Group 5	\$ per HCF	\$18.96	\$20.65	\$22.50	\$24.55	\$26.75	\$29.15
PMA's **	\$ per HCF	\$14.80	\$16.15	\$17.60	\$19.20	\$20.95	\$22.85
VA Clinic	\$ per HCF	\$11.04	\$12.05	\$13.15	\$14.35	\$15.65	\$17.05
<b>Units of Use</b>							
Residential ***	# Accts	6,580	6,610	6,640	6,640	6,640	6,640
Apt/MH	# Units	2,314	2,314	2,314	2,314	2,314	2,314
<b>Nonresidential</b>							
Group 1	HCF	73,840	73,840	73,840	73,840	73,840	73,840
Group 1A	HCF	4,823	4,823	4,823	4,823	4,823	4,823
Group 2	HCF	9,328	9,328	9,328	9,328	9,328	9,328
Group 3	HCF	8,304	8,304	8,304	8,304	8,304	8,304
Group 4	HCF	4,167	4,167	4,167	4,167	4,167	4,167
Group 5	HCF	1,116	1,116	1,116	1,116	1,116	1,116
PMA's	HCF	18,867	18,867	18,867	18,867	18,867	18,867
VA Clinic	HCF	15,773	15,773	15,773	15,773	15,773	15,773
<b>Revenue</b>							
Residential		\$5,357,436	\$5,869,680	\$6,454,080	\$7,011,840	\$7,649,280	\$8,366,400
Apt/MH		\$1,509,191	\$1,638,312	\$1,777,152	\$1,943,760	\$2,110,368	\$2,304,744
<b>Nonresidential</b>							
Group 1		\$815,194	\$889,772	\$970,996	\$1,059,604	\$1,155,596	\$1,258,972
Group 1A		\$53,246	\$58,117	\$63,422	\$69,210	\$75,480	\$82,232
Group 2		\$113,055	\$123,130	\$134,323	\$146,450	\$159,509	\$173,967
Group 3		\$127,549	\$139,092	\$151,548	\$165,250	\$180,197	\$196,390
Group 4		\$69,506	\$75,839	\$82,715	\$90,216	\$98,341	\$107,092
Group 5		\$21,159	\$23,045	\$25,110	\$27,398	\$29,853	\$32,531
PMA's		\$279,263	\$304,702	\$332,059	\$362,246	\$395,264	\$431,111
VA Clinic		\$174,134	\$190,065	\$207,415	\$226,343	\$246,847	\$268,930
<b>Total</b>		<b>\$8,519,733</b>	<b>\$9,311,754</b>	<b>\$10,198,821</b>	<b>\$11,102,316</b>	<b>\$12,100,735</b>	<b>\$13,222,369</b>

\* Recommended and Forecast SSCs for Residential and Apt/MH are rounded to the nearest \$12.

Recommended and Forecast SSCs based on HCF are rounded to the nearest \$0.05.

\*\* The SSCs for accounts with PMA's (Private Meter Agreements) are the average for the class.

\*\*\* Residential accounts are increased by 30 in FY24 and 30 in FY25 for occupancy in the Tradition of Meadows development

**This Page Intentionally Blank.**





## **MT. VIEW SANITARY DISTRICT**

**DRAFT**

### **2023 Water/Wastewater Affordability Assessment**

---

Prepared for  
Mt. View Sanitary District  
Martinez, California  
March 2023

**MUNICIPAL FINANCIAL SERVICES**

2014 Mann Pkwy Celina, TX 75009



# Table of Contents

List of Figures .....	iii
List of Tables .....	iii
List of Abbreviations .....	iv
Executive Summary .....	ES-1
1. Introduction.....	1-1
1.1 Organization of the Report .....	1-1
1.2 Mt. View Sanitary District Service Area and Sphere of Influence .....	1-1
1.3 California Water Plan and Affordability.....	1-2
1.4 Fitch Ratings Water and Sewer Rating Criteria and Affordability.....	1-3
1.5 Disadvantaged Unincorporated Communities .....	1-4
2. Affordability Evaluation .....	2-1
2.1 Calculation of Water and Wastewater Bills .....	2-1
2.2 Estimation of Median Household Income .....	2-1
2.3 Water and Wastewater Utility Bills Affordability Evaluation .....	2-3
3. Limitations .....	3-1

## List of Figures

---

Figure 1-1. Mt. View Sanitary District and Sphere of Influence .....	1-2
Figure 1-2. Vine Hill Census Designated Place Disadvantaged Unincorporated Communities.....	1-4
Figure 2-1. MHI for the City of Martinez and Adjacent Contra Costa County (U.S. Census QuickFacts) ..	2-2

## List of Tables

---

Table ES-1. Water and Wastewater Utility Bills Affordability Evaluation .....	ES-2
Table ES-2. Projected Water and Wastewater Utility Bills Affordability Evaluation .....	ES-3
Table 2-1. MHI for the City of Martinez, Contra Costa County, California, and United States .....	2-1
Table 2-2. Water and Wastewater Utility Bills Affordability Evaluation.....	2-3

## List of Abbreviations

---

Central San	Central Contra Costa Sanitary District
CDP	Census Designated Place
District	Mt. View Sanitary District
DWR	Department of Water Resources
DUC	Disadvantaged Unincorporated Community
FY	Fiscal year (July 1 to June 30)
FY 24	July 1, 2023 to June 30, 2024
HCF	Hundred Cubic Feet (equal to ~ 748.1 gallons)
mgd	million gallons per day
MHI	Median Household Income
SFR	Single Family Residential
SOI	Sphere of Influence

# Executive Summary

Mt. View Sanitary District (Mt. View Sanitary District or District) seeks to evaluate the affordability of reliable wastewater services for low-income households in its service area. Affordability is commonly measured as a percent of median household income (MHI).

Affordability is measured by the percentage of median household income spent annually on utility (water and wastewater) services. Households paying an amount for water and wastewater services that exceeds the affordability threshold are considered to be paying a cost that is unaffordable.

California passed Assembly Bill 2334 (AB 2334) in its 2011-2012 Legislative Session with the declared purpose "... to ensure that the Department of Water Resources (DWR) includes in the California Water Plan an analysis of water affordability in California and possible mechanisms to increase statewide affordability of reliable drinking water and wastewater services for low-income households."<sup>1</sup>

AB 2334 added Section 10004.8 to the Water Code. Paragraph (d) of that Section deals with affordability in the context of defining subsidization programs to be included in the California Water Plan. Water Code Section 10004.8 (d) is quoted below:

(d) Propose appropriate subsidization programs to make water affordable for high-cost communities. High-cost communities shall include the following:

- (1) Water systems serving disadvantaged communities, defined as communities with a median household income at or below 80 percent of the state median household income, where water rates are more than 2 percent of the median household income.
- (2) Water systems serving communities with a median household income no higher than 120 percent of the state median household income and where more than 10 percent of the population spends more than 2 percent of their income on water.
- (3) Other communities as determined to be appropriate by the department.

Note that while AB 2334 states "It is in the public interest for all households to have access to safe and affordable water for basic needs and to have effective and affordable wastewater treatment", no affordability guidance was provided in the legislation for wastewater utilities in the same way that Water Code Section 10004.8 (d) does for water utilities.

Fitch Ratings calculates an affordability rate to determine the number of people whose bill accounts for an outsized portion of their income. Generally, a combined water-related bill that is greater than 5% of household income (or individually, 2.0% for water, 2.5% for sewer and 0.5% for stormwater) is considered unaffordable.

Based on MHI data from the U.S. Census Bureau QuickFacts website, a range of household incomes were evaluated for the Mt. View Sanitary District service area. MHIs evaluated for the Mt. View Sanitary District service area range from \$44,400 to \$114,400 and are based on the MHI for the City of Martinez. MHI data for the Mt. View Sanitary District service area is not available from the QuickFacts website.

---

<sup>1</sup>.AB 2334 California Water Plan: drinking water and wastewater services (2011-2012 Legislative Session).

The affordability evaluation for individual water (City of Martinez), individual wastewater (Mt. View Sanitary District), and combined monthly water and wastewater utility bills of \$175 are shown in the table below. The monthly bills are based on water and wastewater rates for FY 24 which, for Mt. View Sanitary District, are not yet adopted.

Based on this affordability evaluation, the following conclusions may be drawn:

1. For the City of Martinez, median household income at 80 percent of the state median household income is approximately \$64,400.
2. Monthly water utility bills for the City of Martinez are approximately 1.88% of \$64,400 MHI which is lower than the 2% State of California affordability threshold;
3. Monthly wastewater utility bills for the Mt. View Sanitary District are approximately 1.37% of \$64,400 MHI which is lower than the 2.5% Fitch Ratings affordability threshold; and
4. Combined monthly water and wastewater utility bills are approximately 3.25% of \$64,400 MHI which is lower than the 5.0% Fitch Ratings affordability threshold.

Table ES-1. Water and Wastewater Utility Bills Affordability Evaluation					
<b>Median Household Income (MHI)</b>	<i>Below City of Martinez Median</i>				<i>Median</i>
City of Martinez Annual Median Household Income [1]	\$114,400	\$114,400	\$114,400	\$114,400	\$114,400
<i>Adjustment for MHIs lower than Martinez MHI</i>	<i>(\$70,000)</i>	<i>(\$60,000)</i>	<i>(\$50,000)</i>	<i>(\$40,000)</i>	
Adjusted Annual Median Household Income	\$44,400	\$54,400	\$64,400	\$74,400	
Statewide California Annual Median Household Income [1]	\$84,100	\$84,100	\$84,100	\$84,100	\$84,100
City of Martinez MHI as a percentage of the State MHI [4]	53%	65%	77%	88%	136%
<b>Monthly Water (Martinez) and Wastewater (MVSD) Bills</b>					
Monthly Water Bill [2]					
¾-inch Meter Charge, \$/month	\$48.00	\$48.00	\$48.00	\$48.00	\$48.00
Water Use Rate, Zone 2, \$/HCF (Hundred Cubic Feet)	\$7.66	\$7.66	\$7.66	\$7.66	\$7.66
Average Monthly Water Use, HCF	7	7	7	7	7
Monthly Water Bill, Single Family	\$101.62	\$101.62	\$101.62	\$101.62	\$101.62
Monthly Wastewater Bill, Single Family [3]	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00
Monthly Water and Wastewater Utility Bill	\$175.62	\$175.62	\$175.62	\$175.62	\$175.62
<b>Combined Monthly Utility Bills and Monthly MHI</b>					
Monthly Water and Wastewater Utility Bill	\$175	\$175	\$175	\$175	\$175
Monthly Mt. View Sanitary District MHI (based on City of Martinez)	\$3,700	\$4,500	\$5,400	\$6,200	\$9,500
<b>Monthly Utility Bills as a Percent of MHI [5]</b>					
Monthly Water Bill, Single Family	2.75%	2.26%	1.88%	1.64%	1.07%
Monthly Wastewater Bill, Single Family	2.00%	1.64%	1.37%	1.19%	0.78%
Combined Monthly Bills, Single Family	4.75%	3.90%	3.25%	2.83%	1.85%
<i>Prepared by: Municipal Financial Services</i>					
[1] Source: U.S. Census Bureau, 2017-2021 5-Year American Community Survey. Value is rounded to the nearest \$100.					
[2] Monthly water bills are for a single family account with a ¾-inch meter using 7 HCF/month (172 gallons per day). Rates are for the City of Martinez were January 1, 2023.					
[3] MVSD monthly wastewater bills for FY 24 are proposed.					
[4] AB-2334 California Water Plan: drinking water and wastewater services (2011-2012) states, "High-cost communities shall include the following: (1) Water systems serving disadvantaged communities, defined as communities with a median household income at or below 80 percent of the state median household income, where water rates are more than 2 percent of the median household income. (2) Water systems serving communities with a median household income no higher than 120 percent of the state median household income and where more than 10 percent of the population spends more than 2 percent of their income on water.					
[5] Fitch calculates an affordability rate to determine the number of people whose bill accounts for an outsized portion of their income. Generally, a combined water-related bill that is greater than 5% of household income (or individually, 2.0% for water, 2.5% for sewer and 0.5% for stormwater) is considered unaffordable. Utilities with 20% or less of their population whose bills are considered high are deemed to have an affordability assessment factor of 'aa'; over 20% to 30%, 'a'; over 30% to 40%, 'bbb'; and over 40%, 'bb'.					

Current and projected water and wastewater utility bills for FY 23 through FY 28 and the affordability evaluation for individual water, individual wastewater, and combined monthly water and wastewater utility bills are shown in the table below. Evaluations for the projected years are based on an estimated MHI value of \$64,400, which is, for the City of Martinez, is approximately 77 percent of the state MHI of \$84,100 (rounded).

**Table ES-2. Projected Water and Wastewater Utility Bills Affordability Evaluation**

	Current	Projected				
	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
<b>Median Household Income (MHI)</b>						
City of Martinez Annual Median Household Income [1]	\$64,400	\$64,400	\$64,400	\$64,400	\$64,400	\$64,400
Statewide California Annual Median Household Income [1]	\$84,100	\$84,100	\$84,100	\$84,100	\$84,100	\$84,100
City of Martinez MHI as a percentage of the State MHI [4]	77%	77%	77%	77%	77%	77%
<b>Monthly Water and Wastewater Bills</b>						
Monthly Water Bill [2]						
¾-inch Meter Charge, \$/month	\$44.25	\$48.00	\$48.00	\$48.00	\$48.00	\$48.00
Water Use Rate, Zone 2, \$/HCF (Hundred Cubic Feet)	\$6.97	\$7.66	\$7.66	\$7.66	\$7.66	\$7.66
Average Monthly Water Use, HCF	7	7	7	7	7	7
Monthly Water Bill, Single Family	\$93.04	\$101.62	\$101.62	\$101.62	\$101.62	\$101.62
Monthly Wastewater Bill, Single Family [3]	\$67.85	\$74.00	\$81.00	\$88.00	\$96.00	\$105.00
Monthly Water and Wastewater Utility Bill	\$160.89	\$175.62	\$182.62	\$189.62	\$197.62	\$206.62
<b>Combined Monthly Utility Bills and Monthly MHI</b>						
Monthly Water and Wastewater Utility Bill	\$161	\$176	\$183	\$190	\$198	\$207
Monthly Mt. View Sanitary District MHI	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400
<b>Monthly Utility Bills as a Percent of MHI [5]</b>						
Monthly Water Bill, Single Family	1.72%	1.88%	1.88%	1.88%	1.88%	1.88%
Monthly Wastewater Bill, Single Family	1.26%	1.37%	1.50%	1.63%	1.78%	1.94%
Combined Monthly Bills, Single Family	2.98%	3.25%	3.38%	3.51%	3.66%	3.83%

Prepared by: Municipal Financial Services

- [1] Source: U.S. Census Bureau, 2017-2021 5-Year American Community Survey. Value is rounded to the nearest \$100.
- [2] Monthly water bills are for a single family account with a ¾-inch meter using 7 HCF/month (172 gallons per day). Rates for the City of Martinez are as shown in the Notice of Public Hearing for water rate increases effective each January 1 from 2021 to 2024. Rates for January 1, 2025 and onward are the same as for the previous year.
- [3] FY 23 monthly wastewater bills are from MVSD Ordinance No. 2020-129 effective July 1, 2020. Rates for FY 24 and onward are proposed.
- [4] AB-2334 California Water Plan: drinking water and wastewater services (2011-2012) states, "High-cost communities shall include the following: (1) Water systems serving disadvantaged communities, defined as communities with a median household income at or below 80 percent of the state median household income, where water rates are more than 2 percent of the median household income. (2) Water systems serving communities with a median household income no higher than 120 percent of the state median household income and where more than 10 percent of the population spends more than 2 percent of their income on water.
- [5] Fitch calculates an affordability rate to determine the number of people whose bill accounts for an outsized portion of their income. Generally, a combined water-related bill that is greater than 5% of household income (or individually, 2.0% for water, 2.5% for sewer and 0.5% for stormwater) is considered unaffordable. Utilities with 20% or less of their population whose bills are considered high are deemed to have an affordability assessment factor of 'aa'; over 20% to 30%, 'a'; over 30% to 40%, 'bbb'; and over 40%, 'bb'.





## Section 1

# Introduction

This introduction describes the organization of the report, the Mt. View Sanitary District service area and sphere of influence, see Figure 1-1, legislation, and industry practices relevant to water and wastewater affordability evaluation, and disadvantaged unincorporated communities in the Mt. View Sanitary District service area.

### 1.1 Organization of the Report

This report is divided into three sections. Section 1 provides an overview of the study objectives. Section 2 presents the affordability evaluation. Section 3 states study limitations.

### 1.2 Mt. View Sanitary District Service Area and Sphere of Influence

Mt. View Sanitary District is an independent district, formed in 1923 pursuant to the Sanitary District Act of 1923 (Health & Safety Code §6400 et seq.). Mt. View Sanitary District serves an estimated population of 22,000 residents consisting of approximately 7,987 residential and 314 commercial, industrial and institutional sewer connections. The District's service area is approximately 4.7 square miles. The District's sphere of influence (SOI) encompasses an additional 1.6 square miles and primarily includes an area of 1.46 square miles of industrially zoned land to the north of the District's boundary as well as an island within the center of the District of 0.14 square miles that is in agricultural use. The SOI area to the north of the District is designated as heavy industrial to the west of I-680 and open space and parks and recreation to the east of I-680.

The District's wastewater collection system is located in the rolling hills in and surrounding Martinez and serves three zones or watersheds. The collection system includes four pumping stations and 73 miles of sewer pipelines ranging in diameter from 6 to 24 inches.

Mt. View Sanitary District provides wastewater collection, treatment, and disposal services for the northeasterly portion of the City of Martinez and adjacent unincorporated lands to the northeast. The plant receives approximately 1.10 million gallons per day during dry weather.

The District collaborates with the Central Contra Costa Sanitary District (Central San) to provide a permanent Household Hazardous Waste Collection facility and disposal services for the central portion of the county. Mt. View Sanitary District has a franchise agreement with Allied Waste (parent company to Republic Services) for Allied Waste to provide trash collection, recycling, and disposal services within the unincorporated area of Mt. View Sanitary District's boundaries. The effluent is comprised of approximately 90% residential and 10% small business waste.

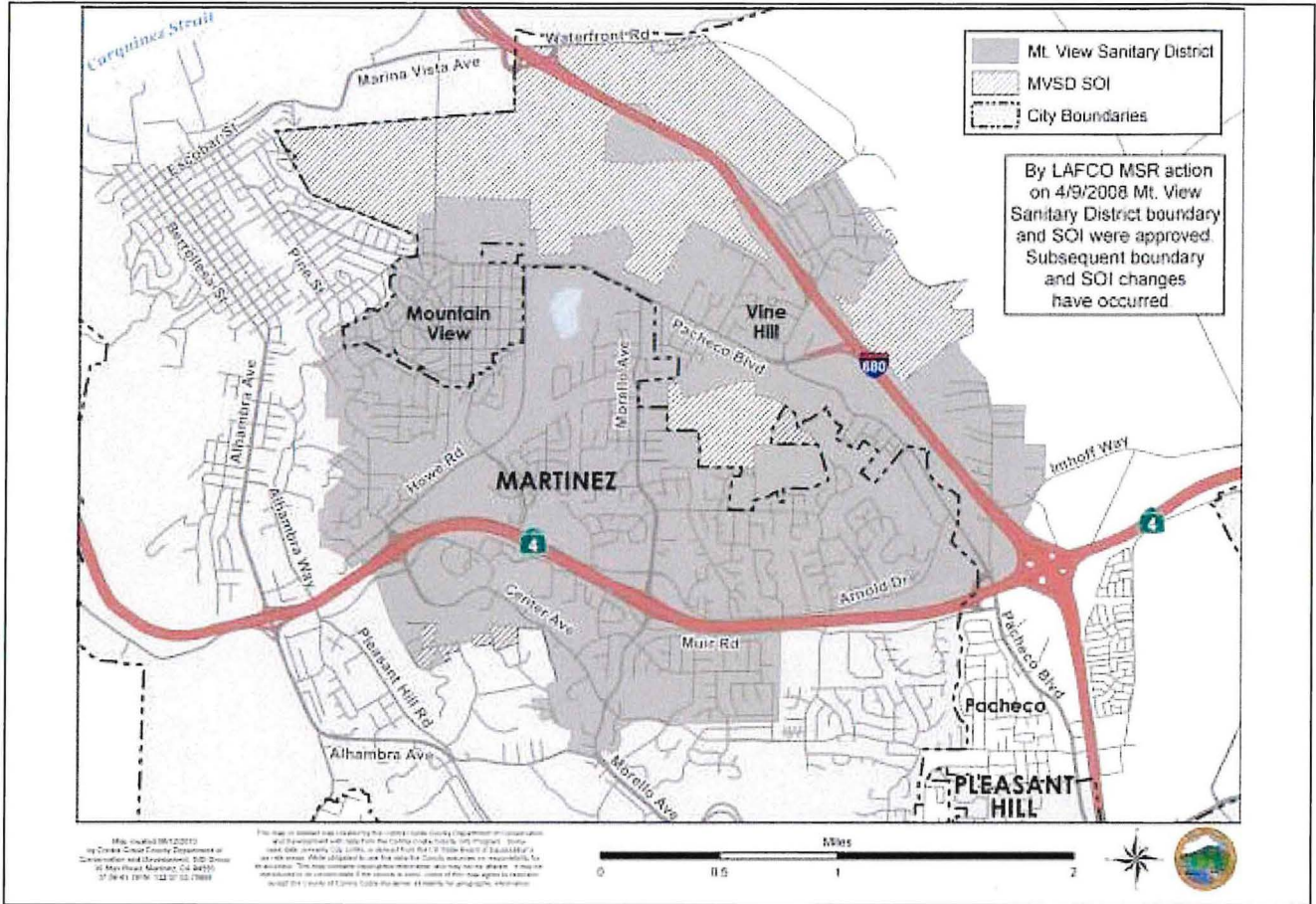


Figure 1-1. Mt. View Sanitary District and Sphere of Influence

### 1.3 California Water Plan and Affordability

Assembly Bill 2334 requires the Department of Water Resources to include an analysis of water affordability and mechanisms to address lack of drinking water (and wastewater services) affordability in California’s Water Plan.

California passed AB 2334 in its 2011-2012 Legislative Session with the declared purpose “... to ensure that the Department of Water Resources includes in the California Water Plan an analysis of water affordability in California and possible mechanisms to increase statewide affordability of reliable drinking water and wastewater services for low-income households.”

AB 2334 added Section 10004.8 to the Water Code. Paragraph (d) of that Section 10004.8 deals with affordability in the context of defining subsidization programs to be included in the California Water Plan. Water Code Section 10004.8 (d) is quoted below:

(d) Propose appropriate subsidization programs to make water affordable for high-cost communities. High-cost communities shall include the following:

(1) Water systems serving disadvantaged communities, defined as communities with a median household income at or below 80 percent of the state median household income, where water rates are more than 2 percent of the median household income.

(2) Water systems serving communities with a median household income no higher than 120 percent of the state median household income and where more than 10 percent of the population spends more than 2 percent of their income on water.

(3) Other communities as determined to be appropriate by the department.

Note that while AB 2334 states “It is in the public interest for all households to have access to safe and affordable water for basic needs and to have effective and affordable wastewater treatment”, no affordability guidance was provided in the legislation for wastewater utilities in the same way that Water Code Section 10004.8 (d) does for water utilities.

## 1.4 Fitch Ratings Water and Sewer Rating Criteria and Affordability

Fitch Ratings publishes a sector-specific criteria report titled "U.S. Water and Sewer Rating Criteria".<sup>2</sup> This criteria report details Fitch Ratings' methodology for assigning Issuer Default Ratings, Standalone Credit Profiles, and issue- and obligation-specific ratings to U.S. municipal water and sewer (including wastewater and stormwater) utilities, whether operating as a stand-alone legal entity or an enterprise of a local government. This rating methodology also applies to certain municipally owned combined utilities, for which water and sewer revenue accounts for, or is expected to account for, the largest share of total revenue on an ongoing basis. An “affordability rate”, as a component of Rate Flexibility, is analyzed as a “Key Ratings Driver” rating tool.<sup>3</sup>

Fitch Ratings calculates an affordability rate to determine the number of people whose bill accounts for an outsized portion of their income. Generally, a combined water-related bill that is greater than 5% of household income (or individually, 2.0% for water, 2.5% for sewer and 0.5% for stormwater) is considered unaffordable.

Utilities with 20% or less of their population whose bills are considered high are deemed to have an affordability assessment factor of ‘aa’; over 20% to 30%, ‘a’; over 30% to 40%, ‘bbb’; and over 40%, ‘bb’. Alternatively, Fitch Ratings may base its calculation on individual or combined charges where one or more of the costs of service are unknown or not applicable using a threshold of 2.0% for water, 2.5% for sewer and 0.5% for stormwater.

---

<sup>2</sup> Fitch Ratings' credit ratings provide opinions on the relative ability of an entity to meet its financial commitments.

<sup>3</sup>[http://mwdh2o.com/PDF\\_Who\\_We\\_Are/Fitch%20Report%20\(US%20Water%20and%20Sewer%20Rating%20Criteria,%20April%202020\).pdf](http://mwdh2o.com/PDF_Who_We_Are/Fitch%20Report%20(US%20Water%20and%20Sewer%20Rating%20Criteria,%20April%202020).pdf)

### 1.5 Disadvantaged Unincorporated Communities

Disadvantaged unincorporated communities (DUCs) have been identified in the Mt. View Sanitary District's sphere of influence in the Vine Hill CDP (Census Designated Place).<sup>4</sup> Located north of the City of Martinez, the Vine Hill CDP is located on the west and east side of I-680. Future annexation of the sphere of influence (SOI) areas by Mt. View Sanitary District or expansion of Mt. View Sanitary District's SOI contiguous to these DUCs would first require a detailed evaluation of Mt. View Sanitary District's capability to adequately serve these communities.

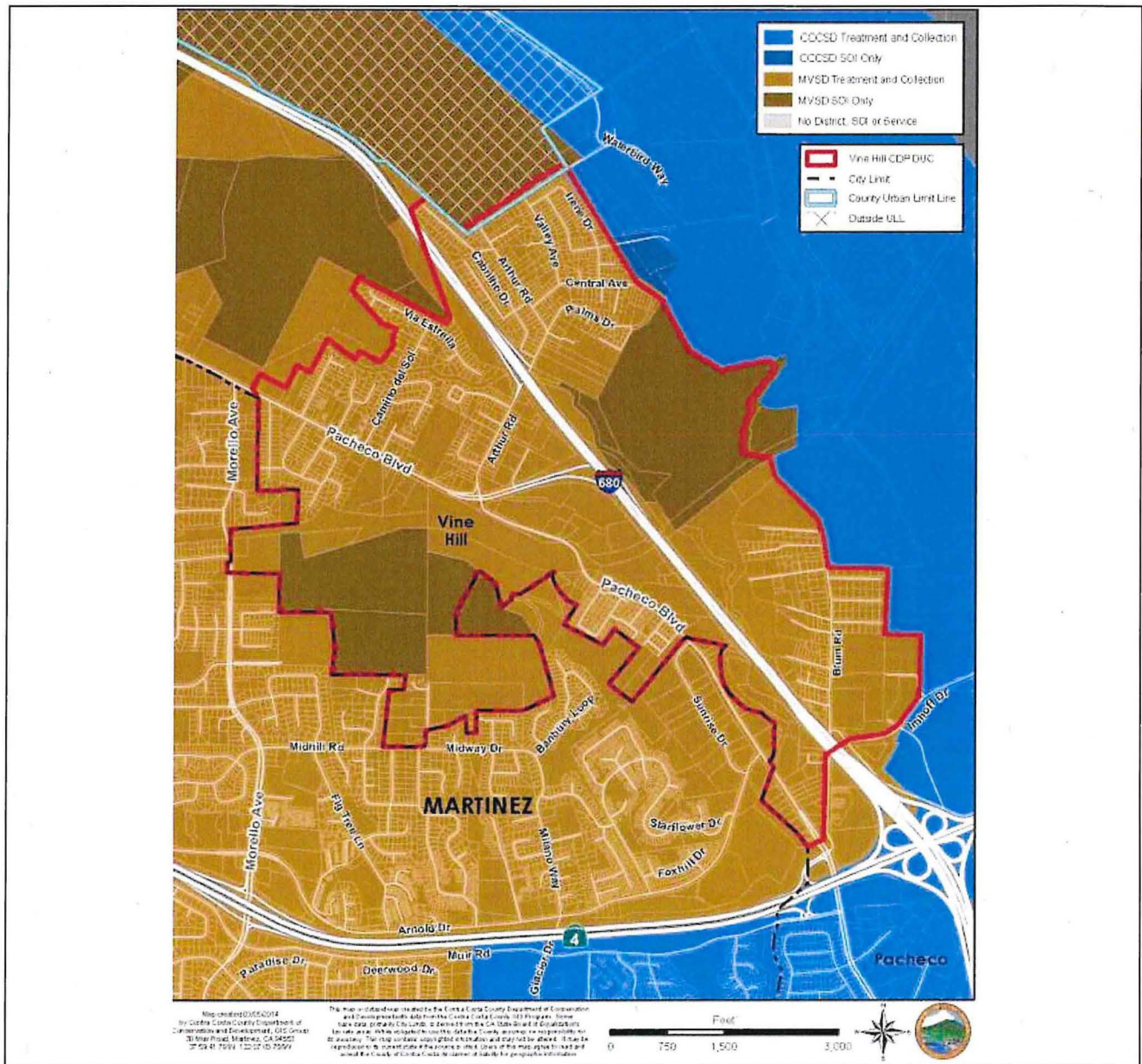


Figure 1-2. Vine Hill Census Designated Place Disadvantaged Unincorporated Communities

<sup>4</sup> The text and the figure in this section are taken from the "Contra Costa County Water and Wastewater Agencies Combined Municipal Service Review and Sphere of Influence Study (2nd Round) Final; Approved May 14, 2014", pp. 258- 259.

## Section 2

# Affordability Evaluation

Typically, affordability is measured by the percentage of median household income spent annually on utility services (water and wastewater). Households paying an amount for water and wastewater services that exceeds the affordability threshold are considered to be paying a cost that is unaffordable.

## 2.1 Calculation of Water and Wastewater Bills

Monthly water and wastewater bills are calculated using current water rates for the City of Martinez and current wastewater rates for Mt. View Sanitary District.

Monthly water bills are for a Single Family household using 7 HCF of water per month (approximately 172 gallons per day) with a 5/8-inch water meter. FY 24 proposed City of Martinez charges are \$48.00 per month for a 5/8-inch water meter and \$7.66 per HCF (hundred cubic feet, about 748 gallons) for water use in elevation Zone 2. The proposed monthly water bill would be \$101.62.

Currently, Mt. View Sanitary District charges \$67.85 per month (\$814.20 per year) for wastewater service. Mt. View Sanitary District proposed charges for FY 24 are \$74.00 per month (\$888.00 per year).

The total proposed monthly utility bill for a Single Family household for water and wastewater service for FY 24 is \$175.62.

## 2.2 Estimation of Median Household Income

Median Household Income (MHI) was obtained from the U.S. Census Bureau QuickFacts website.<sup>5</sup> QuickFacts is an application that provides tables, maps, and charts of frequently requested statistics from many Census Bureau censuses, surveys, and programs. QuickFacts provides statistics for all states and counties, and for cities and towns with a **population of 5,000 or more**. MHI data for the City of Martinez, Contra Costa County and the State of California are available from the QuickFacts website. MHI data for the Mt. View Sanitary District service area is not available from the QuickFacts website. MHI for the City of Martinez, Contra Costa County, State of California, and the United States are shown below in Table 2-1.

Income & Poverty	Martinez city, California	Contra Costa County, California	California	United States
Population Estimates, July 1 2021, (V2021)	36,819	1,161,413	39,142,991	332,031,554
<b>PEOPLE</b>				
Income & Poverty				
Median household income (in 2021 dollars), 2017-2021	\$114,380	\$110,455	\$84,097	\$69,021

<sup>5</sup> QuickFacts data are derived from: Population Estimates, American Community Survey, Census of Population and Housing, Current Population Survey, Small Area Health Insurance Estimates, Small Area Income and Poverty Estimates, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits.

MHI data from U.S. Census Bureau QuickFacts website for the City of Martinez and adjacent Contra Costa County – shown below in Figure 2-1 - suggests the range of MHI in the Mt. View Sanitary District service area ranges primarily from approximately \$66,000 to \$88,000.

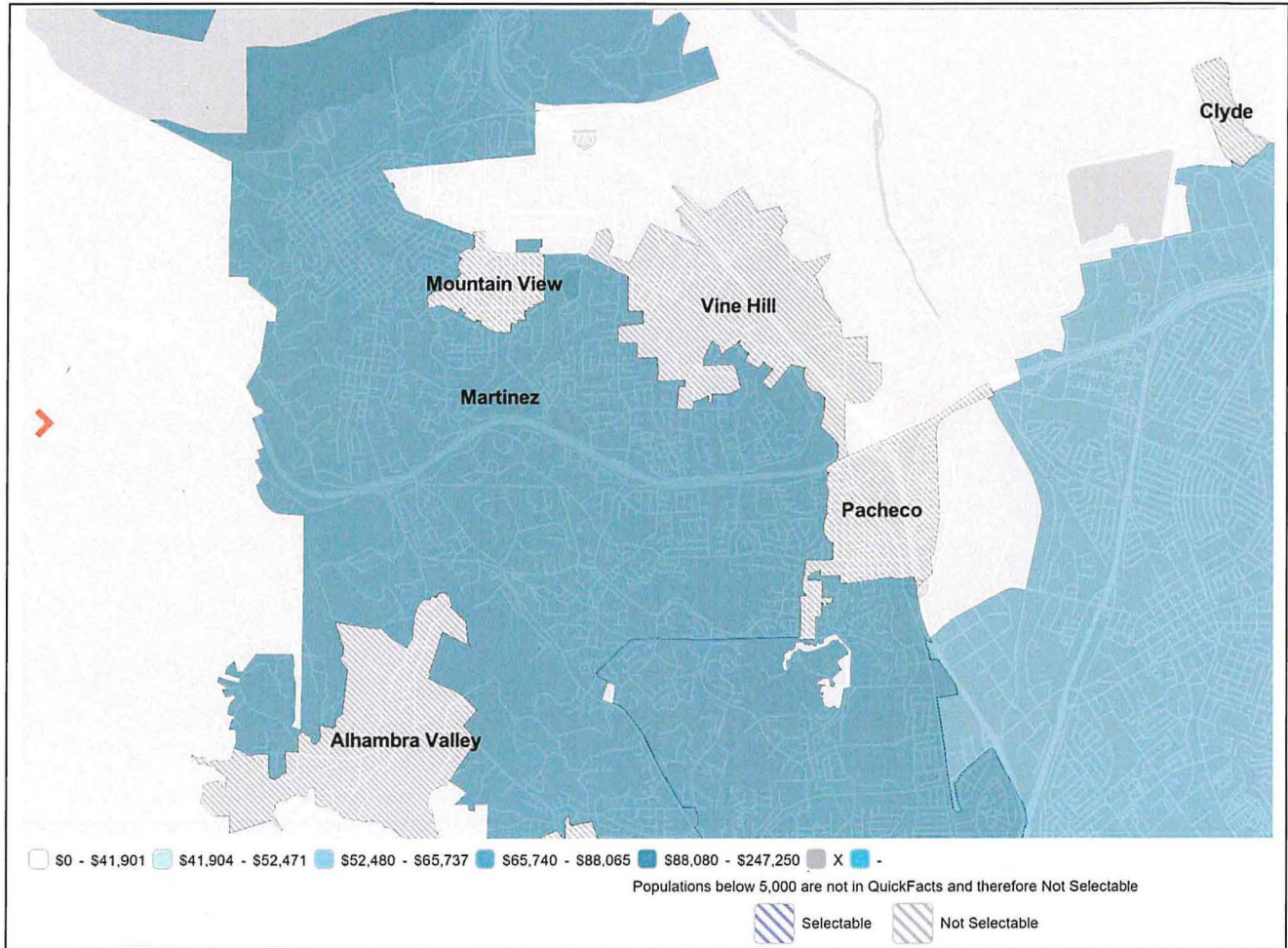


Figure 2-1. MHI for the City of Martinez and Adjacent Contra Costa County (U.S. Census QuickFacts)

## 2.3 Water and Wastewater Utility Bills Affordability Evaluation

MHI evaluated for the Mt. View Sanitary District service area range from \$44,400 to \$114,400 and are based on MHI for the City of Martinez. MHI data for the Mt. View Sanitary District service area is not available from the QuickFacts website. The affordability evaluation for individual water (City of Martinez), individual wastewater (Mt. View Sanitary District), and combined monthly water and wastewater utility bills of \$175 are shown in the table below. The monthly bills are based on water and wastewater rates for FY 24 which, for Mt. View Sanitary District, are not yet adopted.

Table 2-2. Water and Wastewater Utility Bills Affordability Evaluation					
Median Household Income (MHI)	<u>Below City of Martinez Median</u>				<u>Median</u>
	City of Martinez Annual Median Household Income [1]	\$114,400	\$114,400	\$114,400	\$114,400
<i>Adjustment for MHIs lower than Martinez MHI</i>	<i>(\$70,000)</i>	<i>(\$60,000)</i>	<i>(\$50,000)</i>	<i>(\$40,000)</i>	
Adjusted Annual Median Household Income	\$44,400	\$54,400	\$64,400	\$74,400	
Statewide California Annual Median Household Income [1]	\$84,100	\$84,100	\$84,100	\$84,100	\$84,100
City of Martinez MHI as a percentage of the State MHI [4]	53%	65%	77%	88%	136%
<b>Monthly Water (Martinez) and Wastewater (MVSD) Bills</b>					
Monthly Water Bill [2]					
¾-inch Meter Charge, \$/month	\$48.00	\$48.00	\$48.00	\$48.00	\$48.00
Water Use Rate, Zone 2, \$/HCF (Hundred Cubic Feet)	\$7.66	\$7.66	\$7.66	\$7.66	\$7.66
Average Monthly Water Use, HCF	7	7	7	7	7
Monthly Water Bill, Single Family	\$101.62	\$101.62	\$101.62	\$101.62	\$101.62
Monthly Wastewater Bill, Single Family [3]	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00
Monthly Water and Wastewater Utility Bill	\$175.62	\$175.62	\$175.62	\$175.62	\$175.62
<b>Combined Monthly Utility Bills and Monthly MHI</b>					
Monthly Water and Wastewater Utility Bill	\$175	\$175	\$175	\$175	\$175
Monthly Mt. View Sanitary District MHI (based on City of Martinez)	\$3,700	\$4,500	\$5,400	\$6,200	\$9,500
<b>Monthly Utility Bills as a Percent of MHI [5]</b>					
Monthly Water Bill, Single Family	2.75%	2.26%	1.88%	1.64%	1.07%
Monthly Wastewater Bill, Single Family	2.00%	1.64%	1.37%	1.19%	0.78%
Combined Monthly Bills, Single Family	4.75%	3.90%	3.25%	2.83%	1.85%
<i>Prepared by: Municipal Financial Services</i>					
[1] Source: U.S. Census Bureau, 2017-2021 5-Year American Community Survey. Value is rounded to the nearest \$100.					
[2] Monthly water bills are for a single family account with a ¾-inch meter using 7 HCF/month (172 gallons per day). Rates are for the City of Martinez were January 1, 2023.					
[3] MVSD monthly wastewater bills for FY 24 are proposed.					
[4] AB-2334 California Water Plan: drinking water and wastewater services (2011-2012) states, "High-cost communities shall include the following: (1) Water systems serving disadvantaged communities, defined as communities with a median household income at or below 80 percent of the state median household income, where water rates are more than 2 percent of the median household income. (2) Water systems serving communities with a median household income no higher than 120 percent of the state median household income and where more than 10 percent of the population spends more than 2 percent of their income on water.					
[5] Fitch calculates an affordability rate to determine the number of people whose bill accounts for an outsized portion of their income. Generally, a combined water-related bill that is greater than 5% of household income (or individually, 2.0% for water, 2.5% for sewer and 0.5% for stormwater) is considered unaffordable. Utilities with 20% or less of their population whose bills are considered high are deemed to have an affordability assessment factor of 'aa'; over 20% to 30%, 'a'; over 30% to 40%, 'bbb'; and over 40%, 'bb'.					

Based on this affordability evaluation, the following conclusions may be drawn:

1. For the City of Martinez, median household income at 80 percent of the state median household income is approximately \$64,400.
2. Monthly water utility bills for the City of Martinez are approximately 1.88% of \$64,400 MHI which is lower than the 2% State of California affordability threshold.
3. Monthly wastewater utility bills for the Mt. View Sanitary District are approximately 1.37% of \$64,400 MHI which is lower than the 2.5% Fitch Ratings affordability threshold; and
4. Combined monthly water and wastewater utility bills are approximately 3.25% of \$64,400 MHI which is lower than the 5.0% Fitch Ratings affordability threshold.





## **Section 3**

# **Limitations**

This document was prepared solely for the Mt. View Sanitary District in accordance with professional standards at the time the services were performed and in accordance with Task Order No. 1 to Contract 22-0005 between Mt. View Sanitary District and Municipal Financial Services. This document is governed by the specific scope of work authorized by Mt. View Sanitary District; it is not intended to be relied upon by any other party. We have relied on information or instructions provided by Mt. View Sanitary District and, unless otherwise expressly indicated, have made no independent investigation as to the validity, completeness, or accuracy of such information.



## Appendix A: reserved

---

## RATES PUBLIC HEARING SUPPLEMENTAL INFORMATION

The mailed notification for Proposition 218 Rate Increase has stimulated residents and customers to communicate concerns through protest letters and social media correspondence. The following information is intended to provide information addressing those specific concerns.

I would like to acknowledge the citizens of MVSD for being proactive and participating in this democratic process. I am truly impressed with your organized effort and will attempt here to provide valuable information to address your concerns as they have been communicated. If you are interested in continued participation, please be aware that MVSD has a Community Advisory Group that meets quarterly to discuss progress on the Strategic Plan goals, Performance Metrics, Capital Planning, Cash Flow projections, and more. To participate, refer to the website at <https://www.mvsd.org/community-advisory-group>. Public participation makes our community stronger and contributes to better decisions because decision-makers have more complete information in the form of additional facts, values, and perspectives obtained through public input.

### **Mt. View Sanitary District Sewer Service Charges (SSC)**

*The SSC is not a tax.* The SSC is a fee for service provided to the property (like your water bill) and collected on the property tax roll. Sewer Service Charges are intended to recover revenues sufficient to adequately fund sewer utility operations, maintenance, and capital replacement expenditures, meet debt service obligations, keep rates as competitive as possible, and maintain a prudent level of reserves. Proposition 218 amended the State Constitution, placing requirements on public agencies wishing to adopt new or increased fees and charges for property-related services. Proposition 218 defines fees and charges as any levy imposed by an agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property-related service such as the District's Sewer Service Charge.

### **Residential v. Commercial Businesses**

Residential single-family and multiple residences (like apartments & duplexes) parcels are charged an annual rate for sewer service. Commercial business parcels pay a fee per hundred cubic feet (HCF) of water used. MVSD serves an estimated population of 22,000 residents consisting of approximately 7,912 residential and 239 commercial, industrial, and institutional sewer connections. For Fiscal Year 2023-2024 (the upcoming fiscal year), the District anticipates collecting 1.80 million dollars from commercial business parcels, which is 19% of the anticipated revenue for the upcoming fiscal year. The average commercial business parcel will pay \$5,745/year.

Some business parcels will pay more than \$30,000 per year. This is significantly higher than the recommended single-family residence rate of \$888/year for FY 23-24

### **Sewer Service Charge Rebate Assistance Program (SSCRAP)**

Because the District recognizes the difficulty faced by homeowners with a limited fixed income, the Board of Directors has approved the SSCRAP, which will provide persons with limited income the opportunity to seek help with SSC costs. The District has posted the application and eligibility requirements on the District website:

<https://www.mvsd.org/sewer-service-charge-rebate-assistance-program> and mailed out the application to homeowners who submitted letters protesting the proposed rate increase. Eligibility, subject to qualification, is on a first-come, first-served basis (up to \$50,000 in fiscal year 2022-2023); eligible applicants will receive a 20% rebate check after property taxes have been received.

### **Why are rate increases more than the increase in the Bay Area Consumer Price Index?**

The proposed rate increases are needed principally for the repair and replacement of aged infrastructure. The District is now 100 years old, and although we have been successful in extending the life of critical infrastructure beyond their anticipated useful lives, capital projects for repair and replacement must move forward to avoid failures that would be harmful to the public and the environment. The Operations & Maintenance budget has increased by less than the annual Consumer Price Index (CPI) for the Bay Area in the last 5 years. Since 2017 the CPI has increased by an average of **3.499%**, and since fiscal year 2017-2018, the Operations & Maintenance budget has increased by an annual average of **3.388%**. The District has expenses such as insurance, electrical power, fuel, and chemicals that have all been increasing by more than 10% per fiscal year.

Conversely, the cost of construction in the Bay Area has been increasing at a rate higher than the Consumer Price Index for many years. "The Bay Area experienced construction cost growth of 6.7% in 2018, making it the most expensive place to build in the world, according to ... a report from Turner & Townsend<sup>1</sup>." The District's capital project costs for the last half of the decade were significantly more than the original Engineer's estimate for each project. This is a reflection of increases in construction costs that have been difficult to keep pace with.

<sup>1</sup> Boerner, D. (2019) *Bay Area Construction Costs May Finally Be Plateauing*

Read more at [https://www.bisnow.com/silicon-valley/news/construction-development/silicon-valley-post-event-99841?utm\\_source=CopyShare&utm\\_medium=Browser](https://www.bisnow.com/silicon-valley/news/construction-development/silicon-valley-post-event-99841?utm_source=CopyShare&utm_medium=Browser)

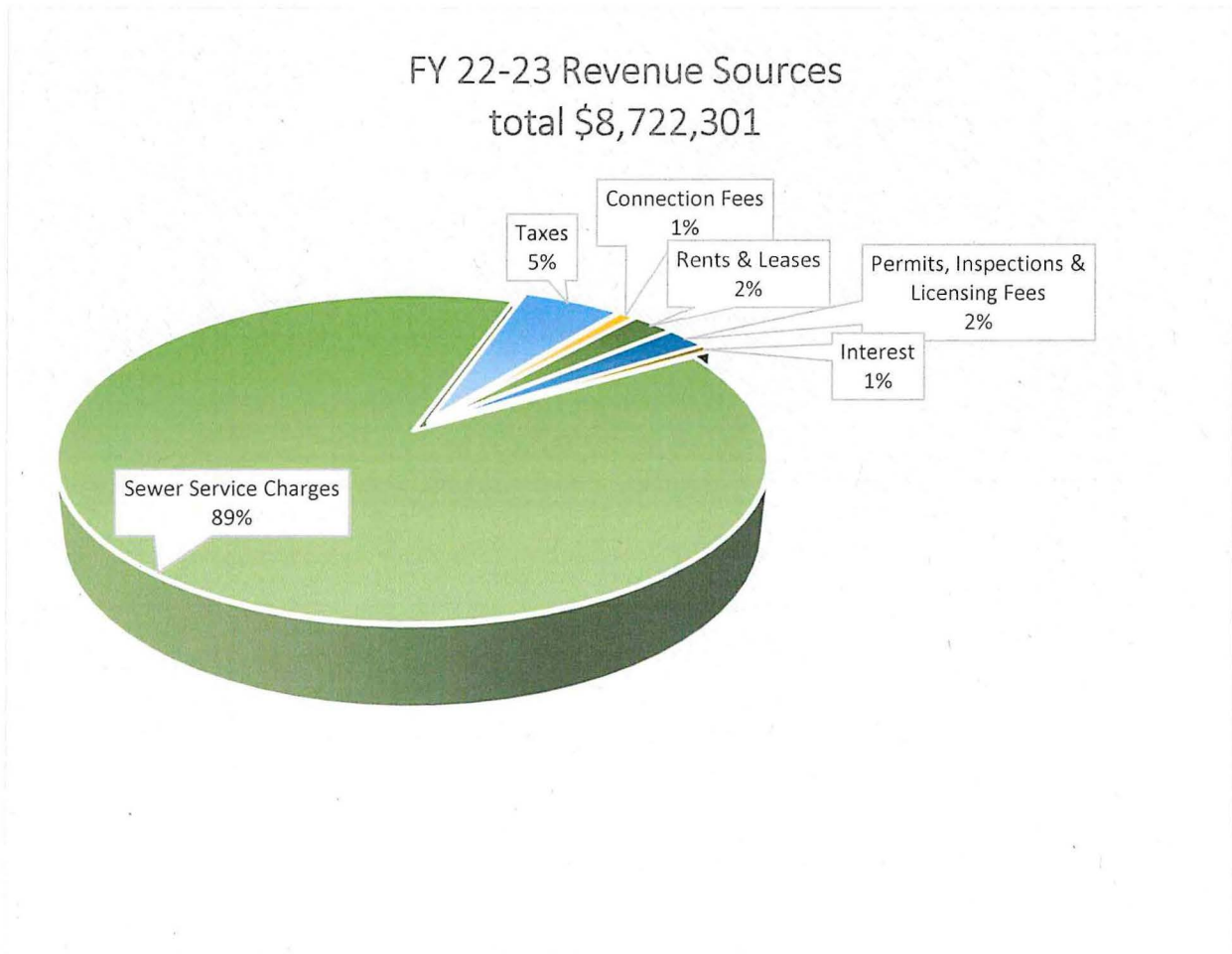
Since 2018 the Bay Area has continued to experience annual increases in construction costs, with a 13.4% increase in 2021 and a 9.3% increase in 2022.

(<https://www.dgs.ca.gov/RES/RES/Real-Estate-Services-Division-Resources-List-Folder/DGS-California-Construction-Cost-Index-CCCI>)

**Revenue Distribution**

In the absence of loan proceeds, the great preponderance, 89%, of revenue received by the District in any given year comes from Sewer Service Charges.

MVSD currently has two (2) \$6M fixed-rate loans for a total of \$12 million, one from 2018 and one from 2021. Regarding loans, a comparison among nearby and similar agencies was made. All carry debt and have significant debt service. Debt among the agencies ranges from \$24 million to \$108.5 million. Using loans for public infrastructure projects is a normal course of business. MVSD's debt service coverage ratio is 2.9%, which is greater than the minimum of 2.0% as recommended by Generally Accepted Accounting Principles (GAAP) issued by the Financial Accounting Standards Board (FASB).



**Expenditure Distribution**

The District has reduced Classic CalPERS personnel benefits by 8% (of salary) since 2015. This was done by eliminating the Employer Paid Member Contribution. The

employees pay their own 8% contribution for retirement pensions. This is a benefit that many sanitary districts continue to provide their employees.

MVSD Salaries and Benefits were 53% of the total expenditures in the Operations & Maintenance (O&M) Fund for FY 21-22 (Audited numbers) and 48% of total spending across all Funds. CENTRAL SAN spent 54% of its total budget on Salaries and Benefits for FY 21-22. For FY 22-23, MVSD has budgeted 36.1% of the total budget for Salaries & Benefits compared to CENTRAL SAN'S budgeted Salaries & Benefits of 79.6% of the total budget. The MVSD General Manager's salary is 3.3% below the median General Manager salary amongst the comparator agencies serving populations less than 65,000 and 6.2% below the median of the local comparator agencies.

TABLE 3

Agencies	Population Served	General Manager FY22-23 Salary
Rodeo Sanitary District	8,679	\$ 225,000
Sanitary District of Marin County #2	10,000	\$ 212,256
Tamalpais Community Services District	10,000	\$ 220,500
Sanitary District of Marin County	14,000	\$ 222,072
Sausalito-Marín City Sanitary District	18,000	\$ 308,436
<b>Mt. View Sanitary District</b>	21,900	\$ 253,836
Las Gallinas Valley Sanitation District	30,000	\$ 279,996
Ironhouse	32,324	\$ 279,444
Novato Sanitary District	51,516	\$ 293,904
Ross Valley Sanitary District	55,000	\$ 270,480
West Bay Sanitary District	55,000	\$ 262,500
Castro Valley Sanitary District	65,000	\$ 258,075
Median	25,950	\$ 262,500
Vallejo Flood and Wastewater District	120,000	\$ 276,739
Fairfield-Suisun Sewer District	135,000	\$ 316,306
Oro Loma Sanitary District	135,000	\$ 279,828
Central Contra Costa Sanitary District	500,000	\$ 339,379
Average	78,839	\$ 268,672
Median	32,324	\$ 270,480
Max	500,000	\$ 339,379
Min	8,679	\$ 212,256

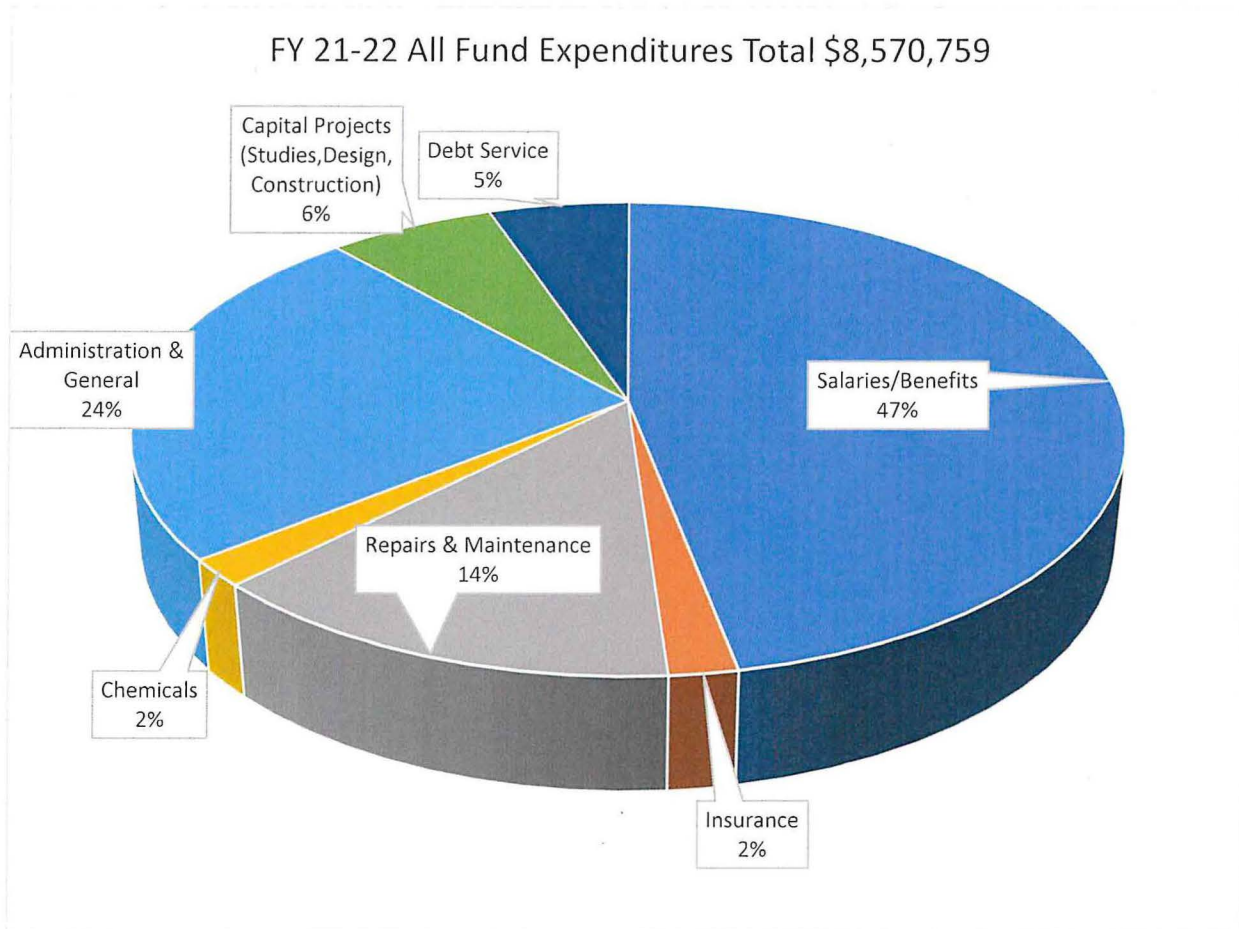
The salary comparison between MVSD and our nearest neighbors below confirms that MVSD salaries are reasonable.

### Salary Comparisons

MVSD 19 employees, salary range \$77,160 - \$253,836		Vallejo 58 employees, salary range \$66,610 - \$320,563		% Difference of Vallejo over MVSD	Central San 115 employees, salary range \$73,901 - \$367,658		% Difference of Central San over MVSD
	Top Step		Top Step			Top Step	
General Manager	\$253,836	District Manager	\$320,563	26%	General Manager	\$367,658	45%
Deputy General Manager	\$211,500	No Asst DM, 7 dept. directors instead			Deputy General Manager	\$314,077	48%
CFO/Administrative Services Manager	\$174,264	Finance Manager	\$178,442	2%	Finance Manager	\$250,120	44%
Accountant & Financial Analyst	\$124,188	Accountant	\$136,032	10%	Accountant	\$127,725	3%
Administrative Assistant	\$86,052	Administrative Specialist	\$87,236	1%	Administrative Assistant	\$100,909	17%
Executive Assistant/Board Secretary	\$99,960	Administrative Specialist	\$96,277	-4%	Executive Assistant to General Manager	\$116,383	17%
District Engineer	\$207,144	Engineering Manager	\$198,304	-4%	Capital Projects Division Manager	\$238,208	15%
Associate Engineer	\$157,260	Associate Engineer	\$171,303	9%	Associate Engineer	\$170,523	9%
Laboratory Analyst	\$120,336	Laboratory	\$127,353	6%	Chemist II	\$134,486	12%
Public Outreach Coordinator	\$117,300	Community Outreach Coordinator	\$127,353	9%	Community Affairs Representative	\$137,822	17%
Wastewater Operations Manager	\$190,908	Director of Plant Operations & Maintenance	\$214,577	12%	Plant Operations Division Manager	\$238,208	25%
Plant Supervisor	\$125,136	Operations Superintendent	\$160,648	28%	Shift Supervisor	\$159,061	27%
Collections Maintenance Lead	\$120,108	Field Operations Superintendent	\$151,738	26%			
Plant Operator Trainee	\$77,160	Operator Entry Level	\$100,063	30%	Plant Operator Trainee/I	\$110,722	43%
Plant Operator I	\$91,596	Plant Operator II	\$110,319	20%	Plant Operator II	\$118,932	30%
Plant Operator II	\$111,732	Plant Operator III	\$115,836	4%	Plant Operator III	\$130,771	17%
Utility Laborer	\$87,564	Utility Worker	\$105,067	20%	Utility Worker	\$93,953	10%
		Average*		12%	Average*		24%



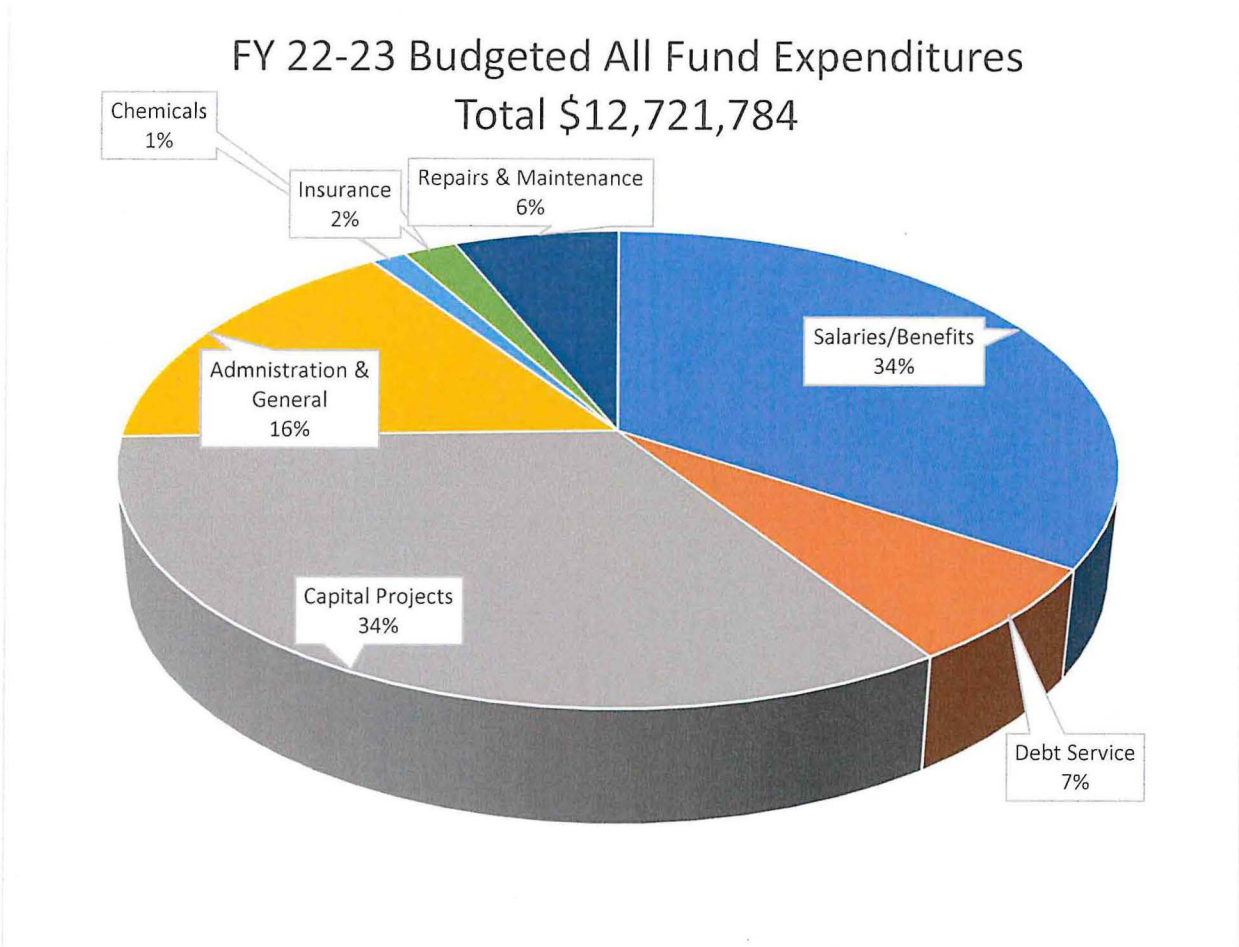
The pie chart below reflects the proportions of (audited) expenditures in FY 21-22 across all Funds.



The pie chart below reflects the proportions of budgeted expenditures in FY 22-23 across all Funds.

### Capital Comparative Effectiveness

CENTRAL SAN is 77 years old. Their FY22-23 CIP budget is \$91 million. Their permitted dry weather flow is 53.8 MGD. That's **\$1.69 million/million gallons** treated in capital costs. MVSD is 100 years old. Our FY22-23 CIP budget is \$4.28 million. Our permitted dry weather flow is 3.2 MGD. That's **\$1.34 million/million gallons** treated in capital costs. Additionally, although CENTRAL SAN serves 25 times the population that MVSD does, they receive approximately 50 times the Ad Valorem Tax that MVSD receives from the County.



### **Contra Costa Local Agency Formation Commission Review**

The Contra Costa Local Agency Formation Commission, or LAFCO, performs Municipal Service Reviews at regular intervals. The last review was conducted in May 2014 and is available on the MVSD website. That review noted the District's need to implement systemic rate increases to meet its long-term capital improvement needs. It also acknowledged that while both MVSD and CENTRAL SAN provide similar services within their boundaries, both districts have indicated that differences in treatment and disposal operations, topography, and cost (real estate acquisition and capital improvements) make consolidation of the two districts fiscally infeasible. Contra Costa County LAFCO is currently conducting a Municipal Service Review of wastewater agencies and expects to complete a draft in May 2023.

### **Rate Comparisons**

A Rate Comparison table follows. The smaller agencies: Rodeo, San Mateo, and Central Marin San tend to have higher rates because they lack the economy of scale and the large rate base with the accompanying ad valorem taxes afforded the larger agencies.

RATE COMPARISONS

Agencies	Serves	Annual Single Family Residence Rate FY22-23	FY24	FY25	FY26	FY27	FY28	Rate Studies/ Prop 218
Scenic Heights CSD	175	\$ 2,195.00						Underway
Oak Knoll SMD	300	\$ 1,545.00						Underway
Devonshire CSD	700	\$ 1,620.00						Underway
Crystal Springs CSD	3,155	\$ 1,747.00	\$ 1,834.00					
Burlingame Hills SMD	3,270	\$ 1,892.00	\$ 1,982.00					
Emerald Lake SMD	4,000	\$ 1,715.00						
Rodeo Sanitary District (proposed)	8,679	\$ 1,031.52	\$ 1,165.52					Underway
Tamalpais Community Services	10,000	\$ 1,429.86	\$ 1,487.04	\$ 1,546.52	\$ 1,608.40			Underway
SDMC - Tiburon #5 (proposed)	14,000	\$ 1,034.00	\$ 1,307.00	\$ 1,468.00	\$ 1,644.00	\$ 1,842.00	\$ 2,063.00	Underway
SDMC - Belvedere #5 (proposed)	14,000	\$ 1,985.00						
Sausalito-Marin City Sanitary District	18,000	\$ 942.00	\$ 970.00	\$ 999.00				
Sonoma County Water Agency	18,000	\$ 1,148.00						Planned
Mt. View Sanitary District (proposed)	21,900	\$ 814.20	\$ 888.00	\$ 972.00	\$ 1,056.00	\$ 1,152.00	\$ 1,260.00	Underway
Fair Oaks SMD	22,000	\$ 1,015.00						Planned
Cupertino Sanitary District (proposed)	23,000	\$ 699.58	\$ 734.56	\$ 771.29	\$ 809.85	\$ 850.34	\$ 892.86	Underway
Sewer Authority Mid-Coastside	27,000	\$ 970.00						
Las Gallinas Valley Sanitation District (proposed)	30,000	\$ 1,122.00	\$ 1,346.00	\$ 1,467.58	\$ 1,584.00			Underway
Ironhouse Sanitary District	32,324	\$ 916.39	\$ 934.18					
Novato Sanitary District	51,516	\$ 1,181.00	\$ 1,247.00	\$ 1,284.00	\$ 1,323.00	\$ 1,362.00		
Ross Valley Sanitary District	55,000	\$ 1,146.00	\$ 1,212.00					
West Bay Sanitary District	55,000	\$ 1,255.00	\$ 1,280.00	\$ 1,306.00				
Castro Valley Sanitary District	65,000	\$ 481.00						Underway
Vallejo Sanitation and Flood District (average of proposed rates)	120,000	\$ 769.44	\$ 897.36	\$ 1,040.52	\$ 1,161.29	\$ 1,212.47	\$ 1,255.13	Underway
Central San (proposed)	500,000	\$ 690.00	\$ 697.00	\$ 725.00				Underway
Average	45,709	\$ 1,220.47	\$ 1,198.78	\$ 1,157.99	\$ 1,312.36	\$ 1,283.76	\$ 1,367.75	
Median	19,950	\$ 1,147.00	\$ 1,212.00	\$ 1,162.26	\$ 1,323.00	\$ 1,212.47	\$ 1,257.56	

ORDINANCE NO. 2023-140

MT. VIEW SANITARY DISTRICT  
CONTRA COSTA COUNTY, CALIFORNIA

AN ORDINANCE OF MT. VIEW SANITARY DISTRICT  
ADOPTING GENERAL REGULATION NO. 140 ADOPTING AND  
ESTABLISHING A SCHEDULE OF DISTRICT SEWER SERVICE CHARGES  
FOR FISCAL YEAR 2023-2024 THROUGH FISCAL YEAR 2025-2026

THE DISTRICT BOARD OF MT. VIEW SANITARY DISTRICT DOES HEREBY  
FIND AND ORDAIN AS FOLLOWS:

RECITALS

WHEREAS, on February 9, 2023, the District Board of the Mt. View Sanitary District (the "Board") approved the Final 2023 Sewer Service Charges Study prepared by Municipal Financial Services and dated January 2023, providing a schedule of sewer service charge increases for the District in each of the next five successive fiscal years (FY); and,

WHEREAS, On February 16, 2023, providing at least a 45-day notice of the proposed rate adjustments, as required by Proposition 218, a written notice was timely mailed to all property owners of record within the District's Service Boundary, and additional written notices were timely mailed to property addresses where the owner of record's mailing address was not the property address; and,

WHEREAS a Notice of Public Hearing on the subject of the adoption of a schedule of charges and fees for FY 2023-2024 through FY 2027-2028 was timely published in a newspaper of general circulation, timely posted in three places, and timely mailed to each property owner within the District; and,

WHEREAS, On March 6, 2023, a rounding clerical error was identified for the annual percentage rate increases in the Final 2023 Sewer Service Charges Study (Study) and was corrected, and the corrected Study was posted to the website; and,

WHEREAS, a public hearing on approval of the proposed rate schedule was held on April 13, 2023, and was continued to May 4, 2023, at 6:30 P.M.; and,

WHEREAS, the April 13, 2023, Board Meeting was adjourned to May 4, 2023, at 6:30 P.M.; and,

WHEREAS the Final Rate Study recommended a Schedule of Fees and Charges as presented in Table 1; and,

TABLE 1

Customer Class	Billing Units	Current FY23	Recommended Five-Year Rate Plan				
			FY24	FY25	FY26	FY27	FY28
<b>Unit Costs</b>							
Flow	\$ per million gallons	\$8,965	\$9,771	\$10,651	\$11,609	\$12,654	\$13,793
BOD	\$ per 1000 pounds	\$1.18	\$1.29	\$1.40	\$1.53	\$1.67	\$1.82
TSS	\$ per 1000 pounds	\$1.29	\$1.40	\$1.53	\$1.67	\$1.82	\$1.98
<b>SSCs</b>							
	<i>% incr. &gt;</i>	<i>10.0%</i>	<i>9.1%</i>	<i>9.5%</i>	<i>8.6%</i>	<i>9.1%</i>	<i>9.4%</i>
Residential *	Annual	\$814.20	\$888	\$972	\$1,056	\$1,152	\$1,260
Apt/MH Units	Annual	\$652.20	\$708	\$768	\$840	\$912	\$996
<b>Nonresidential</b>							
Group 1	\$ per HCF	\$11.04	\$12.05	\$13.15	\$14.35	\$15.65	\$17.05
Group 1A	\$ per HCF	\$11.04	\$12.05	\$13.15	\$14.35	\$15.65	\$17.05
Group 2	\$ per HCF	\$12.12	\$13.20	\$14.40	\$15.70	\$17.10	\$18.65
Group 3	\$ per HCF	\$15.36	\$16.75	\$18.25	\$19.90	\$21.70	\$23.65
Group 4	\$ per HCF	\$16.68	\$18.20	\$19.85	\$21.65	\$23.60	\$25.70
Group 5	\$ per HCF	\$18.96	\$20.65	\$22.50	\$24.55	\$26.75	\$29.15
PMA's **	\$ per HCF	\$14.80	\$16.15	\$17.60	\$19.20	\$20.95	\$22.85
VA Clinic	\$ per HCF	\$11.04	\$12.05	\$13.15	\$14.35	\$15.65	\$17.05

\* Recommended and Forecast SSCs for Residential and Apt/MH are rounded to the nearest \$12.

Recommended and Forecast SSCs based on HCF are rounded to the nearest \$0.05.

\*\* The SSCs for accounts with PMA's (Private Meter Agreements) are the average for the class.

WHEREAS, the Board has considered and determined the estimated expenditures for maintenance, operation, capital improvements, and reasonable

reserves for the District for FY 2023-2024 through FY 2027-2028; and

WHEREAS, the General Manager initially recommended this 5-year schedule of sewer service charges presented in Table 1; and has subsequently revised her recommendation to adopt the proposed rates for FY 2023-FY2024 through FY2025-2026 as set forth in Table 1 herein; and

Customer Class	Billing Units	Prior FY21	Prior FY22	Current FY23	Recommended 3-Year Rate Plan		
					FY24	FY25	FY26
<b>Unit Costs</b>							
Flow	\$/million gal	\$7,409	\$8,150	\$8,965	\$9,771	\$10,651	N/A
BOD	\$/ 1000 lbs.	\$0.98	\$1.07	\$1.18	\$1.29	\$1.40	N/A
TSS	\$/1000 lbs.	\$1.06	\$1.17	\$1.29	\$1.40	\$1.53	N/A
SSCs	<i>rounding) &gt;</i>			10.00%	9.06%	9.46%	<i>Inflation Ind</i>
Residential	Annual	\$672.84	\$740.16	\$814.20	\$888	\$972	TBD
Apt/MH U	Annual	\$539.04	\$592.92	\$652.20	\$708	\$768	TBD
<b>Nonresidential</b>							
Group 1	\$ per HCF	\$9.20	\$10.08	\$11.04	\$12.05	\$13.15	TBD
Group 1	\$ per HCF	\$9.20	\$10.08	\$11.04	\$12.05	\$13.15	TBD
Group 2	\$ per HCF	\$10.00	\$11.04	\$12.12	\$13.20	\$14.40	TBD
Group 3	\$ per HCF	\$12.60	\$13.92	\$15.36	\$16.75	\$18.25	TBD
Group 4	\$ per HCF	\$13.70	\$15.12	\$16.68	\$18.20	\$19.85	TBD
Group 5	\$ per HCF	\$15.70	\$17.28	\$18.96	\$20.65	\$22.50	TBD
PMA's **	\$ per HCF	\$12.23	\$11.04	\$132.92	\$16.15	\$17.60	TBD
VA Clinic	\$ per HCF	\$9.20	\$10.08	\$11.04	\$12.05	\$13.15	TBD

Inflation Ind - Inflation Index according to District Code 7.17.2  
TBD - To be Determined.

WHEREAS the District Board of the Mt. View Sanitary District (the "Board") approves and adopts the proposed rates for FY 2023-FY 2024 through FY2025-2026 as set forth in Table 1 herein; and,

WHEREAS, the Board has considered reports submitted by the General Manager and finds that:

1. Timely notice has been given in compliance with the requirements of Proposition 218, and a majority protest with respect to the proposed

increase in sewer service charges for FY 2023-2024 through FY 2027-2028 does not exist.

2. The estimated revenues from the sewer service charges for FY 2023-2024 through FY 2025-2026 will not exceed the estimated reasonable cost to provide the services for which each charge or fee is imposed, respectively.
3. The estimated revenues from the sewer service charges will not be used for any other purpose other than that for which they are being imposed.
4. The estimated amount of the sewer service charges imposed upon any parcel or person as an incident of property ownership does not exceed the proportional cost of the service attributable to the parcel.
5. No charge is being imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question.
6. The sewer service charges are not based on potential or future use or service.
7. No charge or fee is being imposed for general governmental services.

NOW THEREFORE, the Board of Directors of the Mt. View Sanitary District does hereby promulgate General Regulation No. 140, adopting the Service Charge Schedule for FY 2023-FY 2024 through FY 2025-2026 as set forth in Table 1 herein.

Copies of the foregoing Ordinance shall be published once in the Martinez News-Gazette not less than seven (7) days before the effective date and timely posted by the Secretary in three public places in the District. This General Regulation and Ordinance shall be effective July 1, 2023.

THE FOREGOING ORDINANCE of the Mt. View Sanitary District was regularly moved, seconded, adopted, and entered in the minutes at the regular meeting of the District Board held on the 4th day of May 2023 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

Brian A. Danley, Board President

ATTEST:

---

Stephanie L Seregin, Board Secretary