

March 16, 2012

RE: Notice of Workshop for Sewer Service Charge Rate Structure

Dear Property Owner:

The purpose of this special mailing is to notify you of a potential sewer rate increase and to inform you of a workshop to share information and receive resident input and feedback. You are receiving this notice because it has been determined that you may experience a sewer service fee increase of 20% or more based on current rate projections.

Background: Last year the City of Mill Valley raised its sewer service fees to reflect significant increases in costs such as wastewater treatment fees, inflation, increased costs to improve and replace an aging infrastructure, and increased costs to comply with more stringent environmental regulations. The rates adopted last year were based on a fixed rate for all customers, regardless of home or business size, or amount of wastewater discharged.

At its February 21st meeting, the City Council reviewed a proposal to revise the sewer service charge rate structure to include a flow-based and a fixed element to refine the current, flat rates charged for residential and commercial customers. A flow-based rate system is based on the volume of wastewater discharged, which means that the highest water users will pay more.

How to Get Involved: A public workshop is scheduled for Monday, March 26, 2012 at 7:00 pm in the Mill Valley Community Center Mountain View Room at 180 Camino Alto to discuss the proposed alternative structure for sewer service fees. Community members are encouraged to participate inthis workshop and provide input on the proposed changes.

Future Public Hearings Scheduled: Please note that the estimated rate impacts on which this notice is based are preliminary at this time. However,proposed rates may change based on updated project needs. If the City decides to move forward with rate revisions, all ratepayers will receive a notice of a public hearing and an additional opportunity to provide comment before a final rate structure may be adopted. At that time the proposed fees for each ratepayer will be available for review at City Hall.

Low Income Household Information:

The City plans to continue its program to provide sewer rate credits to lower-income households (\$31,800 and below for a household of 1 or 2). This program is currently modeled after PG&E's California Alternative Rates for Energy (CARE) Program. Please visit the PG&E CARE guidelines to find out if you qualify at http://www.pge.com/myhome/customerservice/financialassistance/care/eligibility/.

If you have questions or concerns, please contact Jill Barnes, Director of Public Works/City Engineer, at 388-4033 x116 or email to <u>jbarnes@cityofmillvalley.org</u>. For more information, please visit the "Sewer Rate Meetings and Documents" page on the City's website at <u>www.cityofmillvalley.org</u> under the "What's New" heading.

Sincerely,
Jill Barnes, PE
Director of Public Works/City Engineer