



NON-RESIDENTIAL NOTICE

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Novato, CA 94945
Phone: 415-892-1694
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Hours: 8:00 a.m. to 4:30 p.m.
www.novatosan.com

BOARD OF DIRECTORS

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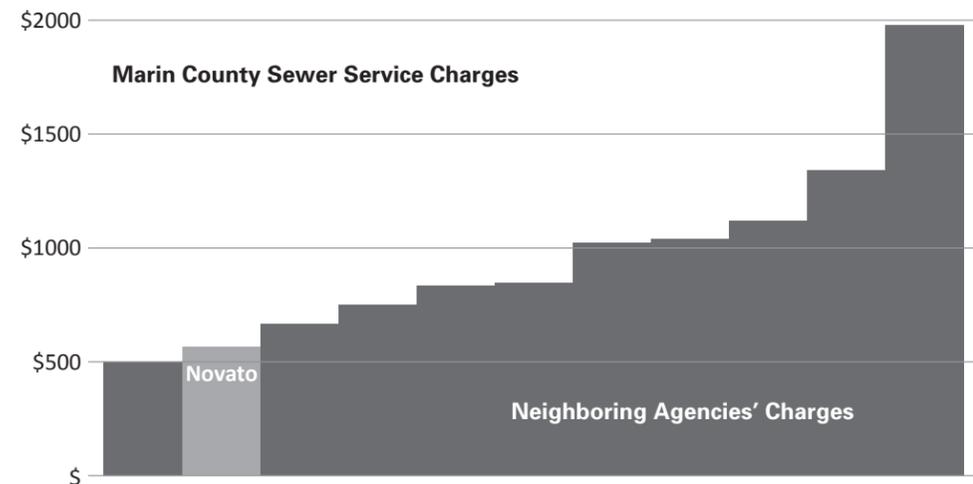
GENERAL MANAGER

Sandeep Karkal P.E.

This Notice Provides Information about a Proposed Increase in the Sewer Service Charge, and a Public Hearing at Which Public Comments Will Be Considered.

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

The District has been proactive in keeping costs down. We have among the lowest overall sanitary sewer service charges in the County, and will remain among the lowest even if the proposed increases are approved.



This annual bill comparison uses the District's 2016/17 proposed charges and the latest information available for other Districts (a mix of 2015/16 and 2016/17 charges).

A separate notice on residential rates has been sent to residential property owners. Copies are available on the District website or by contacting the District.



This Notice Provides Information about a Proposed Increase in the Sewer Service Charge, and a Public Hearing at Which Public Comments Will Be Considered

Why a Sewer Service Charge Increase Is Needed

Sewer service charges fund over 90% of District services, including operations, maintenance, and replacement of aging facilities, some of which date back to the 1950s. The District has made many improvements in recent years, such as upgrading treatment facilities, pump stations, and sewers. However, continued upgrades and increased levels of maintenance are needed to safely provide quality sanitary sewer services that protect public health and the environment. The proposed increases will allow the District to continue doing this while also keeping up with inflation.

Fairness Principle & Quality Service

Non-residential customers pay sewer service charges based on their winter water use, inside floor area, and wastewater strength factors. The charges were developed by an independent public finance firm which recommended that the increases described in this notice are needed to safely maintain sanitary sewer services to our community. District sanitary sewer service charges are among the lowest in the County and will remain among the lowest even if the proposed increases are passed. More information on our low rates is on the back page of this notice.

If You Have Questions, Comments or Wish to Protest

How to Protest: By State law, any affected property owner or tenant may submit a written protest to the proposed sewer service charge increase. Protests may be mailed, faxed, emailed, or hand delivered in advance of or during the public hearing. Each protest must state that the identified property owner or tenant opposes the proposed increases; identify the parcel for which the protest is made (by assessor's parcel number or street address); identify whether the protester is a property owner or tenant; and include the name and signature of the protester(s).

Only one protest will be counted per parcel. Protests may be submitted to the address, fax number, or e-mail address below. To be counted, protests must be received before the hearing ends.

At the hearing (date, time and location below), the Board of Directors will take public input, deliberate, and vote whether to raise sewer service charges to amounts no greater than those listed in this document. If there are valid protests representing a majority of properties, the Board cannot adopt the proposed rates.

Address the Directors: Attend the Public Hearing on June 13, 2016 at 6:00 p.m.,
500 Davidson Street, Novato, CA 94945

Write or Hand Deliver: Novato Sanitary District, Attn: Board of Directors,
500 Davidson Street, Novato, CA 94945

E-mail: info@novatosan.com **Fax:** (415)898-2279

Rate Summary

The District is proposing an annual sewer service charge increase averaging about 3.5% per year over each of the next five years.

This is equivalent to an increase of about \$3.50 per year (or about 29 cents per month), for each \$100 of your prior year's sewer service charge.

Use These Charts to Calculate Non-Residential Sewer Charges



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

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

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

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

Non-residential rates vary based on the factors above. However, the potential percentage increase for all residential and non-residential customers is the same (averaging about 3.5% per year). See the tables and formula below for specifics.

1. Square Footage—Fixed Charge Per Square Foot

The fixed charge per square foot of floor area for the different types of non-residential uses is given for the 2016-2017 through 2020-21 fiscal years.

Multiply the square footage for a particular non-residential use by the rate for a given year. Note that the flow factor has already been integrated into the charge.

User Type	Floor Area		Charge Per Square Foot Note: FY = Fiscal Year				
	Flow Factor	Current	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Base Charge/square foot	1.0	\$0.23	\$0.24	\$0.25	\$0.26	\$0.27	\$0.27
Office	1.0	0.23	0.24	0.25	0.26	0.27	0.27
Warehouse/mini-storage	0.0	0.00	0.00	0.00	0.00	0.00	0.00
Retail	1.0	0.23	0.24	0.25	0.26	0.27	0.27
Public office buildings	1.0	0.23	0.24	0.25	0.26	0.27	0.27
School classrooms/administration	1.0	0.23	0.24	0.25	0.26	0.27	0.27
Churches	1.0	0.23	0.24	0.25	0.26	0.27	0.27
Meeting halls with kitchens	1.0	0.23	0.24	0.25	0.26	0.27	0.27
Auto service stations	1.0	0.23	0.24	0.25	0.26	0.27	0.27
Supermarkets	1.0	0.23	0.24	0.25	0.26	0.27	0.27
Auditoriums theaters	1.0	0.23	0.24	0.25	0.26	0.27	0.27
Gymnasium w/showers	1.0	0.23	0.24	0.25	0.26	0.27	0.27
Hotels/motels, not incl. restaurant	1.0	0.23	0.24	0.25	0.26	0.27	0.27
Mortuary	1.0	0.23	0.24	0.25	0.26	0.27	0.27
Medical offices	1.3	0.30	0.31	0.32	0.33	0.35	0.36
Veterinary offices	1.3	0.30	0.31	0.32	0.33	0.35	0.36
Dental offices	1.3	0.30	0.31	0.32	0.33	0.35	0.36
Hospitals	1.3	0.30	0.31	0.32	0.33	0.35	0.36
Cafeteria/dining area	2.0	0.45	0.47	0.48	0.50	0.52	0.54
Restaurants/cafes	2.0	0.45	0.47	0.48	0.50	0.52	0.54
Bakeries	2.0	0.45	0.47	0.48	0.50	0.52	0.54
Ice cream/yogurt shops	2.0	0.45	0.47	0.48	0.50	0.52	0.54
Delicatessens	2.0	0.45	0.47	0.48	0.50	0.52	0.54
Laundry and laundromats	3.0	0.68	0.71	0.73	0.76	0.78	0.81

Additional Information about the Proposed Changes

~~The minimum non-residential charge is one service unit (1 EDU).~~

If adopted, the new charge will be effective July 1, 2016 and first appear in the fall 2016 property tax bill.

This sentence deleted since the minimum service charge may be less than one service unit (SU) based on square footage, water use, and strength.

2. WATER USE AND STRENGTH—Variable Water Use Charge

The variable charge per hundred cubic feet (HCF) of water use for different non-residential users is given for fiscal years 2016-17 through 2020-21. It is calculated on the average water use for the year based on water meter readings from December to April of the previous year. Multiply the annual water use in hundred cubic feet times the charge for a particular non-residential use. Note that the strength factor has already been incorporated into the charges.

User Type	Strength	Charge Per Hundred Cubic Feet (HCF). 1 HCF = 748 Gallons Note: FY = Fiscal Year					
	Factor	Current	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Base Charge/square foot	1.0	\$3.00	\$3.11	\$3.23	\$3.34	\$3.46	\$3.57
Office	1.0	3.00	3.11	3.23	3.34	3.46	3.57
Warehouse/mini-storage	0.0	0.00	0.00	0.00	0.00	0.00	0.00
Retail	1.0	3.00	3.11	3.23	3.34	3.46	3.57
Public office buildings	1.0	3.00	3.11	3.23	3.34	3.46	3.57
School classrooms/administration	1.0	3.00	3.11	3.23	3.34	3.46	3.57
Churches	1.0	3.00	3.11	3.23	3.34	3.46	3.57
Auto service stations	1.0	3.00	3.11	3.23	3.34	3.46	3.57
Auditoriums theaters	1.0	3.00	3.11	3.23	3.34	3.46	3.57
Gymnasium w/showers	1.0	3.00	3.11	3.23	3.34	3.46	3.57
Hotels/motels, not incl. restaurant	1.0	3.00	3.11	3.23	3.34	3.46	3.57
Medical offices	1.0	3.00	3.11	3.23	3.34	3.46	3.57
Veterinary offices	1.0	3.00	3.11	3.23	3.34	3.46	3.57
Dental offices	1.0	3.00	3.11	3.23	3.34	3.46	3.57
Hospitals	1.0	3.00	3.11	3.23	3.34	3.46	3.57
Laundries and laundromats	1.4	4.20	4.36	4.52	4.68	4.84	5.00
Meeting halls with kitchens	1.4	4.20	4.36	4.52	4.68	4.84	5.00
Cafeteria/dining area	2.2	6.52	6.77	7.02	7.26	7.51	7.76
Restaurants/cafes	2.2	6.52	6.77	7.02	7.26	7.51	7.76
Supermarkets	2.2	6.52	6.77	7.02	7.26	7.51	7.76
Bakeries	2.2	6.52	6.77	7.02	7.26	7.51	7.76
Ice cream/yogurt shops	2.2	6.52	6.77	7.02	7.26	7.51	7.76
Delicatessens	2.2	6.52	6.77	7.02	7.26	7.51	7.76
Mortuary	2.2	6.52	6.77	7.02	7.26	7.51	7.76

3. The TOTAL ANNUAL CHARGE FORMULA

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

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

In addition, there is a \$2 service charge from the County per account to pay for billing of the sewer service charge on the property tax roll.

To determine the charges for mixed non-residential uses, you will need to know the floor area for each tenant, type of non-residential use and water use. The total charge for the whole building is a combination of the floor area and strength factor for each type of non-residential use and the total water consumption for the whole building. District staff can help with the math.