

**AGENDA ITEM: VI.F**  
**DATE: FEB 4, 2013**

**SEWER RATE STRUCTURE STUDY – DISCUSSION OF INPUT RECEIVED FROM THE JANUARY 30, 2013 PUBLIC MEETING AND ALTERNATIVE SEWER RATE STRUCTURES UNDER CONSIDERATION**

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**BACKGROUND:** At the Special Board Meeting held on Wednesday, January 30, 2013, the Board received a report on the progress of the Sewer Rate Structure Study and the proposed alternative rate structure options. Staff recommended Alternative 3 as the proposed rate structure option. Alternative 3 provides for rates to be determined using a combination fixed and flow-based rate applied to each class of customers (single family, multi-family, floating home). It was put forth as the recommended option because it provides a stable revenue source and includes a flow based component for the customer classes.

Approximately twenty-five members of the public were in attendance at the Special Board Meeting. A majority of those in attendance were owners of floating homes or multi-family dwellings. Following the presentation, ten members of the public addressed the Board. Three emails were also read into the record. All comments received involved concerns about the study and the way in which the rates were allocated. Most stated that they believed a strictly flow based sewer billing structure was the best.

The majority of the speakers expressed concern that the rates were unfair to those who owned smaller units, floating homes or multi-family properties. Several speakers raised concerns that the higher rates were untenable for lower income families and seniors living on fixed incomes. It was also brought up that floating homes did not have the same impact on the sewer system as other residences because they do not introduce runoff or inflow and infiltration into the sewer system in the way that other properties do. One owner of a single family residence addressed the Board and expressed support for a flow-based rate, stating he should be responsible for paying what he used.

Several members of the public cited Proposition 218, and the District's application of the law to sewer rates. District Counsel provided additional information to the public and Board regarding the Proposition 218 process and the Board's compliance with the procedural requirements.

At the conclusion of the public meeting, the Board accepted the presentation and directed staff to place an item on the February 4 Board meeting agenda to further discuss the Rate Structure Study.

**RECOMMENDATION:** Provide direction to staff on next steps of the Sewer Rate Structure Study.

**ATTACHMENT:** None