

NOTICE OF PUBLIC HEARING – POTENTIAL CHANGES AND INCREASES TO SEWER SERVICE CHARGES AND RATES

Union Sanitary District (USD) provides wastewater collection, treatment, and disposal services to Fremont, Newark, and Union City, a total population of over 356,000. The District operates a 33-acre wastewater treatment facility in Union City and maintains 835 miles of pipelines in the service area.

State law requires the District to establish rates sufficient to cover operating expenses, including interest on debts, and expenses necessary for the replacement or construction of facilities. Some of the major factors that contribute to an increase in service rates include, but are not limited to, new and increasingly stringent state and federal environmental regulations, capital expenditures, and higher utility costs. If approved, rates will adjust each year on July 1 beginning in July 2020.

USD has scheduled a public hearing regarding proposed changes and increases to rates for all USD customers. This notice is provided pursuant to Article XIII(D), Section 6 of the California Constitution and California Government Code Section 53755, which provides for notice of proposed increases in charges to ratepayers. **The public hearing will be held on Monday, May 11, 2020 at 7:00 p.m.**, or as soon thereafter as the matter can be heard, in Union Sanitary District's Boardroom, 5072 Benson Road, Union City, California. During the public hearing, the Board shall hear and consider all objections and protests, if any, to the proposed rate changes. This notice is being sent to all property owners in Union Sanitary District's service area. A table of proposed rates is included in this notice.

The proposed rates are based on the results of the most recent, comprehensive study of the cost of providing sewer service from July 2020 through June 2025. Per state law, this study calculated rates by determining the equitable allocation of costs for sewer service between residential, commercial, and industrial users.

Below is an example of Single Family residential rates for Fiscal Years 2021 – 2025:

PROPOSED RESIDENTIAL RATES FY 2021–2025		
Current Rate \$421.37	Proposed Rates	Difference from previous year
FY 2021	\$454.57	\$33.20
2022	\$490.93	\$36.36
2023	\$530.21	\$39.28
2024	\$569.97	\$39.76
2025	\$611.58	\$41.61

For a complete list of rates for all customer classes please see page 2.

HOW DO I PROTEST?

Property owners may submit a written protest. Protests must be received via mail, email, or fax at the District by 5:00 p.m. on May 11, 2020; OR in-person before the close of the public comment portion of the 7:00 p.m. May 11, 2020 public hearing.

Each protest **must** contain the property owner's name, the street address or assessor's parcel number,

or other parcel description, and **must** be signed by the property owner unless sent via email. Only one protest will be counted per parcel. Owners of multiple properties within the District may file one protest for each parcel owned. If protests are received from a majority of parcel owners currently receiving sewer service, the proposed rate increases will not be implemented.

TO SUBMIT A PROTEST:

Mail: Union Sanitary District – Rate Protest FY 21–25
5072 Benson Road
Union City, CA 94587

Email: rates@unionsanitary.ca.gov

Fax: (510) 477-7501

In Person: Before the close of the public comment portion of the 7:00 p.m. May 11, 2020 public hearing in USD's Boardroom, 5072 Benson Road, Union City, CA

Questions? Call (510) 477-7500

BUDGET IN BRIEF

Union Sanitary District focuses on operating, maintaining, and replacing over \$669 million in infrastructure and assets, capital project construction, and effective use of technology.

The District's current operating budget is approximately \$76.8 million. Revenue is raised from two primary sources: (1) Sewer service charges paid by residential customers, businesses, and other users of the system; and (2) Charging new development their proportionate share of infrastructure costs.

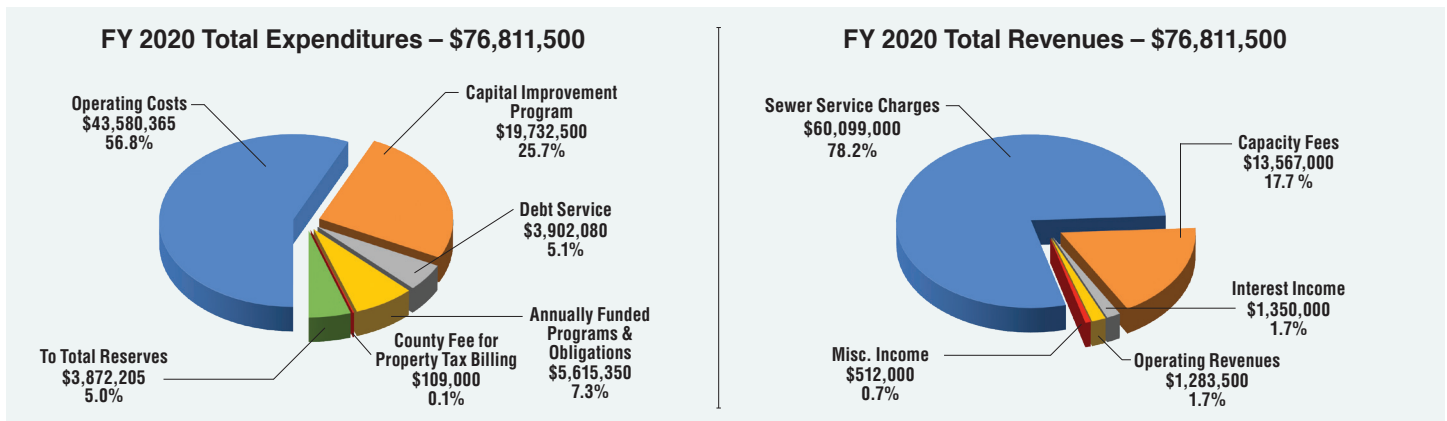
FISCAL PLANNING

The District has conducted thorough evaluations of its infrastructure needs to prepare for significant investments over the next two decades. Existing assets will be utilized to their fullest extent to decrease construction costs and reduce impacts on rates. These evaluations resulted in USD's Enhanced Treatment and Site Upgrade Program report. The report is available at: unionsanitary.ca.gov/etsu.

Financing projects helps keep rates lower by spreading costs over the operating life of the facility, and advance planning helps avoid the higher costs that would result from deferring decisions. USD is able to take advantage of favorable financing options such as low-interest federal and state infrastructure loans and historically low bond rates.

Approximately 36% of the District's total budget is attributable to personnel expenses, which is customary for a service-based organization that relies on the expertise of its staff. Like any other business operating in the Bay Area, USD faces rising cost of living expenses. The District does not participate in Social Security, and all USD employees pay 27% of USD's total pension costs, and a portion of their health care costs.

FY 2020 BUDGET (July 1, 2019 through June 30, 2020)



- Annually Funded Programs and Obligations include special studies and equipment replacement
- Operating Costs include employee, utilities, chemicals, maintenance, and administrative costs
- Capital Improvement Program includes project construction and related costs
- Sewer Service Charges include residential, commercial, and industrial customers
- Employee Costs (\$27,456,879) represent 36% of USD's total FY 2020 budget and 63% of Operating Costs

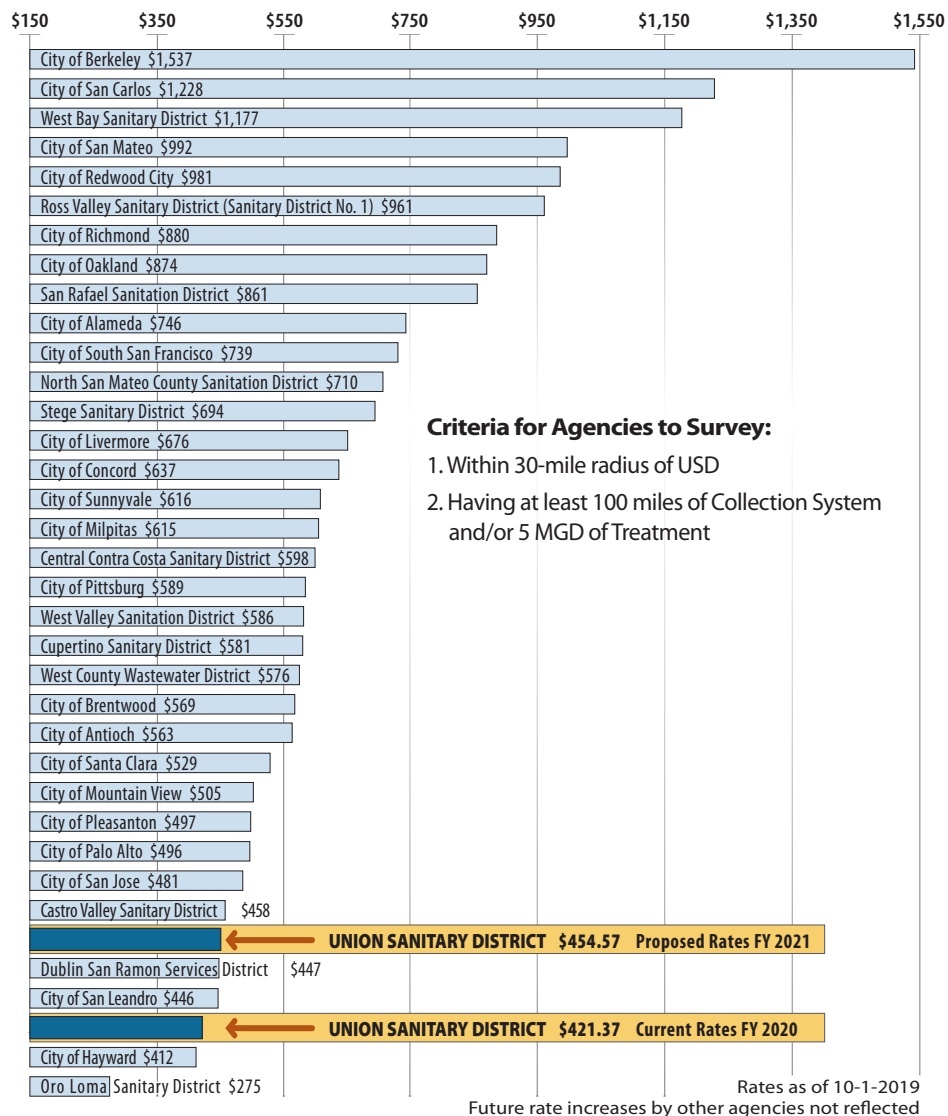
PROPOSED ANNUAL SEWER SERVICE RATES JULY 2020 – JUNE 2025

	Current Rates FY2020	Proposed Rate FY21	Difference from previous year (\$)	Proposed Rate FY22	Difference from previous year (\$)	Proposed Rate FY23	Difference from previous year (\$)	Proposed Rate FY24	Difference from previous year (\$)	Proposed Rate FY25	Difference from previous year (\$)
Residential (\$/Dwelling Unit)											
Single Family Residences	\$421.37	\$454.57	\$33.20	\$490.93	\$36.36	\$530.21	\$39.28	\$569.97	\$39.76	\$611.58	\$41.61
Multiple Family Residences*	\$365.32	\$400.58	\$35.26	\$432.63	\$32.05	\$467.24	\$34.61	\$502.28	\$35.04	\$538.95	\$36.67
Commercial (\$/1,000 gals)											
Strong	\$10.64	\$12.53	\$1.89	\$13.53	\$1.00	\$14.61	\$1.08	\$15.71	\$1.10	\$16.85	\$1.14
Moderate	\$5.25	\$6.06	\$0.81	\$6.54	\$0.48	\$7.07	\$0.53	\$7.60	\$0.53	\$8.15	\$0.55
Weak	\$4.37	\$5.08	\$0.71	\$5.49	\$0.41	\$5.93	\$0.44	\$6.37	\$0.44	\$6.83	\$0.46
Fast-Food Restaurant	\$9.95	\$12.62	\$2.67	\$13.63	\$1.01	\$14.72	\$1.09	\$15.83	\$1.11	\$16.98	\$1.15
Full-Service Restaurant	\$13.18	\$12.64	-\$0.54	\$13.65	\$1.01	\$14.74	\$1.09	\$15.85	\$1.11	\$17.01	\$1.16
Industrial											
Volume (\$/1,000 gals)	\$2.48	\$2.99	\$0.51	\$3.22	\$0.23	\$3.48	\$0.26	\$3.74	\$0.26	\$4.02	\$0.28
COD (\$/1,000 lbs)	\$328.24	\$338.87	\$10.63	\$365.98	\$27.11	\$395.26	\$29.28	\$424.91	\$29.65	\$455.92	\$31.01
Suspended Solids (\$/1,000 lbs)	\$763.48	\$909.90	\$146.42	\$982.69	\$72.79	\$1,061.30	\$78.61	\$1,140.90	\$79.60	\$1,224.19	\$83.29
Minimum Charge for non-residential customers	\$365.32	\$400.58	\$35.26	\$432.63	\$32.05	\$467.24	\$34.61	\$502.28	\$35.04	\$538.95	\$36.67

* Examples of multiple family residential dwelling units include condominiums, townhomes and apartments

All rates are rounded to the nearest cent.

BAY AREA ANNUAL SEWER SERVICE CHARGES 2019-2020



Criteria for Agencies to Survey:

1. Within 30-mile radius of USD
2. Having at least 100 miles of Collection System and/or 5 MGD of Treatment

SERVICE TO THE TRI-CITIES

USD collects an average of 22 to 24 million gallons of wastewater daily from homes, businesses, and industries in the Tri-Cities area – over 8.6 billion gallons per year. The District is heavily regulated by multiple state and federal agencies, and sewage is treated to meet strict standards for protection of public health and the environment.

USD employs highly trained staff members including licensed, state-certified plant personnel who operate the 24/7 facility. The District also inspects, maintains, and repairs 835 miles of pipeline, over 17,000 manholes, and seven pump stations in the service area, and inspects and regulates 90 permitted industries. USD's state-certified laboratory processes and analyzes thousands of samples annually for process control, monitoring of industries for compliance, and reporting to state and federal agencies.

The treatment plant has received 26 consecutive years of recognition from the National Association of Clean Water Agencies for excellence in permit compliance and is currently celebrating 10 years of receiving its highest Platinum level award. The District has one of the state's best records for preventing collection system overflows. This record can be viewed at unionsanitary.ca.gov/mission-facts-history.

PLANNING FOR THE FUTURE

The District maintains a large number of facilities and equipment, much of it built in the late 1970's and some dating back to the 1960's. Although USD's infrastructure has been well-maintained over the years, major components of the 33-acre treatment plant have reached the end of their useful life and are functionally obsolete. As an essential service provider, the District must responsibly maintain its infrastructure to avoid catastrophic failures, minimize service disruptions, and protect the environment.

Changing trends, such as higher solids in wastewater, strain infrastructure and make treatment more complicated and costly. Additionally, more stringent state and federal treatment standards requiring expensive upgrades are expected to affect all 37 treatment plants surrounding the SF Bay within the next decade. Prudent planning and phasing, rather than postponing action, will save ratepayers millions of dollars.

The District addresses these issues in its Capital Improvements Program, which is more than \$1 billion dollars over the next 20 years. The Program includes projects that not only upgrade and bring infrastructure up to current standards, but also prepare for future treatment processes such as nutrient removal (nitrogen, phosphorus, and ammonia), preserve capacity for a growing Bay Area, and manage the effects of a changing environment.

FOR MORE DETAILS REGARDING ANY OF THE INFORMATION IN THIS NOTICE, VISIT OUR SEWER SERVICE CHARGES WEB PAGE: unionsanitary.ca.gov/sewer-service-charges.

5072 Benson Road ♦ Union City, CA 94587-2508

NOTICE OF PUBLIC HEARING

Public Hearing to consider proposed changes and increases to USD rates

Monday, May 11, 2020

7:00 p.m.

Union Sanitary District Boardroom
5072 Benson Road
Union City CA 94587

www.unionsanitary.ca.gov
(510) 477-7500

Owners of multiple properties within the District may file one protest for each parcel owned.

HOW DO I LEARN MORE?

Attend Union Sanitary District's (USD) Informational Meeting on Tuesday, April 21, 2020

USD will hold an informational meeting at 7:00 p.m. on Tuesday, April 21, 2020 at the Fremont Main Library, 2400 Stevenson Blvd. in Fremont. Staff will present information about the proposed rates and services that USD provides in the Tri-Cities. Please take this opportunity to learn more about the proposed rates and ask questions of District staff. All members of the community are invited to attend.

Attend the Public Hearing

Attend the public hearing at 7 p.m. on May 11, 2020 (at which time you may also make a comment or deliver a written protest). The meeting will be held in **Union Sanitary District's Boardroom, 5072 Benson Rd., Union City, California.**

Visit USD's Website

For more detail regarding any of the information in this notice, visit the Sewer Service Charges page of Union Sanitary District's website: unionsanitary.ca.gov/sewer-service-charges.

INFORMATIONAL MEETING

**Tuesday, April 21, 2020
7:00 p.m.**

**Fukaya Room B
Fremont Main Library
2400 Stevenson Blvd.
Fremont, CA 94538**

We invite you to attend. Staff will present information about the proposed rates and services the District provides to the Tri-Cities. Please take this opportunity to meet USD's staff and ask questions.