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For Immediate Release

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Critic's Argument For Opposing Proposed Rate Increase Lacks Fact-Based Analysis and Rationale

District Responds to Larkspur Councilman Dan Hillmer

Ross Valley, June 16, 2011. Dan Hillmer has been among the most vocal critics of the Ross Valley Sanitary District and its proposed rate increase. Unfortunately in his public comments Mr. Hillmer has been providing incomplete and inaccurate information about the District and its operations in order to support his opposition of the District.

The District truly wants participation and input from concerned politicians and ratepayers, however with public health, the protection of the environment, and tax dollars at stake, misleading information and unwarranted criticisms must be brought to light and corrected. Ratepayers should be allowed to make informed decisions about the future of their sewer system.

In the June 12, 2011 edition of the Marin Independent Journal, Dan Hillmer, who is a Ross Valley Sanitary District ratepayer, Larkspur City Council Member, and alternative commissioner for the Central Marin Sanitation Agency (CMSA) governing board, made numerous incorrect and misleading statements including:

1. Mr. Hillmer stated that there is “no evidence to support” that San Quentin’s wastewater no longer contains contaminants as it once did and therefore the District’s reason for reducing San Quentin’s sewer service fee is invalid:

District Response: False. The District began testing San Quentin’s wastewater almost six months ago amid concerns over the accuracy of the testing being performed by Central Marin Sanitation Agency (CMSA). The District’s test results show that San Quentin’s wastewater is now comparable to the average Ross Valley ratepayer, raising questions as to why this was not brought to the District’s attention by its now former water testing contractor, CMSA.

2. Mr. Hillmer stated that the District “arbitrarily” increased San Quentin’s sewer service fees in 2005-06 to nearly \$2 million:

District Response: False. There was nothing arbitrary about the decision to increase San Quentin’s rate. In 2005-06, Central Marin Sanitation Agency provided data on the “strength” of San Quentin’s wastewater. At the time, historical data provided by CMSA showed that San Quentin’s wastewater was approximately 2.3 times stronger than that of base customers, and therefore the District increased San Quentin’s rates, as it does with all commercial accounts.

3. Mr. Hillmer correctly states that Larkspur residents are charged more (in sewer fees) because Larkspur contributes no (Ad Valorem) property tax to the District. He then follows the statement with a very confusing paragraph that neither explains the difference in rates between Larkspur and other District customers nor does it explain why a further increase for Larkspur is needed. The paragraph goes on to claim that the District’s rate notice states that “all ratepayers will send \$923 revenue per year {sic}” to the District.

District Response: The town of Larkspur’s sewer system was annexed to the Ross Valley Sanitary District in 1993. At the time, it was agreed that the portion of Larkspur’s property tax revenue - known as Ad Valorem tax - would not be provided directly to the District as it is by other towns and cities. Under the agreement, the amount of Ad Valorem tax revenue owed by Larkspur to the District is added to the sewer rate that appears on property tax bills. This explains why Ross Valley ratepayers currently are billed \$520 and Larkspur ratepayers are billed \$592. The proposed rate increase being discussed on June 28, 2011 will consider raising Larkspur’s rates so that Larkspur residents pay a share that is equal to other Ross Valley District customers.

Mr. Hillmer incorrectly states that there will be a \$923 fee for all ratepayers. The proposed rates are \$687 for Ross Valley customers and \$923 for the Larkspur customers.

4. Mr. Hillmer claims that the 25% increase in Central Marin Sanitation Agency’s (CMSA) rates since 2008 are already included in the current rates being charged to ratepayers.

District Response: False. The 25% rate increase is not included in the current rates charged to customers. Furthermore, according to the CMSA website, over the last five years the rates charged by CMSA have increased 108%. Ross Valley Sanitary District ratepayers should understand that they currently pay approximately 54% of all CMSA expenses including the 108% increase over the last 5 years, and that CMSA may raise its costs without the Proposition 218 process currently underway by your Ross Valley Sewer District. Ratepayers may confirm these past CMSA increases at: (<http://www.cmsa.us/finance/charges>).

NOTE: As CMSA continues to increase expenses, if Ross Valley Sanitary District ratepayers oppose the proposed rate increase, by contract your District must pay 54% of these increases. This will leave less of your money to fix and repair pipes and pumps in the Ross Valley, and more will go to the funding operations at the treatment plant in San Rafael.

5. Mr. Hillmer claims that based on his review of public information there is very little evidence of actual repairs to the District's collection system.

District Response: False. Mr. Hillmer's repeated claim about the District's lack of capital improvement investment was answered in a 50-page District response along with others unsubstantiated claims that were made to the Marin County Board of Supervisors in August of 2010. The response document is available at rvsd.org on the website's Newsroom page.

It is highly unlikely that Mr. Hillmer is not aware that his claim is not accurate, yet he continues to repeat it as if it were true. The Ross Valley Sanitary District has replaced and repaired more pipes and pumps than any other sewer district in the region. Since 2006, the District has replaced over 87,600 feet of sewer pipes, and invested over \$22 million into improving the community's infrastructure.

6. Mr. Hillmer states that the District borrowed "\$13.3 million against surplus property."

District Response: False. The District did not borrow any money against surplus property. It did borrow \$10 million for pipe and pump replacement, and due to the District's fiscal health, these funds were borrowed at a lower rate than bond financing. The District won an industry award for financial responsibility, and it may also be viewed on the District's Newsroom page at rvsd.org.

7. Mr. Hillmer states that the District "failed to close the sale" of its Larkspur property and implies that the District paid the "ex buyer damages" for contaminating the property.

Correction: False. The District aggressively attempted to close the property sale, but the buyer withdrew from the sale agreement. There are many circumstances that surrounded the property litigation and settlement that have not been considered by Mr. Hillmer. The District's Larkspur property is a valuable asset and the decision to defend and protect it was made by the District's Board of Directors.

Conclusion: Numerous public documents containing accurate information about the District have been made available and distributed to Mr. Hillmer, community leaders, the Marin United Taxpayers Association, the Marin I.J. and other media. In addition, information has been published in the Ross Valley Sanitary District's quarterly newsletter THE PIPELINE. Despite the readily available facts about the District, Mr. Hillmer has written at least three Marin Voice opinions in the Marin IJ that all contain similar inaccurate and/or misleading information.