

Sonoma Valley County
Sanitation District
c/o Sonoma County Water Agency
404 Aviation Blvd.
Santa Rosa, CA 95403

IMPORTANT
Sewer service fee NOTICE
(Prop 218) Enclosed:
Sonoma Valley County
Sanitation District

Hearing Date:
May 19, 2015
10:00 am
Hearing Location:
575 Administration Drive,
Room 102A, Santa Rosa, CA

Important Customer
Information Inside!

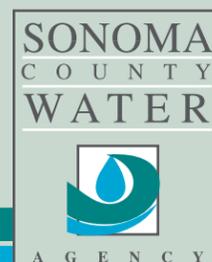
- ✓ **Proposed Sewer Rates**
- ✓ **Upcoming Public Hearing**
- ✓ **Rate Protest Form**

PROPOSITION 218 NOTICE

Included in this issue is the **Proposition 218 Notice** for the Sonoma Valley County Sanitation District's proposed Fiscal Year 2015-2016 sewer rates. The Notice with information about the proposed rates is included on pages 5-6 of this newsletter. The return protest form is located on page 7.

For more information, visit
www.sonomacountywater.org/SVCSD.

Securing our Future by Investing in our Water Resources, Environment & Community
www.sonomacountywater.org/SVCSD



SONOMA VALLEY COUNTY SANITATION DISTRICT

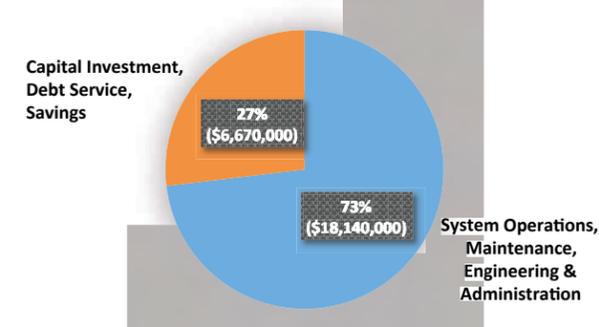
NEWS
SPRING 2015
Vol. 3, Issue #1

RATES GO DIRECTLY TO OPERATE AND MAINTAIN COMMUNITY'S SANITATION DISTRICT FACILITIES

There are eight sanitation systems in Sonoma County that are operated by the Sonoma County Water Agency (Water Agency). Fees collected from ratepayers are used to collect wastewater from homes and businesses, turn this wastewater into recycled water, and then release this water back into streams or provide it to others for outdoor irrigation. The recycled water produced by the various treatment plants in this process must meet numerous regulatory requirements aimed at protecting public health, water quality and the environment.

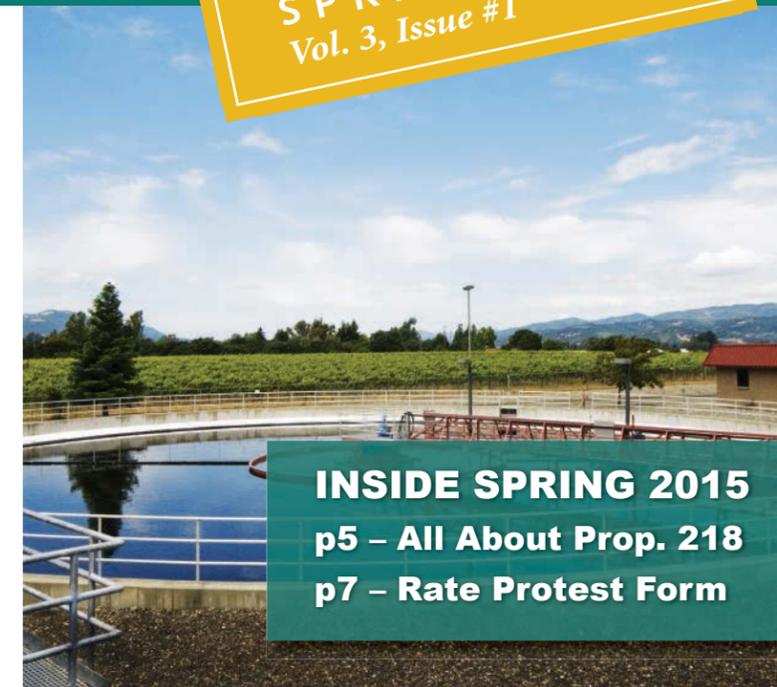
When the Water Agency assumed responsibility for these systems in 1995, the rates being paid by residents were covering only operating costs and funds were not being set aside for long-term replacement of facilities or capital improvements. This resulted in treatment plants and collection systems becoming obsolete or worn out.

How Sanitation District Fees Are Used



The chart shows the percent of ratepayer fees that are spent for sanitation systems on operations and maintenance and capital investment, debt service and savings. The amounts in parentheses are the annual totals for the eight systems operated by the Water Agency.

Since that time, the Water Agency has greatly increased investments in the replacement of equipment and infrastructure by increasing rates, issuing bonds, and obtaining state and federal funding. For example, between 1995 and 2014 more than \$140 million in capital expansion and replacement projects were funded for the systems managed by the Water Agency. In addition,



INSIDE SPRING 2015
p5 – All About Prop. 218
p7 – Rate Protest Form

The Sonoma Valley Wastewater Treatment Plant produces tertiary treated recycled water that is used for agricultural irrigation and habitat restoration.

ongoing preventative maintenance and a strategy to set aside adequate funds to replace infrastructure and equipment have allowed a gradual decrease in the size of rate increases over the past five years.

Sewer rate increases for municipal wastewater systems in Sonoma County over the past 10 years averaged 8% per year. By comparison, annual rate increases have averaged below 6% for the sanitation districts and zones operated by the Water Agency. This has been accomplished while keeping up with operations and maintenance costs and setting money aside for capital replacement funds, which are used to pay for the replacement of equipment and facilities and protect the investment in these community assets.

The strategic goal in setting rates for the sanitation zones and districts is to operate, maintain and replace facilities and equipment in order to preserve the system's assets and protect ratepayers' investments. Ratepayer funds and the wastewater collection and treatment facilities are community assets, and the Water Agency is committed to their long-term protection and safe operation.

Continued on page 2



HOW YOUR SANITATION DISTRICT BUDGET WORKS

Since 1995 the Sonoma County Water Agency has been responsible for managing the eight sanitation zones and districts that were formerly managed by the County of Sonoma. The Water Agency strives to operate and maintain these facilities in an environmentally responsible and fiscally prudent manner. As part of its financial duties, the Water Agency each year publishes proposed changes to sewer service fees in accordance with the requirements of Proposition 218.

The fiscal year for the districts and zones, including the Sonoma Valley County Sanitation District (District) begins July 1 of each year and runs through June 30 of the following year, so the information in this notice is for the period from July 1, 2015 through June 30, 2016. A five-year capital plan is prepared for the District by Water Agency staff based on the need for replacement of aging collection systems and other assets necessary to process the wastewater according to regulatory requirements. Budgets take into account current maintenance and operations costs, any bond or loan repayments, and the necessity to maintain sufficient financial reserves to cover unexpected damage or system failures. Budgets are developed using estimates for these items and for revenues.

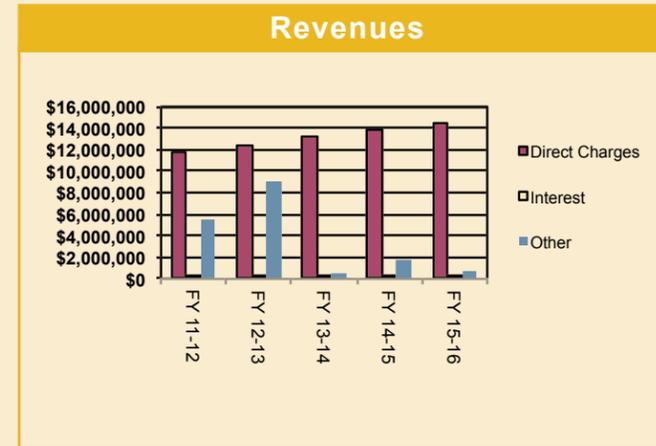
BUDGET APPROVAL

After Water Agency staff has developed the proposed budgets and rates, the budgets are available for public review at libraries throughout the county and at the Water Agency office located at 404 Aviation Boulevard, Santa Rosa. Typically, this happens at the end of March each year. In addition, notices of the proposed rates are mailed to the owners of the properties in the District at that time. They are also available online. The public can protest rate increases up to the date of the rate hearings, when rate increases are considered, which are typically held in mid-May at the Board of Supervisors chambers. (A protest form and rate hearing information are available on pgs. 5-7 of this notice).

BUDGET SUMMARY REVENUE

The primary sources of revenues are the fees charged to the District ratepayers and collected on property tax bills sent out by the Sonoma County Tax Collectors Office. Additional revenue sources include interest on fund balances and new connection fees. Proceeds from bonds and debt paid through property assessments

may increase the funds available to spend on capital projects but are not counted as District revenue. Grants are also a revenue source. Below is a chart showing the District revenue for the last four years and the projected revenues for the next fiscal year:



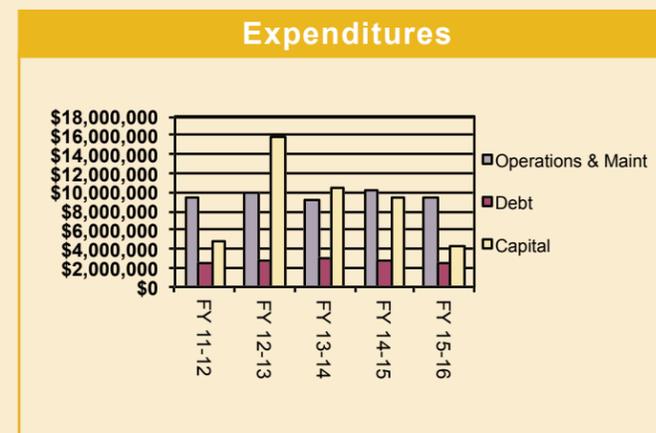
EXPENDITURES

Your District spends money to:

- Operate the wastewater collection and treatment facilities;
- Maintain and repair District facilities; and
- Repay bond, other debt and miscellaneous liabilities that may occur as a result of operation.
- Replace aging infrastructure or make capital investments needed to comply with water quality standards.

Your District also spends money to accomplish the capital projects needed in the District.

The chart below shows expenses for the past four years and next year's budget:



RATE PROTEST FORM

NOTE: IN ORDER TO BE CONSIDERED, ANY PROTEST MUST BE ON THIS FORM

WRITTEN PROTEST

I am the parcel owner of the property located at the address on the back of this form. I am submitting this form to protest the proposed sewer rate increase.

Additional Comments: _____

Use opposite side or attach additional sheets if needed.

Signature of Property Owner Required

Print Name

Fold Here First

Place Postage Here

Sonoma Valley County Sanitation District
 c/o Sonoma County Water Agency
 404 Aviation Blvd.
 Santa Rosa, CA 95403

Fold Here Second

PROPOSITION 218

The highest residential water usage on a winter water bill covering two months will be capped at 40 thousand gallons per ESD based on the assumption that anything over 40 thousand gallons per ESD is likely to be irrigation water, not indoor water use. If the water usage on your lowest winter water bill exceeds 40 thousand gallons per ESD, the Volumetric Charge would be calculated as follows:

Number of ESD's x 40 Thousand Gallons x 6 billing periods annually x \$5.03 per Thousand Gallons

The 2015 sewer charges for residential customers with a public water connection are the Fixed Charge plus the Volumetric Charge:

Sewer Charge Component	Charge
Fixed Charge	\$623 per ESD
Volume Charge	\$5.03 per Thousand Gallons

To estimate your sewer charge, visit our online estimator at: www.sonomacountywater.org/SVCSD

Further Information Available Prior to the Hearing

At the hearing, the Board will consider adoption of an ordinance which will establish the increased charge. A copy of the ordinance is on file and available for review at the Sonoma County Water Agency, 404 Aviation Boulevard, Santa Rosa, CA 95403. In addition, the following persons may be contacted at the Water Agency for further information and/or obtaining copies of the draft proposed budget for fiscal year 2015-16:

Manuel Olvera, Engineering Technician III 707 547-1950
Candi Bryon, Department Analyst 707 521-6212

Property Owner Appeal Procedure

If you have a leak in your water supply line or another reason that you feel the metered water use during the measurement period does not reflect your actual usage, supply the Sonoma County Water Agency the details of the situation and proof it has been fixed. The Water Agency will determine if the situation qualifies, and if it does, the bill will be adjusted based on the fixed charge plus water usage from winter water use in prior years.

Property Owner Protest Procedure

This notice has been mailed to you because records of the Sonoma County Assessor list you as an owner of one or more parcels within the District which will be subject to the charge while connected to the system. In the event you have sold property you may have owned within the District, please send this notice to the new owner.

Either prior to or at the public hearing, property owners may submit written protests respecting the charge. At the public hearing, the Board will consider all written protests which have been received by the prescribed deadline. In order to be considered, a written protest must be made on the attached form. Only one protest will be counted per parcel. Only protests signed by the current owner(s) will be allowed and must be received no later than the following deadlines:

• If submitted by mail, they must be received (NOT postmarked) no later than 5:00 p.m. on Monday, May 18, 2015, at the mailing address on the form.

• If hand delivered, they must be delivered no later than the close of the public hearing on May 19, 2015, to:

Clerk of the Board
Board Meeting Room, as set forth in the opening paragraph

Further Information Available Prior to the Hearing

At the hearing, the Board will consider adoption of an ordinance which will establish the increased fee. A copy of the ordinance is on file and available for review at the Sonoma County Water Agency, 404 Aviation Boulevard, Santa Rosa, CA 95403. In addition, the following persons may be contacted at the Agency at (707) 526-5370 for further information and/or obtaining copies of the draft proposed budget for fiscal year 2015-16:

Manuel Olvera, Engineering Technician III
Candi Bryon, Department Analyst

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Date of this Notice: March 27, 2015

REBATES

CLOTHES WASHER REBATE Receive up to \$50 back on the purchase and installation of a new, qualifying high-efficiency clothes washer (HEW). Rebates are available for all Energy Star Most Efficient listed clothes washers except those containing silver ion technology. A \$75 rebate may also be available from PG&E. Visit www.wateroff.org for more information.

TOILET REBATE Get up to \$150 back on the purchase and installation of each new, qualifying high-efficiency toilet (HET) from the List of Qualifying Models. How to Participate: Rebates on high-efficiency toilets are available on a first-come, first-served basis while funding lasts. Visit www.sonomacountywater.org/sanitation-rebates for more information.

HIGH-EFFICIENCY FIXTURE DIRECT INSTALL PROGRAM A limited number of high-efficiency fixture retrofits, including toilet, urinal, faucet aerator and showerhead replacements, are offered at no cost to eligible properties.

Download rebate application forms and learn more at www.sonomacountywater.org/sanitation-rebates or call (707) 547-1918.



TOURS

PUBLIC INVITED ON FREE TOURS

The Water Agency is pleased to host public tours of the Russian River water supply system, the Sonoma Valley Treatment Plant, and energy projects. To sign up for the tours described below, please fill out the online registration form at www.sonomacountywater.org/tours. Additional details will follow once your registration is received.

ENERGY AND SUSTAINABILITY TOUR

See firsthand a subset of energy and sustainability projects the Water Agency has developed in an effort to deliver Carbon Free Water by 2015. The Airport/Larkfield/Wikiup Treatment Plant and Energy & Sustainability Tour will include solar panels, ground source and pond loop geexchange heating and cooling systems, electric vehicle charging stations and the Hybrid and Plug in Hybrid Electrical Fleet, and the Airport/Larkfield/Wikiup Wastewater Treatment Plant. This tour is Thursday, April 9, from 5 p.m. to 6:30 p.m. Tour participants will meet at 404 Aviation Blvd. in Santa Rosa.

SONOMA VALLEY WASTEWATER TREATMENT PLANT TOUR

Get an in-depth look at how your wastewater is cleaned and how this water is used once it is clean during the Sonoma Valley Wastewater Treatment Plant Tour. This 90-minute tour is offered Saturday April 18, from 11 a.m. to 12:30 p.m.

RUSSIAN RIVER WATER SUPPLY SYSTEM TOUR

The Water Agency invites the public to attend a free half-day tour of the Russian River water supply system. Tour participants will visit facilities that divert, pump and treat the water delivered by the Water Agency to more than 600,000 residents in portions of Sonoma and Marin counties. These facilities will include the rubber dam, fish ladders, infiltration ponds and water collector 6 – one of the largest water collectors of its type in the world. This tour is offered in English and Spanish.

Sign up in English:

Saturday, April 11th, 9 a.m. to Noon.

Inscríbete en Español:

Sábado, 11 de abril 2015 9 a.m. a mediodía

Sign up in English:

Saturday, May 16th 2015 9 a.m. to Noon

Inscríbete en Español:

Sábado, 16 de mayo 2015 9 a.m. a mediodía

QUESTIONS?

For more information on the above tours, please contact Ryan Pedrotti, Water Education Programs Specialist, at (707) 521-6209 or ryan.pedrotti@scwa.ca.gov.

DISTRICT'S BIOSOLIDS

UPGRADE PROJECT COMPLETED

An upgrade to the sludge handling process at the District's wastewater treatment plant has been completed, resulting in a more efficient and environmentally friendly process of handling the organic solid waste produced at the plant.

Sludge is the organic waste that settles out in the wastewater treatment process. When it is removed it must be dewatered. The resulting material is referred to as biosolids, which is disposed of at the landfill.

The new sludge dewatering screw press system will produce a smaller volume of biosolids and result in fewer trips to the landfill, which will reduce transportation cost and landfill fees. There is also the potential to produce Class A biosolids that can be used to fertilize crops, gardens and landscaping and could provide income for the District.

The project included construction of new equipment and a load-out building. Work also involved removal of an existing belt press and conveyor; electrical work; and painting of the pump room in the existing dewatering building.

Funding for the \$3 million project came from the State Water Resources Control Board's Clean Water State Revolving Fund.



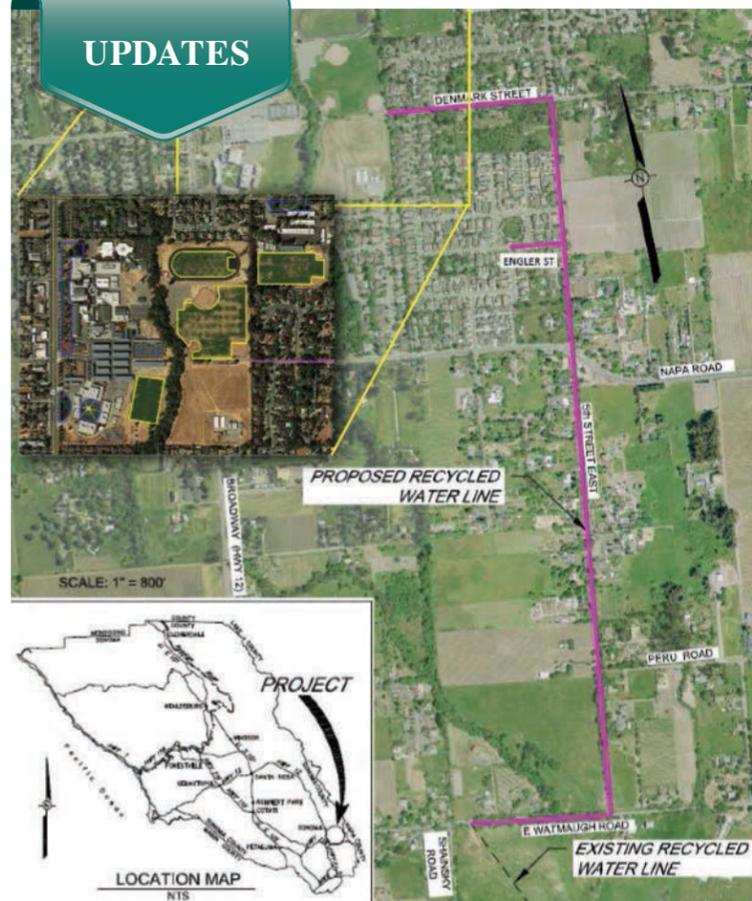
Recycled water is produced at the Sonoma Valley Wastewater Treatment Plant and used for irrigation and habitat restoration.

WATER REUSE INCREASES IN SONOMA VALLEY AND BEYOND

There are a number of facilities operated by the Water Agency that produce recycled water, but the Sonoma Valley County Sanitation District is a leader in recycling water from its wastewater treatment plant and putting it to beneficial uses. The facility typically produces about 4,015 acre-feet of recycled water per year and has demands this year for 3,748 acre-feet (an acre foot is about 326,000 gallons), or more than 90% of the normal capacity.

Recycled water used from the Sonoma Valley plant has increased in the past year and is expected to continue increasing in the future. The District's new salt marsh pipeline now supplies recycled water for restoration of salt marshes along the Napa-Sonoma County border. The pipeline delivered about 590 acre-feet of recycled water to the marshes this year and is expected to deliver 1,100 to 1,700 acre-feet annually in future years. Along the pipeline route other agricultural users have signed contracts to utilize the recycled water from the pipeline.

UPDATES



This map shows the proposed route of a pipeline to deliver recycled water to local schools for irrigation.

RECYCLED WATER TO KEEP PLAYING FIELDS GREEN

The District and the Sonoma Valley Unified School District are planning to construct a recycled water pipeline to Sonoma Valley High, Adele Harrison Middle and Prestwood Elementary schools, and may provide irrigation for Engler Street Park and some agricultural users along the route.

This project will not only provide year-round cost-effective and sustainable drought-proof irrigation for playing fields, it will financially benefit the District rate payers and the schools.

The \$3-million project has been recommended to receive \$1.02 million in grant funding and the District will cover the remaining cost of the pipeline. This initial investment will be offset by selling recycled water to the schools and other users along the route. In the long term, the revenue from the recycled water will help offset rate increases to the District.

The schools will update the irrigation system to accommodate recycled water, a cost that will be offset by paying the lower rate for recycled water. Using recycled water to irrigate playing fields is a safe and sustainable way to save an estimated \$60,000 each year among the three schools.

For more information and to sign up for project updates visit: www.sonomacountywater.org/sonomavalleyrecycledwater

PROPOSITION 218

Sonoma County Water Agency Sonoma Valley County Sanitation District

NOTICE OF PUBLIC HEARING REGARDING PROPOSED SEWER SERVICE FEE INCREASE

Date, Time, and Place of Public Hearing

On May 19, 2015, at 10:00 a.m. or as soon thereafter as the matter may be heard, in the Board Meeting Room, 575 Administration Drive, Room 102A, Santa Rosa, California, the Board of Directors (Board) of the Sonoma Valley County Sanitation District (District) will conduct a public hearing to consider increasing the annual sewer service charge for sewage collection and treatment services provided by the District to property within the District.

Property Owner Obligation

The charge will be imposed on each parcel upon which is located one or more structures which are connected to the system, and the charge will be collected on the general property tax bill administered by Sonoma County. Payment of the charge will be the responsibility of the owner of the parcel.

What the Fee is for and How the Funds Collected Will be Used

The charge is imposed for two purposes: (a) to fund the ongoing operation and maintenance costs of the system and, (b) to pay the capital replacement program costs of the system. The purpose of the capital replacement program is to provide for the long-term replacement of system facilities as they wear out.

The draft proposed budget for fiscal year 2015-16 describes the total annual expenses in detail and is available for review at the Sonoma Valley County Sanitation District, c/o the Sonoma County Water Agency, 404 Aviation Boulevard, Santa Rosa, California 95403, and the Sonoma County Regional Libraries in Santa Rosa (Main & Northwest), Windsor, Healdsburg, Cloverdale, Guerneville, Sebastopol, Petaluma, Rohnert Park, Rincon Valley, Sonoma, and Forestville (El Molino High School).

Two Categories of Users: A) Non-Residential Users And Residential Users With No Public Water Connection; or B) Residential Users With a Public Water Connection

A) Amount of Proposed Charge Increase For Non-Residential Users And Residential Users With No Public Water Connection

Effective July 1, 2015 the District proposes to increase the charge to \$890 per year per Equivalent Single-family Dwelling (ESD) for non-residential users and residential users with no public water connection. This represents an increase of \$38 or 4.5% versus current year. This charge has been calculated by dividing the annual costs of providing wastewater treatment and collection service by the total estimated number of ESDs in the District.

B) Residential Rate Structure For Residential Users With a Public Water Connection

Many surrounding communities (including the Cities of Cotati, Healdsburg, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, and the Town of Windsor) set their sewer rates partially on an estimate of the amount of sewage generated by each household, based on water usage during winter months. A 2011 District study found that such "volume-based" rate structures better account for household sewer discharge, promote water conservation, and provide financial reliability for District services. The study also found that volume-based rates would provide District ratepayers with the opportunity to control a portion of their sewage bills. The District began implementing a "volume based" rate structure in 2012 and has found that the structure has met the above objectives.

The District's volume-based rate applies to residential users with a public water connection including multiple family units such as apartments, condominiums, and mobile home parks. The rate includes fixed charges and charges based on water use.

- 70 Percent Fixed Charges: The fixed charge recovers costs that the sewage treatment and collection system incurs regardless of increased or decreased sewage flow into the system.

Effective July 1, 2015 the District proposes to increase the fixed charge to \$623 per year per Equivalent Single-family Dwelling (ESD) for residential users with a public water connection. This represents an increase of \$27 or 4.5% versus current year. All residential sewer customers with a public water connection must pay this fixed charge.

- 30 Percent Volume-Based: The volume-based charge recovers costs to the sewage treatment and collection system that vary with the amount of sewage conveyed and treated, and gives District ratepayers the opportunity to control a portion of their sewage bill. It uses winter water use as the basis for the calculation. Winter water use generally provides the best available estimate of indoor water use and its impact to the District's treatment facilities because outdoor irrigation is usually minimal during the winter months.

Effective July 1, 2015 the District proposes to increase the volumetric charge to \$5.03 per Thousand Gallons for residential users with a public water connection. This represents an increase of \$0.21 per Thousand Gallons or 4.5% versus current year. The District will

- Compare January, February, and March 2015 water bills. The months correspond to the date of the water bill.
- Select the water bill with the lowest water use and use that bill as the basis for the volumetric rate calculation. Each water bill covers a two month billing period. There are 6 billing periods annually.

For 2015 each residential user with public water and sewer connections will be charged as follows:

Fixed Charge: \$623 per ESD x Number of ESD's

And:

Volumetric Charge using the lowest winter water bill covering two months for the billing months identified above:
Total Winter Water Usage in Thousands of Gallons x 6 billing periods annually x \$5.03 per Thousand Gallons