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OCCIDENTAL COUNTY SANITATION DISTRICT NEWS

SPRING 2016 Vol. 4, Issue #1

Rates Go Directly to Operate and Maintain Community's Sanitation

District Facilities The Sonoma County Water Agency (Water Agency) operates eight sanitation systems in Sonoma County, including Occidental County Sanitation District. Fees 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 farms, parks, schools, and others for outdoor irrigation and other beneficial uses. 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. Equipment and facilities used to treat wastewater must operate reliably under harsh conditions and need to be replaced or rebuilt on a regular basis. Fees collected from ratepayers pay for such replacements and rebuilds. Rate increases, low-interest loans, and grants are used to fund infrastructure replacements and upgrades.

For example, between 1995 and 2014 more than \$140 million in capital expansion and replacement projects were funded among the eight systems. Annual rate increases have averaged below 6% for the sanitation Districts and Zones operated by the Water Agency. By comparison, sewer rate increases for municipal wastewater systems in Sonoma County over the past 10 years averaged 8% per year. This has been accomplished while keeping up with operations and maintenance and investing in capital replacement funds, which are used to pay for the depreciation 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 systems' 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.

How Your Sanitation District Budget Works

The Water Agency strives to operate and maintain these sanitation 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 Proposition 218. The fiscal year for the Districts and Zones, 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, 2016 through June 30, 2017. A five-year capital plan is prepared for the Zones 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. For some systems, the revenues generated from user fees are not sufficient to keep pace with the rate in which equipment is wearing out. For such

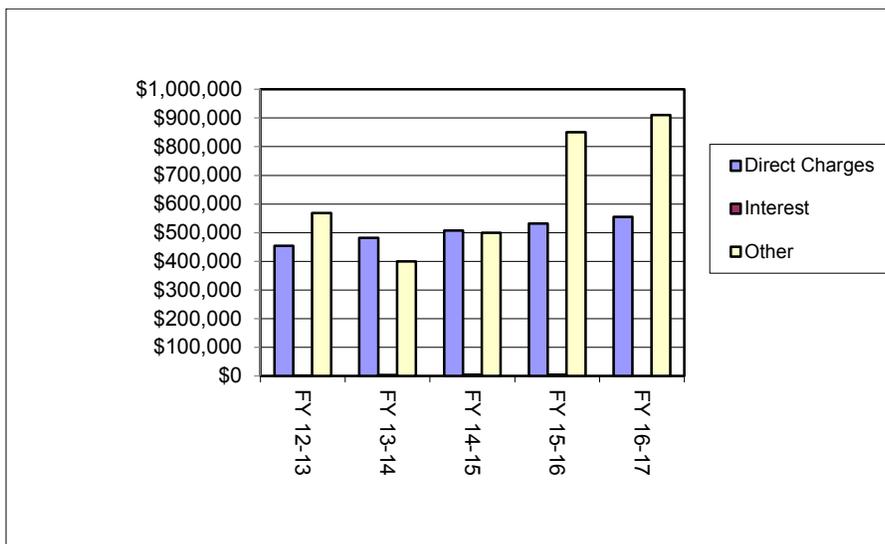
systems, fee increases are set incrementally above the rate of inflation to generate a reliable source of funding to replace worn out equipment before it fails.

Budget Approval

After the proposed budgets and rates are developed, 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. In addition, notices of the proposed rates are mailed to the owners of the properties in the Districts and Zones at that time. They are also available online. The public can protest rate increases up to the date of the rate hearings, which are typically held in mid-May at the Board of Supervisors chambers. (A protest form and rate hearing information is available on pg. 7 of this notice).

Budget Summary Revenue

The primary sources of revenues are the user 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 Zone revenue. Grants are also a revenue source. Below is a chart showing the Zone revenue for the last four years and the projected revenues for the next fiscal year:

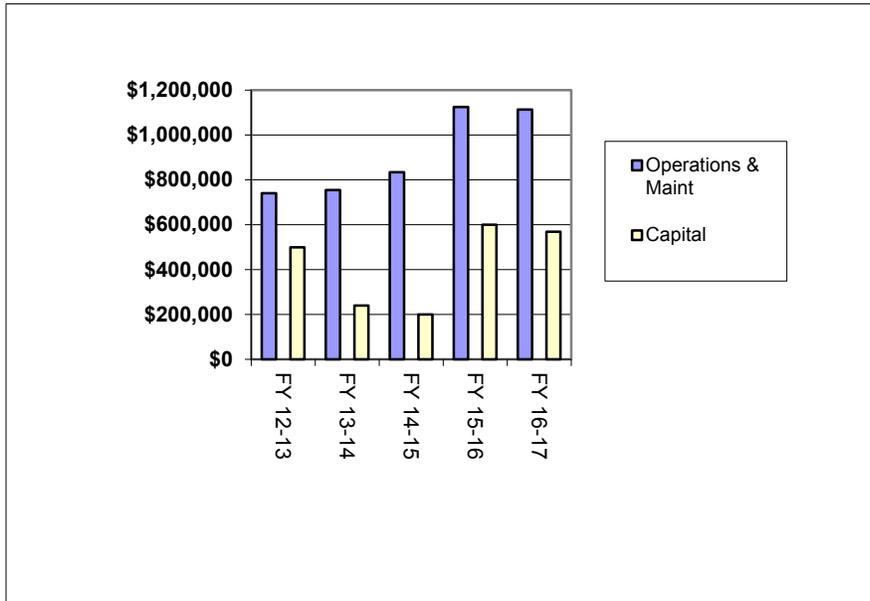


Expenditures

Your District spends money to:

- Operate the wastewater collection and treatment facilities;
- Maintain and repair District facilities;
- Repay bond, other debt and miscellaneous liabilities that may occur as a result of operation; and
- 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:



Rebates

SEWER LATERAL REPLACEMENT PROGRAM The Lateral Replacement Program provides funding to replace customer's poor performing laterals. Many of the lateral sewer pipes in the District are old and contributing unwanted stormwater inflow to the sewer system during wet weather. Sign up for the program or learn more at www.sonomacountywater.org/occidental-lateral or call (707) 547-1952.

CLOTHES WASHER Receive up to \$125 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.

TOILET Get up to \$150 back on the purchase and installation of each new, qualifying high-efficiency toilet (HET) from the List of Qualifying Models. Download rebate application forms and learn more at www.sonomacountywater.org/rebates or call (707) 547-1918.

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. For more information and to register, go to: www.sonomacountywater.org/direct-install.

GRASS REMOVAL If you are a well user within the Russian River watershed, you may now be eligible to save money and conserve water by replacing the grass at your home. Through emergency drought relief funding, the Water Agency is offering homeowners \$0.50 per square foot of grass removed and replaced with low water use plants, up to 500 sq. feet. To view a full list of the program guidelines and qualifications visit www.sonomacountywater.org/drought. Due to limited funds, this program will only be offered while funding is available.

Public Invited on Free Tours

The Water Agency is pleased to host public tours of the Russian River water supply system. To sign up for the tour described below, please fill out the online registration form at

[:www.sonomacountywater.org/tours](http://www.sonomacountywater.org/tours)

Additional details will follow once your registration is received.

Russian River Water Supply System Tour

The Sonoma County 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 Westside Water Education Center, 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 / Inscríbete en Español **Saturday, April 30th, 9 a.m. – Noon**. Sign up in English/ Inscríbete en Español **Saturday, October 8th, 9 a.m. – Noon**

For more information on the above tours, contact us on the Public Affairs hotline at 707.524.6430.

Sewer System Management Plan Updates

The Water Agency is in the process of updating the Sewer System Management Plans (SSMP), which are designed to ensure that sewer agencies review their maintenance and repair records in order to keep sanitary sewer overflows (SSO) to a minimum. The goal of the process is to determine the overall health of the system based on the number of SSOs that occur every year. The five-year SSMP update is expected to be considered for approval by the Water Agency Board of Directors in the spring of 2016. The SSMPs are available at our 404 Aviation Blvd. office in Santa Rosa and also at: www.sonomacountywater.org/sewer-sytem-management-plans/

Recycled Water Treatment and Disposal

For more than a decade, the Water Agency has been seeking solutions to bring the Occidental County Sanitation District (OCSD) into compliance with its permit to discharge recycled water. Many different alternatives have been explored and rejected because they were too expensive, technically infeasible or didn't pass muster with the community.

The OCSD is now under orders to stop discharging recycled water into Dutch Bill Creek by January 1, 2018. To comply with this order, the Water Agency hired an engineering consultant to explore different treatment options to enhance the quality of the recycled water, which would then be piped to farmers to use for irrigation. The cheapest treatment option -- combined with the costs of site preparation and improvements and constructing a pipeline to dispose of the recycled water – is estimated to cost more than \$5.9 million. Annual operating costs are estimated to be more than \$1.2 million.

In order to reduce the burden on ratepayers, while still complying with the law, the Water Agency is actively pursuing a project to truck the untreated wastewater to other sanitation facilities for treatment and disposal. This project is less expensive than proposed new plant options. Estimated capital costs of the project are \$1.3 million and annual estimated operating costs are \$874,500. The project requires relatively minimal design and construction, allowing the District to meet the 2018 deadline set by the

Regional Water Quality Control Board. During most times of the year, the project would result in about five truck trips per day, five days a week between the OCSD lift station and the Russian River County Sanitation District in Guerneville, with additional trips needed during heavy storms. Possible impacts, including noise, greenhouse gas emissions and traffic issues, will undergo environmental analysis. For more information, go to www.scwa.ca.gov/OCSD.

Safe Medicine Disposal Program

Over the last decade there is growing evidence that pharmaceuticals, when flushed down the toilet, tend to persist in highly treated wastewater. Continual, multi-generational exposure of aquatic life to multiple pharmaceuticals has negative consequences on our environment.

The Water Agency is sponsoring the Safe Medicine Disposal program to allow for the safe disposal of unused and unwanted medications. Bring unwanted medications (in original containers with personal information marked out) to any participating location for safe disposal during business hours. To view Drop-Off Locations and see what medications are accepted, visit www.safemedicinedisposal.org/

PROPOSITION 218

Sonoma County Water Agency

Occidental County Sanitation District

NOTICE OF PUBLIC HEARING REGARDING PROPOSED SEWER SERVICE FEE INCREASE

Date, Time, and Place of Public Hearing

On May 17, 2016, at 2:10 p.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 County Water Agency (Agency) will conduct a public hearing to consider increasing the annual sewer service fee to be collected on account of sewage collection and treatment services provided by the sewer system of the Occidental County Sanitation District (District) to property within the Zone.

Property Owner Obligation

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

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

The fee is imposed for two purposes: (a) to finance 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.

Amount of Proposed Fee Increase and Method of Calculating the Increased Fee

Effective July 1, 2016, the District proposes to increase the fee to \$2,068 per year per "equivalent single-family dwelling" (ESD), an increase of \$70, or 3.5% versus current year. A standard single-family home

constitutes one ESD. Parcels which have other uses (for example, apartments and commercial buildings) will be assigned a number of ESDs using standard equivalency factors which estimate the probable quantity and quality of sewage effluent normally generated by such uses in comparison to a single-family home.

The increased fee has been calculated by dividing the annual costs of providing wastewater treatment and collection service by the estimated number of ESDs to arrive at the fee per ESD of \$2,068, and for parcels having more than one ESD assigned, the fee is calculated by multiplying the number of ESDs assigned to the parcel times \$2,068. The draft proposed budget for fiscal year 2016-17 describes the total annual expenses in detail and is available for review at the Occidental 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).

[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 2016-17:

Manuel Olvera, Engineering Technician III

Candi Bryon, Accountant III

[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 Zone which will be subject to the fee while connected to the system. In the event you have sold property you may have owned within the Zone, please send this notice to the new owner.

Either prior to or at the public hearing, property owners may submit written protests respecting the fee. 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 16, 2016, 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 17, 2016, to: Clerk of the Board

Board Meeting Room, as set forth in the opening paragraph

Date of this Notice: March 28, 2016

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