

SONOMA VALLEY COUNTY SANITATION DISTRICT NEWS

SPRING 2014 VOL. 2, ISSUE #1

PROPOSITION 218 NOTICE ENCLOSED UNDERSTANDING YOUR DISTRICT'S RATE SETTING PROCESS

The Sonoma Valley County Sanitation District's (District) fiscal year begins on July 1 of each year and runs through June 30 of the following year. Therefore the following information concerns the period from July 1, 2014, through June 30, 2015. Because budgets are prepared approximately six months in advance of the time period they cover, there is ample opportunity for public input and for the required review and approval process to occur. Public input is a continuous process and can occur at any time during the year. Specific maintenance and construction projects and priorities are regularly reviewed and revised by Sonoma County Water Agency (Water Agency) staff. Many of these projects have their own environmental and construction approval process, which also includes public input. 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.

Priorities for projects are assigned by taking public input, maintenance data and assessment of the current condition of the facilities into account. The funds available for capital improvements and replacement are then planned for in such a way as to level the expenditures from year-to-year and, as a result, reduce the impact that sharp increases in rates would have on you — the ratepayer. Budgets also 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. Because of the uneven timing of the revenues paid to the District and because actual costs rarely turn out exactly equal to staff estimates, fund balances or retained earnings are kept at all times. These fund balances typically amount to three-to-six months of operating expenses.

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, 404 Aviation Boulevard, Santa Rosa. Typically, this happens at the end of March each year. In addition, notices of the proposed rate are mailed to the owners of all 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, which are typically held in mid-May at the Board of Supervisors chambers.

BUDGET SUMMARY

REVENUE

The primary sources of revenues are the fees charged to 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's revenue for the last four years and the projected revenues for the next fiscal year.

Fiscal Year	Taxes/Service Charges	Interest	Other
FY 10-11	11,698,132	45,150	737,140
FY 11-12	11,869,152	183,821	5,474,177
FY 12-13	12,481,147	184,111	9,041,901
FY 13-14	13,138,132	186,425	615,368
FY 14-15	13,787,425	184,268	1,709,368

GLOSSARY

CAPITAL PROJECT - A PROJECT THAT REPLACES OR ADDS ASSETS VALUED AT MORE THEN \$25,000.

OPERATIONS - THOSE ACTIVITIES THAT PROVIDE DIRECT SERVICE TO SYSTEM USERS OR TO SUPPORT DIRECT SERVICE.

MAINTENANCE - ACTIVITIES THAT WORK TO KEEP CURRENT EQUIPMENT, FACILITIES AND INFRASTRUCTURE OPERATIONAL.

ESD - EQUIVALENT SINGLE FAMILY DWELLING (COMMERCIAL AND MULTI-RESIDENTIAL PROPERTIES ARE CHARGED THE FLAT RATE TIMES THE NUMBER OF ESDS).

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.

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

The chart below shows expense level trends over the last four years and next year's budget.

Fiscal Year	Operations & Maint	Debt	Capital
FY 10-11	8,763,000	2,103,949	3,798,349
FY 11-12	9,308,444	2,451,771	4,808,878
FY 12-13	9,861,500	2,879,173	15,721,000
FY 13-14	9,221,000	3,031,004	10,422,000
FY 14-15	10,184,213	2,725,603	9,355,000

YOUR BUDGET QUESTIONS ANSWERED

Q: Why do my rates seem to increase every year?

A: Your District tries to manage the system to minimize rate increases while ensuring the infrastructure will be in place to handle current and future needs. The costs of operating the treatment plant and collection system as well as paying for repairs, maintenance and replacement of aging infrastructure must be paid by the users of the system.

Q: *What is a volume-based rate structure?*

A: 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.

YOU CAN HELP BEAT THE DROUGHT

“There’s a drought on. Turn the water off.” is the public awareness slogan and campaign launched January 7 by the Water Agency along with the Sonoma-Marín Saving Water Partnership.

With the Water Agency’s service area facing drought conditions after experiencing two dry years and the driest year on record in 2013, the goal of the effort is to increase public awareness about the drought and provide conservation tips.

On January 17, Gov. Jerry Brown declared a statewide drought emergency that includes 20 action points. The Water Agency is coordinating with the appropriate state agencies to ensure all action items within its jurisdiction are being met. Many of these action items, including the implementation of a public awareness campaign, have already been implemented. Also, water reuse programs have been implemented in some areas.

For an update on drought and water supply conditions from the Water Agency, go to this website link: www.sonomacountywater.org. To learn about the drought campaign, go to: www.wateroff.org.

WAYS TO CONSERVE WATER IN SONOMA VALLEY

HIGH-EFFICIENCY FIXTURE DIRECT INSTALL PROGRAM

Under this District’s 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 with active connections. To participate, register your property on the program wait list. Properties will be selected on a first-come, first-served basis based on funding availability. For more information, visit www.sonomacountywater.org/direct-install or contact Brian Lee, Water Use Efficiency Specialist, at (707) 547-1918 or brian.lee@scwa.ca.gov.

CLOTHES WASHER REBATE

Through the Sonoma-Marín Saving Water Partnership, replace a top-loading clothes washer with a qualifying front-loading clothes washer and receive a rebate from participating water suppliers. Details are available at this website link: www.savingwaterpartnership.org/washer-rebate.

SANITATION SERVICES — ABOUT YOUR DISTRICT

In 1995 the Water Agency assumed responsibility from the County of Sonoma for managing the county sanitation zones and districts, including your District. The District began operation in 1953. Currently, serves 17,328 Equivalent Single-Family Dwellings within a 4,500-acre service area. The treatment plant has a design capacity of 3 million gallons per day (average daily dry weather flow) and treats wastewater to tertiary treatment levels (also referred to as advanced water treatment). High-quality recycled water is an important resource and its use offsets potable water demands and enhance the environment. Between May 1 and October 31, the recycled water is used for irrigation and wetland/salt marsh enhancement. Between November 1 and April 30, recycled water is discharged into Schell Slough or Hudeman Slough.

COLLABORATIVE SALT MARSH PIPELINE PROJECT COMPLETED

The Napa Sonoma Salt Marsh Restoration Pipeline project to deliver recycled water to former salt ponds has been completed. The former Cargill salt pond complex at the north end of San Pablo Bay has the potential to provide diverse wetland habitat, but the area could not be fully restored without clean water to eliminate the bittern left over from the salt production process. Among other benefits of the multi-use project will be for irrigation and to

PUBLIC INVITED ON FREE TOURS

The Water Agency is pleased to host public tours of the Russian River water supply system, Sonoma Valley Wastewater 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.

RUSSIAN RIVER WATER SUPPLY SYSTEM TOUR

For an up-close look at the facilities that divert, pump and treat the water delivered by the Water Agency to the more than 600,000 residents in portions of Sonoma and Marin counties, you're invited on the Russian River Water Supply System Tour. This free half-day tour, offered Saturday, May 17, 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. Tours begin at 9 a.m. Tours in Spanish are offered May 10, August 2 and October 25; please register by contacting Hugo Mata directly at (877) 689-7721 or hugo@c2alts.net.

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 12, at 11 a.m.

ENERGY AND SUSTAINABILITY TOUR

See first-hand a subset of energy and sustainability projects the Water Agency has developed in an effort to deliver Carbon Free Water by 2015. The 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 Wastewater Treatment Plant. This tour is Thursday, April 10, beginning at 5:30 p.m. Tour participants will meet at 404 Aviation Blvd. in Santa Rosa.

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. help reduce the demand on groundwater sources. The project's successful completion was a result of years of planning, coordination across two counties, easements across private

property, and the cooperation of many organizations, including the Water Agency, District and a variety of state, federal and regional partners. For more information, visit www.napa-sonoma-marsh.org.

BIOSOLIDS UPGRADE PROJECT NEARS COMPLETION

State-of-the-art infrastructure and the latest in technology define the biosolids management upgrade project at the District's treatment plant. Testing is in the works, with full operations expected soon. The State Water Resources Control Board's Clean Water State Revolving Fund is reimbursing the District for the \$3 million project.

A number of public and environmental benefits will be achieved from the upgrade. For example, dewatered solids infrastructure improvements will result in less material hauled to the landfill, lower transportation costs, and fewer landfill fees.

For more information about the biosolids project, please contact Brian Anderson, Coordinator, Operations, at brian.anderson@scwa.ca.gov Phone: (707) 521-1848. An article was also featured in the Fall 2013 newsletter online at www.sonomacountywater.org/svcscd.

ESTIMATE YOUR SEWER BILL ONLINE

A new online rate estimator makes it easier to understand how your sewer bill is calculated and puts you in the driver's seat in estimating your bill for next year. The District calculates residential sewer bills by using a volumetric structure approved by the District's Board of Directors in 2012. The rate structure does not apply to commercial customers. Instead, commercial customers will continue to be charged based on a fixed rate structure. The online estimator is available at www.sonomacountywater.org/svcscd.

SONOMA COUNTY WATER AGENCY

SONOMA VALLEY COUNTY SANITATION DISTRICT

PROPOSITION 218

NOTICE OF PUBLIC HEARING REGARDING PROPOSED

SEWER SERVICE FEE INCREASE

Date, Time, and Place of Public Hearing

On May 20, 2014, 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 Charge 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 2014-15 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, 2014 the District proposes to increase the charge to \$852 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 \$41 or 5.0% 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'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-Costs: 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, 2014 the District proposes to increase the fixed charge to \$596 per year per Equivalent Single-family Dwelling (ESD) for residential users with a public water connection. This represents an increase of \$28 or 5.0% 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. The volume-based charge gives District ratepayers the opportunity to control a portion of their sewage bill.

For 2013 each residential user with public water and sewer connections and measurable winter water use will be charged based on water consumption of that user in the months of December and January. This information is available on your water bills. See examples below on how to calculate your estimated charge. The highest residential usage charge will be 20,000 gallons per month per ESD. For properties with more than one ESD assigned, the usage cap is calculated by multiplying the number of ESDs assigned to the parcel by 20,000 gallons. For example, the usage cap for a property assigned 2 ESDs is 40,000 gallons (2.0 ESDs X 20,000 gallons).

Effective July 1, 2014 the District proposes to increase the volumetric charge to \$4.82 per Thousand Gallons for residential users with a public water connection. This represents an increase of \$0.23 per Thousand Gallons or 5.0% versus current year.

The volume charge 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.

The District recognizes that due to current drought conditions customers may have irrigated during winter months. To take drought conditions into account while also recognizing District ratepayers who were able to conserve water, the District will use winter water use data from both 2013 and 2014 to determine the volume used to calculate the volumetric charge. The District will

- Compare January, February, and March 2013 water bills to January, February, and March 2014 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 2014 each residential user with public water and sewer connections will be charged as follows:

Fixed Charge:

\$596 per ESD x Number of ESD's

And:

Volumetric Charge using the lowest winter water bill covering two months from either 2013 or 2014 for the billing months

identified above:

Total Winter Water Usage in Thousands of Gallons x 6 billing periods annually x \$4.82 per Thousand Gallons

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 \$4.82 per Thousand Gallons

The 2014 sewer charges for residential customers with a public water connection are the Fixed Charge plus the Volumetric Charge:

Sewer Charge Component Charge

Fixed Charge \$596 per ESD

Volume Charge \$4.82 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 2014-15: 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 19, 2014, 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 20, 2014, to:

Clerk of the Board

Board Meeting Room, as set forth in the opening paragraph

Date of this Notice: March 28, 2014

A Rate Protest Form was mailed to each property owner receiving service within the district or zone.