

SOUTH PARK COUNTY SANITATION DISTRICT NEWS

SPRING 2014 VOL. 2, ISSUE #1

BUDGET & FEES 101

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

The South Park 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	3,009,292	40,000	4,017,000
FY 11-12	3,116,836	5,198	1,487,078
FY 12-13	3,201,304	14,850	31,000
FY 13-14	3,299,743	9,250	17,000
FY 14-15	3,404,994	49,020	17,000

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	2,524,500	355,378	8,192,066
FY 11-12	2,461,228	269,996	4,603,792
FY 12-13	2,422,000	251,443	928,000
FY 13-14	2,429,000	262,033	2,110,000
FY 14-15	2,444,536	271,583	845,000

YOUR BUDGET QUESTIONS ANSWERED

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

A: Your Water Agency 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: *I live alone. Why do I pay the same as my neighbor with four children?*

A: The District allocates the cost of operations and maintenance using a flat billing method per ESD (similar to the method used by 84% of similar entities in California). This method is very inexpensive and efficient to administer. Billing based on usage would require either data on water usage (which the District does not have) or meters on the sewer system, which would be a very costly expense borne by the rate payers.

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 this website link: www.wateroff.org.

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 collection system serves approximately 4,019 Equivalent Single-Family Dwellings within a 1,460-acre service area. Wastewater collected by the District is treated at the Laguna Wastewater Treatment Plant. Most of the treated water is reused for power generation and irrigation

SEWER AND WATER INFRASTRUCTURE IMPROVEMENT PROJECT ON TRACK

A District capital improvement project to replace aging sewer and water infrastructure began in October 2013. The Gloria-Meekland project is scheduled to be complete by the end of June 2014. When the project is finished, results will include increased public and environmental health and safety improvements along with environmental regulatory compliance. For more information, contact Dennis Daly, Principal Engineer, Construction Management, at (707) 547- 1984 or

ddaly@scwa.ca.gov. An in-depth article about the project was in the Fall 2013 newsletter. Download the issue from www.sonomacountywater.org/south-park-sanitation-district.

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PUBLIC INVITED ON FREE TOURS

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

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

CAPITAL IMPROVEMENT PROJECTS REPLACING AGING INFRASTRUCTURE

The District provides service to the South Park area using a gravity collection system and lift station. Crews have been making improvements to area infrastructure

PREVENT SEWER DAMAGE FROM F.O.G

Fats, oils and grease (F.O.G) when poured down the drain may damage sewers, result in overflows and backups, and cause harm to your home and environment. Your District provides FREE grease scrapers to help you keep FOG from going down the drain. Call the Water Agency Public Affairs Hotline at 707.524.6430.

SONOMA COUNTY WATER AGENCY
SOUTH PARK 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 South Park County Sanitation District (District) 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 District to property within the District.

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, 2014, the District proposes to increase the fee to \$851 per year per "equivalent single-family dwelling" (ESD), an increase of \$21, or 2.5% 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 \$851, and for parcels having more than one ESD assigned, the fee is calculated by multiplying the

number of ESDs assigned to the parcel times \$851. The draft proposed budget for fiscal year 2014-15 describes the total annual expenses in detail and is available for review at the South Park 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 Water Agency at (707) 526-5370 for further information and/or obtaining copies of the draft proposed budget for fiscal year 2014-15: Manuel Olvera, Engineering Technician III

Candi Bryon, Department Analyst

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 fee 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 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 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.