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South Park County Sanitation District

Spring 2018 News, Vol 6, Issue #1

South Park County Sanitation District New Rate Structure Provides Customers with Greater Control over Sewer Bill

The Sonoma County Water Agency (Water Agency) currently manages and operates the South Park County Sanitation District (District), which provides sewer services for 2,208 customers in south Santa Rosa. The District includes the Roseland area, which last year was annexed into the City of Santa Rosa (City). The Water Agency is working with the City on a multi-year transition process to eventually turn over the operation and management of the District to the City. Prior to the transition, the Water Agency will be moving to a new rate structure that provides customers greater control over their sewer bill, is consistent with industry best practices, and is similar to the City's rate structure.

SEWER & WATER CUSTOMERS

The new rate structure will combine a fixed rate with a volumetric charge. That means a certain percentage of your bill will be a fixed cost to cover the District's operations and maintenance expenses. If you are currently a City water customer, the remaining percentage will be based on the amount of household water used during the winter billing periods (from the City of Santa Rosa), from November through March. This provides a more accurate estimate of indoor water use (and sewer volume) because water is not typically used for outdoor irrigation in the winter, and the majority of indoor water used goes to the sewer treatment plant.

This billing method provides District customers with more control over their sewer rates by allowing them to reduce their sewer bill if they conserve water. For instance, if a single-family residence uses less water per month, it lowers their water bill and that will lower their sewer charges on an annualized basis. Sewer service will continue to be charged annually on property tax bills during the multi-year transition period. Eventually, all customers will be converted to a monthly billing system.

SEWER-ONLY CUSTOMERS

If you are a commercial or residential sewer-only customer, (those not served by City water), your charges will be based on a number of factors:

RESIDENTIAL SEWER ONLY

Owners of residential properties will be billed for sewer service based on their household size, which will be estimated based on the number of bedrooms (plus one) listed in the Sonoma County Assessor's records for your parcel.

This information, plus the average winter water usage based on a City-wide average for a similar type of City water customer, will be used to determine your sewer charges. If your household size is different than the number of bedrooms in your house plus one, please call Kathy Badger, at (707)521-6215 or email to Kathy.badger@scwa.ca.gov.

COMMERCIAL SEWER ONLY

Commercial properties that are sewer-only customers will be billed based on several factors:

The type of business, the square footage of the business, and the average City-wide monthly water use for similar City water customer businesses. If you did not complete a survey that was mailed to your business, please contact Kathy Badger, at (707)521-6215 or email to Kathy.badger@scwa.ca.gov.

A Proposition 218 public hearing about the rate restructuring proposal that will take place at a District Board of Directors meeting on May 22, 2018, at 2:20 p.m. at the Board of Supervisors Hearing Room, 575 Administration Drive, Santa Rosa. More detailed information Prop. 218 and the proposed rate restructuring appears on page 4 of this newsletter.

For more information on this program and to learn about water conservation rebates, please visit <http://www.sonomacountywater.org/SPCSD> or call Kathy Badger, at (707)521-6215 or email to Kathy.badger@scwa.ca.gov

How Your Sanitation District Budget Works

The Water Agency strives to operate and maintain 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 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, 2018 through June 30, 2019. A five-year capital plan is prepared for the district 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

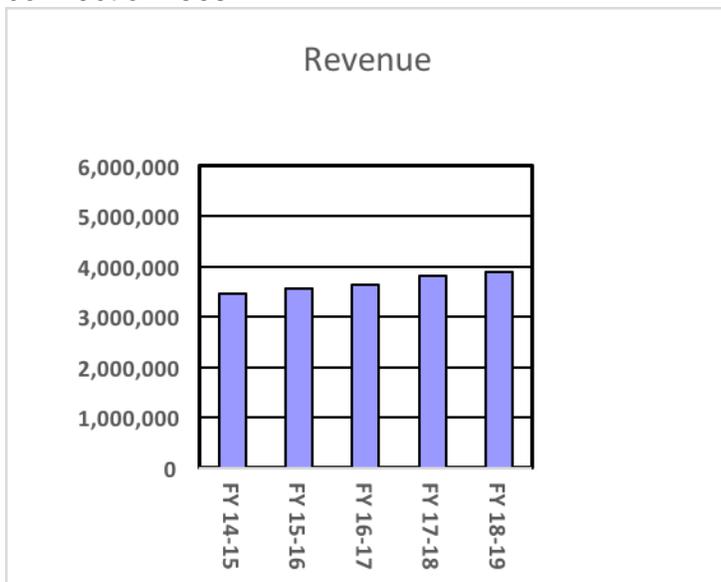
such systems, fee increases are set incrementally above the rate of inflation to generate a reliable source of funding to replace worn out equipment before it fails.

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. They are also available online. 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. 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 are available on pages 6-7 of this notice).

Budget Summary Revenue

The primary source 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 grants, interest on fund balances and new connection fees.

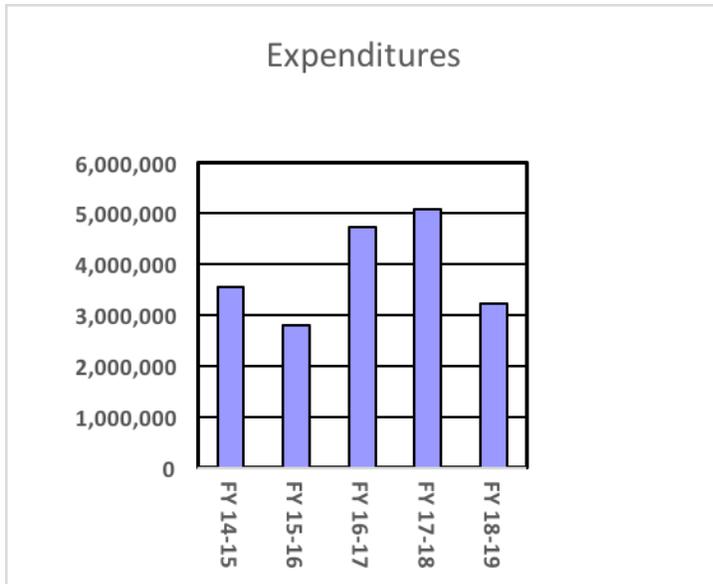


Expenditures

Your district spends money to:

- Operate the wastewater collection and treatment facilities;
- Maintain and repair district facilities;
- Repay bonds, 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 and regulations.

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



Water Rebates in your District

As a sanitation customer, you have some water saving tools at your fingertips! Please take advantage of the following water saving programs which are offered on a first-come, first-served basis through the City of Santa Rosa.

For more information visit, email or call: srcity.org/wue • wue@srcity.org • (707)543-3985

Receive Rebates for:

High-Efficiency Clothes Washers, Recirculating Hot Water Pumps, Cash for Grass Program, Irrigation Upgrades, Graywater Reuse, Rainwater Harvesting, and Sustained Water Reduction.

SEWER LATERAL CORRECTION

A diagram similar to this showing a typical residential sewer lateral was published in the Fall 2017 sanitation newsletters. However, the diagram failed to properly label as “Illegal” the downspout that is tied into the sanitation sewer line. Downspouts from roof gutters are not allowed, nor are any other connections other than a building’s indoor plumbing fixtures. We apologize for the error. (Image shows illegal connection from downspout and rain gutter to drain connected to building sewer.)

Proposition 218

Sonoma County Water Agency South Park County Sanitation District

Notice of Public Hearing Regarding Proposed Sewer Service Fee Increase and Rate Structure Modifications

Date, Time, and Place of Public Hearing

On May 22, 2018, at 2:20 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 South Park County Sanitation District (District) will conduct a public hearing to consider increasing the annual sewer service fee (Sewer Fee) and make rate structure modifications.

If approved, the increased Sewer Fee and rate structure modifications will become effective on July 1, 2018.

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

Reasons for the Sewer Fee and Use of the Funds Collected

The Sewer Fee is imposed to recover the District's cost of providing sewer service, including: (a) to finance the ongoing operation and maintenance costs of the system; (b) to pay the capital replacement program costs of the system, which provides for the long-term replacement of system facilities as they wear out; and (c) to maintain sufficient reserves. The District's Sewer Fee is reviewed annually to determine if adequate revenues are being collected for these purposes.

The draft proposed budget for fiscal year 2018-19 describes the District's 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).

Sewer Fee Increase and Rate Structure Modifications

The District is working with the City of Santa Rosa on a multi-year transition process to turn over the operation and management of the District to the City. Prior to the transition, the District will be moving to a new rate structure to recover the cost of providing District services that provides customers greater control over their sewer bill, is consistent with industry best practices, and is similar to the City's rate structure.

Current Billing Calculation Method

The District's current rate structure includes one component: fixed charges. The District's Sewer Fee is currently calculated based on usage of a standard "equivalent single-family dwelling" (ESD). A standard single-family home constitutes one ESD which is defined as what an average single family home would use in a given year. All single family homes are charged the same fixed charge based on 1 ESD, regardless of the amount of water used in the home. Parcels which have other uses (for example, apartments and commercial buildings) are 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 current Sewer Fee for each ESD is \$935 per year. The Sewer Fee is calculated by multiplying this amount (\$935) by the number of ESDs assigned to the parcel.

Proposed Billing Calculation Method

The District's new proposed rate structure is designed to recover the costs of providing sewer services and would include two components (A) fixed charges; and (B) volumetric charges that are based on water used. The rate increase is 3.5% versus current year.

A. Fixed Charge Calculation

The fixed charge recovers 80 percent of the District's costs to provide sewer services, including costs associated with the sewage treatment and collection system that are incurred regardless of increased or decreased sewage flow into the system. The fixed charge is based on the number of ESDs.

Effective July 1, 2018, the District proposes to establish the fixed charge of \$774.18 per year per ESD. All District customers will pay the fixed charge.

The fixed charge component of the Sewer Fee will be calculated as follows:
 $\$774.18 \text{ per ESD} \times \text{Number of ESD's} = \text{Fixed Charge Component of the Sewer Fee}$

B. Volumetric Charge Calculation

The volume-based charge recovers 20 percent of the District's costs to provide sewer services, including the costs associated with 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 sewer bill. The District will use City of Santa Rosa water usage data to calculate the annual volumetric charge portion of the Sewer Fee. All District customers will pay an annual volumetric charge.

The Volume-Based Component of the Sewer Fee has two parts, which are multiplied together:

$\text{Annual Water Usage} \times \text{Charge per thousand gallon} = \text{Volume-Based Component of Sewer Fee}$

The District has four categories of customers for the volumetric charge calculation for whom the water usage and Charge per thousand gallons will vary:

1. Residential Customers with a City of Santa Rosa Water Connection
2. Residential Customers with No City of Santa Rosa Water Connection
3. Non-Residential Customers with a City of Santa Rosa Water Connection
4. Non-Residential Customers with No City of Santa Rosa Water Connection

Annual Water Usage calculations are based on water consumption from the prior year. For Residential Customers, average winter water usage provides the best available estimate of indoor water usage and its impact to the sewer system because outdoor irrigation is minimal during the winter months. For Non-Residential Customers, annual water usage is based on actual water usage.

Table 1: Residential Users: Annual Water Usage and Charge Per Thousand Gallon Calculation

Sewer Customers	Calculation of Annual Water Usage	Charge Per Thousand Gallons
With a City of Santa Rosa Water Connection	District will calculate Customer's average monthly water usage during the billing periods of November through March. For each month of the prior fiscal year, the District will select either the customer's winter average water usage or the customer's actual water used whichever is lower. District will add up the customer's monthly water usage to arrive at the total annual water usage.	\$4.07
With No City of Santa Rosa Water Connection part or all of the time	District will average the winter water usage during the billing periods of November through March of similar residential customers that have a City of Santa Rosa water connection. Similar residential customers are determined based on household size. Average winter water usage will be multiplied by 12 to determine annual water usage.	\$4.07

Table 2a: Non-Residential Customers: Annual Water Usage Calculation

Sewer Customers	Calculation of Annual Water Usage	Charge Per Thousand Gallons
With a City of Santa Rosa Water Connection	For each month of the prior fiscal year, District will add up the customer's actual monthly water usage to arrive at the total annual water usage.	Based on estimated wastewater strength, shown in Table 2a below
With No City of Santa Rosa Water Connection	District will average annual water usage from similar customers based on City of Santa Rosa water usage data. For multifamily and mobile home park customers, similar uses are based on household size. For other non-residential customers, similar uses are generally based on the type of use and physical size. However, for certain unique uses such as laundry, car wash, and residential care facilities, alternative calculations that better approximate water usage are used.	Based on estimated wastewater strength, shown in Table 2a below

Table 2b: Non-Residential Customers: Examples of Charge Per Thousand Gallon Calculation

Categories of Wastewater Strength and Examples of Types of Uses	Charge per Thousand Gallons
Low Strength - car wash, glass products	\$3.39
Standard Strength – multi-family (except duplex) complexes, condominium complexes, mobile home parks, warehouses, general commercial/industrial including retail, schools, churches, auto sales, dental and medical offices.	\$4.07
Medium Strength – mixed use commercial; hotel/motel, convenience store, bar, winery, brewery, auto repair.	\$4.52
High Strength – bakery, restaurant, coffee shop, meat and food processing, miller, hospital, veterinary clinic.	\$5.58

Appeal Procedure

If you have a leak in your water supply line or another reason that you feel the metered water usage during the measurement period does not reflect your actual usage, contact the District at (707) 526-5370 to determine whether an adjustment is warranted.

C. Fixed Charge and Volumetric Charge Calculation Combined for Total Sewer Fee

Each Residential Customer with a sewer connection will be charged an annual Sewer Fee calculated as follows:

$\$774.18 \text{ per ESD} \times \text{Number of ESDs (Fixed Charge Component)} + \$4.07 \text{ per thousand gallons} \times \text{Annual Water Usage in thousand gallons (Volumetric Charge Component)}$

Each Non-Residential Customer with a sewer connection will be charged an annual Sewer Fee calculated as follows:

$\$774.18 \text{ per ESD} \times \text{Number of ESDs (Fixed Charge Component)} + \text{Annual Water Usage} \times \text{Applicable Charge per thousand gallons shown in Table 1 (Volumetric Charge Component)}$

Further Information Available Prior to the Hearing

At the hearing, the Board will consider adoption of an ordinance which will establish the increased Sewer 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 2018-19:

- Kathy Badger, Administrative Aide
- Lynne Rosselli, Administrative Service Officer II

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 Sewer 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, or tenants who are directly liable for the payment of the Sewer Fees, may submit written protests respecting the Sewer 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), or tenant(s) directly liable for paying the Sewer Fee, 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 21, 2018, at the mailing address on the attached Written Protest form.
- If hand delivered, they must be delivered no later than the close of the public hearing on May 22, 2018 to:

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

Date of this Notice: March 30, 2018

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, or a tenant that is directly liable for paying the sewer service fee for the property. 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

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

<http://www.sonomacountywater.org/SPCSD>